NSL

ANNUAL REPORT 2020

Contents

Vision

To be the leading Industrial Group in Asia Pacific in Precast & Prefabricated Bathroom Unit and Environmental Services.

Mission:

We aim to be the market leader in our businesses by striving to be the most cost effective and sustainable solutions provider through leveraging on technology and business excellence standards.

Corporate Profile

NSL and its group of companies is a leading industrial group in Asia Pacific. The Group's core businesses are Precast & Prefabricated Bathroom Unit ("PBU") and Environmental Services.

The Precast & PBU division is a market leader in manufacturing precast concrete components in Singapore and Malaysia while the PBU business is a dominant producer in Scandinavia.

The Environmental Services division is a key player in integrated environmental services in Singapore, covering the treatment and logistics services of hazardous industrial wastewater from the chemical sector and oily wastewater from both land and marine transportation sectors.

In addition, NSL Group has indirect shareholdings in Raffles Marina, Asia's Premier Marina Club in Tuas, Singapore and Salzgitter Maschinenbau AG in Germany, which is a worldwide market leader in the manufacturing of lifting equipment, process technology and special purpose machines.

NSL Group has an active Research and Development programme that leverages on technology to develop innovative products and process improvements for productivity. It also partners local government agencies and tertiary institutions to develop new and sustainable solutions for industrial applications.

The Group has operations and joint ventures in seven countries and has been listed on the Singapore Exchange since 1964.

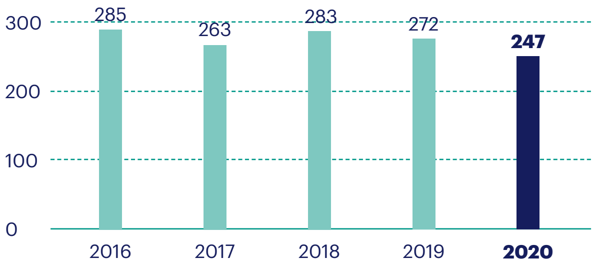
Group Financial Highlights

	2019	**2020**	Change (%)
For the Year (S$'000)			
Turnover from continuing operations	272,350	**247,106**	(9)
Loss before tax from continuing operations	(34,952)	**(16,911)**	(52)
(Loss) / profit attributable to shareholders			
- from continuing operations	(33,637)	**(16,619)**	(51)
- from discontinued operations	494	**-**	(100)
Total group loss attributable to shareholders	(33,143)	**(16,619)**	(50)
At Year-end (S$'000)			
Shareholders' funds	510,307	**495,456**	(3)
Total assets	664,829	**645,419**	(3)
Per Share			
Basic loss per share (cents)	(8.9)	**(4.5)**	(50)
Dividends (exempt - one tier, cents per share)			
- Final	5	**5**	-
Others			
Number of employees	2,611	**2,569**	(2)

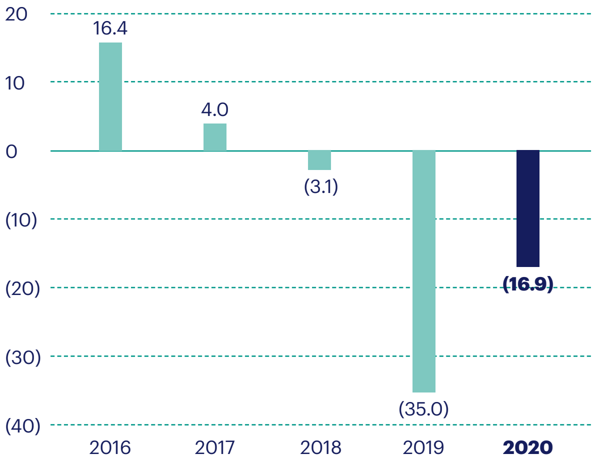
5-Year Financial Summary

	2016	2017	2018	2019	**2020**
Financial Profile (S$'000)					
Turnover	285,090	263,137	283,299	272,350	**247,106**
Profit / (loss) before share of results of associated companies	16,712	3,555	(3,086)	(34,788)	**(9,508)**
Share of results of associated companies, net of tax	(291)	438	7	(164)	**(7,403)**
Profit / (loss) before tax	16,421	3,993	(3,079)	(34,952)	**(16,911)**
Taxation	(3,878)	(1,014)	(1,332)	(2,606)	**(2,374)**
Profit / (loss) after tax	12,543	2,979	(4,411)	(37,558)	**(19,285)**
Profit / (loss) attributable to shareholders					
- from continuing operations	13,043	3,211	(4,300)	(33,637)	**(16,619)**
- from discontinued operations	118,312	702	445	494	**-**
Total group profit / (loss) attributable to shareholders	131,355	3,913	(3,855)	(33,143)	**(16,619)**
Dividends (exempt-one tier)					
- Final	18,678	18,678	18,678	18,678	**18,678**
- Special	74,712	-	-	-	**-**
Share capital	193,839	193,839	193,839	193,839	**193,839**
Reserves	479,959	391,407	367,915	316,468	**301,617**
Dividend cover	1.4x	0.2x	-0.2x	-1.8x	**-0.9x**
Financial Position (S$'000)					
What We Owned					
Property, plant and equipment	123,251	125,611	156,030	124,859	**112,649**
Right-of-use assets	-	-	-	38,439	**35,929**
Associated companies & joint venture	50,529	6,520	51,265	47,569	**46,838**
Long term receivables, prepayments & investments	15,221	14,412	15,014	18,458	**1,750**
Intangible assets	10,351	11,584	11,187	10,341	**9,866**
Deferred tax assets	3,044	3,044	3,901	3,081	**2,614**
Current assets	612,435	558,805	461,895	422,082	**435,773**
	814,831	719,976	699,292	664,829	**645,419**
What We Owed and Equity					
Shareholders' funds	673,798	585,246	561,754	510,307	**495,456**
Non-controlling interests	4,577	4,803	4,572	(1,133)	**(3,682)**
Long term liabilities	25,846	18,281	31,472	49,304	**44,994**
Current liabilities	110,610	111,646	101,494	106,351	**108,651**
	814,831	719,976	699,292	664,829	**645,419**
Cash & Debt Position (S$'000)					
Group borrowings	31,522	12,701	22,170	33,979	**35,934**
Group net cash (cash less borrowings)	430,241	335,109	282,491	247,613	**264,276**
Per Share Data					
Basic earnings / (loss) per share (cents)	35.2	1.0	(1.0)	(8.9)	**(4.5)**
Net tangible assets per share (S$)	1.78	1.54	1.47	1.34	**1.30**
Dividends					
Dividends (exempt - one tier, cents per share)					
- Final	5	5	5	5	**5**
- Special	20	-	-	-	**-**

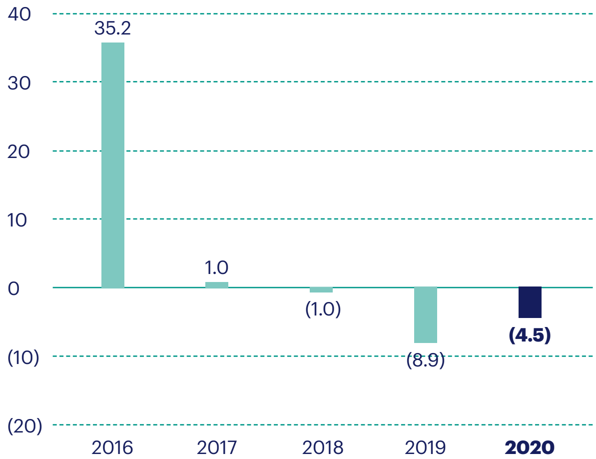
Group Turnover (continuing operations)
(S$million)



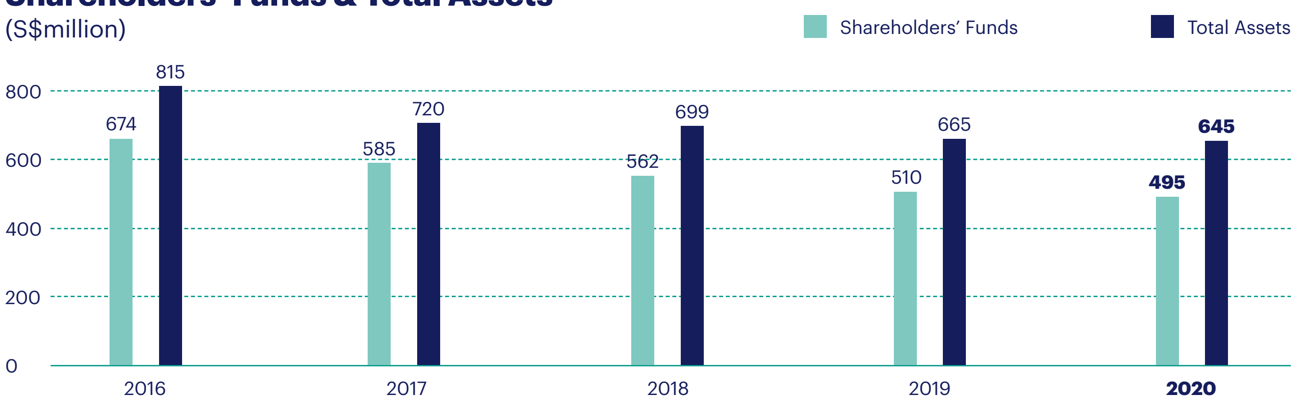
Group Profit / (Loss) Before Tax (continuing operations)
(S$million)



Basic Earnings / (Loss) Per Share
(cents)



Shareholders' Funds & Total Assets
(S$million)



Letter to Shareholders

Dear Shareholders

Stringent lockdown measures by many countries in 2020 to contain the COVID-19 pandemic caused global economic activities to contract dramatically. Singapore's economy was also not spared and contracted by 5.8% last year. As a result, NSL Group's business was adversely impacted in FY2020, recording a lower turnover of $247.1 million, a 9% decrease from $272.4 million in FY2019. This was mainly due to lower revenue from the Precast & Prefabricated Bathroom Unit ("PBU"), Chemicals and Others. However, excluding impairment charge and share of associated companies' losses, the Group recorded a much lower loss before tax of $0.3 million in FY2020 as compared to loss before tax of $10.3 million in the previous year.

This improvement was contributed mainly by Environmental Services and Precast & PBU divisions and the Group cost saving initiatives and government support grants in Singapore and Malaysia to mitigate the impact of the COVID-19 pandemic. Environmental Services division performed better than last year due to the turnaround of the slop and Recycled Fuel Oil ("RFO") business and additional business generated by the Group's new industrial wastewater treatment plant in Tuas after a full year of operation in FY2020. The Precast & PBU division also improved in FY2020 from previous year due to higher sales volume from PBU operation in Finland and reduced losses from its Dubai, Malaysia, and Singapore operations.

In FY2020, there was a non-cash impairment charge for plant assets amounting to a total of $9.2 million, of which $5.1 million was for Dubai precast operation. Chemicals and Others accounted for the remaining $4.1 million. This amount was lower than the impairment charge of $24.5 million in FY2019, attributed to the slop processing assets of the Environmental Services division and the plant assets of the precast operation in Malaysia.

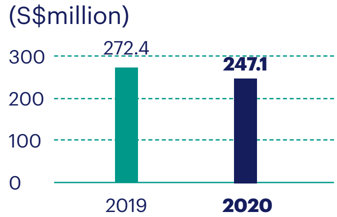
Share of associates' losses was $7.4 million for the year caused mainly by the share of Salzgitter Maschinenbau AG ("SMAG") losses of $6.3 million, of which $3.0 million was due to one-off impairment charge for SMAG's intangible brand assets and restructuring costs.

Overall, the Group incurred a loss before tax of $16.9 million in FY2020 compared to a loss before tax of $35.0 million in FY2019. After taking into account income tax and non-controlling interests, the Group reported a loss attributable to shareholders of $16.6 million in FY2020, compared to a loss of $33.6 million in FY2019.

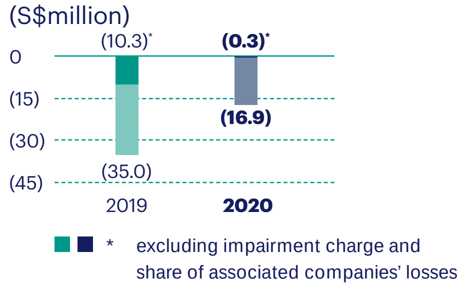
Significant Events

Operations in Singapore other than NSL OilChem Waste Management Pte Ltd ("NOWM") were closed during the two-month circuit breaker period. Precast operations in Malaysia also ceased during the Movement Control Order from 18 March to 30 April 2020. In Dubai, precast operation operated at 50% of its plant capacity due to movement restriction and social distancing measures in April. After the lifting of lockdowns in the countries, the recovery of business in the construction sector was slow, and delivery of finished products was affected.

Group Turnover
(S$million)



Group Loss Before Tax
(S$million)



To cope with extremely adverse market conditions, the Group initiated a series of cost cutting measures. In the beginning of 2020, wage freeze was implemented, and no variable bonus was declared across the Group. As the COVID-19 situation worsened, tiered salary reduction was implemented in June 2020 and top management salaries were cut by 12% to 20%. Right-sizing and cost controls were implemented for all operations. Added to that, the Board of Directors reduced their fees by about 10% for the financial year ended 31 December 2019.

The Group implemented safe management measures in accordance with government guidelines to safeguard business continuity. In addition, non-dormitory accommodations were provided to some of its workers who were affected by the Singapore borders closure, thereby avoiding the impact of lockdown in dormitory. In Malaysia, weekly sample screenings were conducted for employees in the factories to prevent outbreaks. More cabins, kitchens and toilets with strict zonal segregation were also constructed in its dormitories to create more individual space and minimise interaction amongst foreign workers.

In November 2020, NSL Ltd disposed its 19.04% shares in Bangkok Cogeneration Company Limited for approximately $21,875,000. The proceeds received from the disposal of this non-core business of NSL Group will further strengthen its balance sheet, enhance the Group's financial flexibility, and facilitate any plans by the Group to enhance shareholder value.

Turnover of

$247.1 million

Dividend of

$0.05 per share

Looking Ahead

Business condition for the precast business in Singapore and Malaysia is expected to remain challenging. Whilst order book is satisfactory, operating performance may continue to be affected by disruption arising from COVID-19 restrictions. Operation in Dubai is expected to remain weak due to uncertainty in outlook and a weak order book. However, performance of the division's PBU business in Finland is expected to remain satisfactory.

In the Environmental Services division, the slop and RFO business is very much dependent on oil price. The plant utilisation of the division's new industrial wastewater treatment facility in Tuas is expected to continue to ramp up thereby contributing to profitability.

As the global COVID-19 situation remains fluid, the Group cannot reasonably ascertain the full extent of the probable impact of disruptions on its operating and financial performance for the financial year ending 31 December 2021.

Dividend

Subject to the approval of shareholders at the annual general meeting of the Company to be held on 27 April 2021, the Board is recommending a final dividend of $0.05 per share for the financial year ended 31 December 2020 to be paid on a later date determined by the Directors.

In Appreciation

The unprecedented pandemic had led to a challenging past year and I would like to express gratitude to our shareholders, management, business partners, customers and employees for their unwavering support and contributions to the Group.

We look forward to your continued support in the years ahead.

Prof Cham Tao Soon
Chairman
8 March 2021

Board of Directors

Chairman

Prof Cham Tao Soon

Chairman

- Soup Restaurant Group Ltd
- Singapore Rail Academy
- Singapore Quality Awards

Executive Director

Dr Low Chin Nam

Director

- Eastern Pretech Pte Ltd
- NSL OilChem Waste Management Pte Ltd
- Raffles Marina Holdings Ltd

Directors

Ban Song Long

Director

- Excel Partners Pte Ltd
- 98 Holdings Pte Ltd

David Fu Kuo Chen

Director

- Hotel Properties Ltd
- 98 Holdings Pte Ltd

John Koh Tiong Lu

Director

- Mapletree Industrial Trust Management Ltd
- Global Counsel Asia Pte Ltd
- KrisEnergy Ltd

Dr Tan Tat Wai

Director

Southern Steel Berhad

Corporate Research & Development Advisory Panel

Chairman
Prof Cham Tao Soon

Members
David Fu Kuo Chen

Lam Siew Wah
Chairman and Board Member
- Tiong Seng Engineering Solutions Pte. Ltd.

Board Member
- Tiong Seng Contractors Pte Ltd

Lim Swee Cheang
Director
- EZ-Link Pte Ltd

Dr Low Chin Nam

Prof Ng Wun Jern
Professor
- Nanyang Technological University School of Civil and Environmental Engineering

Principal Lead
- Nanyang Technological University Environmental Bio-innovations Group

Dr Robert Tiong
Associate Professor
- Nanyang Technological University School of Civil and Environmental Engineering

Key Management

Dr Low Chin Nam
was promoted to Executive Director in August 2016. Prior to this present appointment, he was the Chief Operating Officer. Dr Low joined NSL Ltd as Chief Strategy and Operations in 2011. He is responsible for the overall management of the NSL Group. Dr Low started his career in the elite Administrative Service of the Singapore Government before leaving for the commercial sector. He was previously the Chief Operating Officer of M1 Ltd, subsequently, Director of Business Operations of Smartone Telecom Ltd, Hong Kong, and Managing Director of Digiland Pty Ltd., Australia. He holds a Bachelor of Science (1st Class Honours) in Electronics Engineering from King's College, University of London, a Master of Science in Management Science from Imperial College, University of London as well as a Ph.D in Econometrics from Monash University in Australia.

Mr Chia Tong Hee
is presently Senior Vice-President (Finance and Corporate Services) of NSL Ltd. He is responsible for the Finance & Accounting, Treasury and Taxation functions of the Group. Prior to joining NSL Ltd in 2005, Mr Chia was an auditor with Pricewaterhouse and subsequently was the financial controller of Wearnes International (1994) Ltd. Mr Chia holds a Bachelor of Accountancy from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants.

Dr See Soo Loi
joined NSL Ltd in 1991 as research engineer and she is now heading the Corporate Research and Development Department. Dr See works closely with government agencies and tertiary institutions and is a member of Hazardous substances and Toxic Wastes advisory committee at National Environment Agency and Chemical Technology advisory committee at Nanyang Polytechnic. In addition, she is also a committee member of Energy and Chemicals Industry Group at Singapore Manufacturing Federation. Dr See holds a Bachelor of Engineering (Honours) in Chemical Engineering and a Ph.D from the University of New South Wales, Australia.

Corporate Information

Financial Calendar

Announcement of Half Yearly Results 2020
13 August 2020

Financial Year-end
31 December 2020

Announcement of Unaudited Results 2020
23 February 2021

2021 Annual General Meeting
27 April 2021

Corporate Data

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Company Secretary
Lim Su-Ling

Share Registrar
M & C Services
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Singapore 068902
Tel: 6227 6660
Fax: 6225 1452

Auditors
PricewaterhouseCoopers LLP
7 Straits View, Marina One,
East Tower Level 12
Singapore 018936
Certified Public Accountants
Audit Partner:
Sim May Ling Theresa
(Appointed in year 2017)

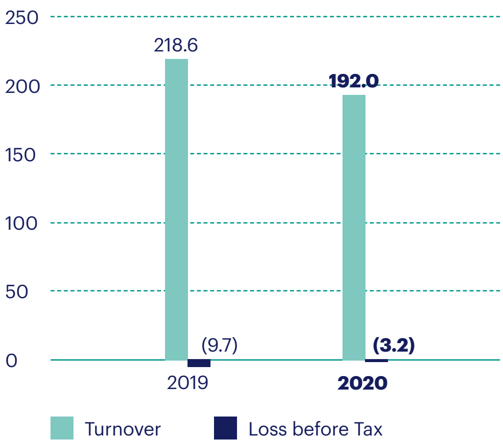
Banks
DBS Bank Ltd
Malayan Banking Berhad
Oversea-Chinese Banking
Corporation Limited
Standard Chartered Bank
United Overseas Bank Limited

Review of Operations

Precast & PBU

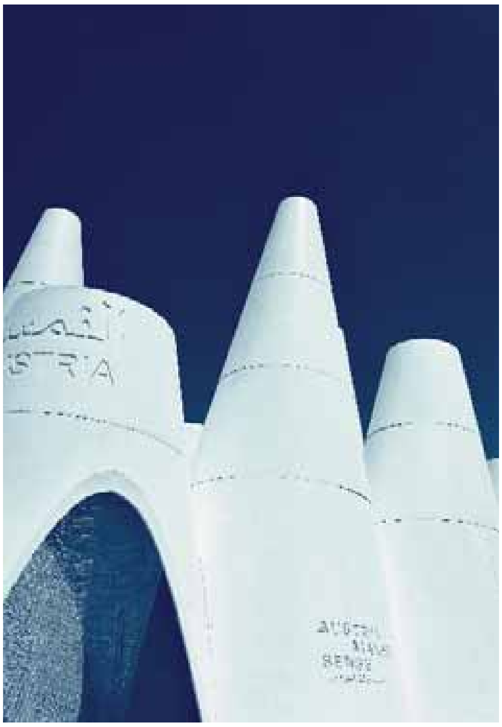
Turnover & Loss Before Tax

(S$million)



Performance

Precast & Prefabricated Bathroom Unit ("PBU") division's operations in Singapore, Malaysia and Dubai recorded lower delivery volumes as a result of COVID-19 regulatory restrictions in Q2 2020 and its turnover declined 12% to $192.0 million in FY2020. Its operations gradually resumed in Q3 2020.



However, Precast & PBU division managed to lower its loss from loss before tax of $9.7 million in FY2019 to loss before tax of $3.2 million in FY2020 after including non-cash impairment charge of $5.1 million. Excluding the impairment charge, the Precast & PBU division reported a profit before tax of $1.9 million in FY2020 compared to a loss of $2.4 million in previous year (excluding non-cash impairment charge of $7.3 million). The division reported improved performance due to increased contribution from its operation in Finland on the back of higher revenue, and reduced loss from its Dubai, Malaysia, and Singapore operations.

Development Highlights

The Precast business in Singapore and Malaysia clinched several iconic projects such as 51-storey commercial building at Market Street, eight-storey Data Centre at Sunview Drive, a ten-storey medical block at Mount Alvernia Hospital, seven-storey extension block at Miri Hospital in Sarawak and Lam Research, in Penang during the year.

The two significant projects that its Dubai's Precast operation successfully completed were 38 precast concrete cones for EXPO2020's Austrian Pavilion, which illustrates the mountains in Austria, and pre-finished architectural and structural solid and sandwich cladding panels and precast stairs for the Royal Grammar School Guildford's main building in Dubai.

Its Finland's operation, a leading manufacturer of functional solutions for housing and shipbuilding industries, was awarded key projects including the supply of prefabricated bathroom units for Marawell Hotel Oslo Airport City and fire doors for Chantiers de l'Atlantique in France.

Going forward

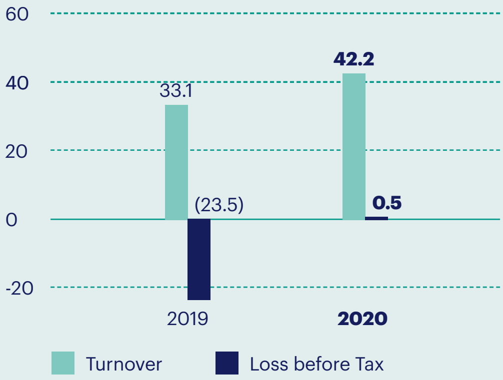
Business condition for the precast business in Singapore and Malaysia is expected to remain challenging. Whilst order book is satisfactory, operating performance may continue to be affected by disruption arising from COVID-19 restrictions. Operation in Dubai is expected to remain weak due to uncertainty in outlook and a weak order book. However, performance of the division's PBU business in Finland is expected to remain satisfactory.

Review of Operations

Environmental Services

Turnover & Profit/ (Loss) Before Tax

(S$million)



Performance

Despite the challenging business environment of the COVID-19 pandemic, Environmental Services division's performance improved. The division's turnover increased 27% to $42.2 million in FY2020 mainly due to the progressive ramping up of treated wastewater volume of the Group's new industrial wastewater treatment plant in Tuas in its first year of operation.

The division registered a profit before tax of $0.5 million in FY2020, turning around from a loss before tax of $23.5 million (including $17.2 million non-cash impairment charge for slop processing assets) in FY2019. This was largely due to the turnaround of the slop and Recycled Fuel Oil ("RFO") business and additional contribution from the Group's new industrial wastewater treatment plant in Tuas. This was despite delay in the lifting of temporary suspension for the division's other wastewater treatment plant to satisfy additional requirement from the National Environment Agency.

Development Highlights

During the year, it also enhanced the system at 23 Tanjong Kling Plant to comply with the trade effluent discharge standards.

In response to National Environment Agency's call to cater to the nation's increasing need for biohazard waste treatment due to the outbreak of COVID-19, NSL OilChem Waste Management ("NOWM") revamped its incinerator operating procedure and dedicated an incineration slot for biohazard waste incineration service in 1H2020.

In September 2020, NOWM won the Workplace Safety and Health Innovation Awards – Process and Chemical for its Ash Pit Automatic Water-Cooling System and Motorise Shutter Door for Rotary Kiln. This national award affirmed the company's efforts to promote innovation as well as commitment to provide workers with the safest and healthiest workplace. In November 2020, NOWM's outstanding support for national service and total defence was also recognised at the Total Defence Awards 2020 with its winning of the National Service Advocate Award (Gold) for SMEs.

Going Forward

The plant utilisation of the division's new industrial wastewater treatment facility in Tuas is expected to continue to ramp up, thereby contributing to profitability. The slop and RFO business is very much dependent on oil price.

Corporate Social Responsibility

At the heart of NSL's business is its commitment to the community, Arts and Cultural scene, environment, and stakeholders. NSL believes in giving back to society while achieving its business goals and had donated to some organisations as well as implemented various initiatives to reach out to beneficiaries.

Caring for the Community, and the Local Arts and Cultural Scene

NSL's Sports and Recreational Club raised a total of $10,862.60 – $4,682.60 from employees in Singapore while the remainder was donated by NSL Ltd – for Melrose Home through the NSL Love Movement 2020 campaign. The donations from the company and staff were handed to Melrose Home in June 2020 and January 2021, respectively. These proceeds will be utilised by Melrose Home to purchase food for the children.

NSL continued to donate to its long-time beneficiary Muscular Dystrophy Association Singapore ("MDAS") for their annual fundraising event. By partnering MDAS members in electronic greeting card design, NSL supports MDAS' vision of empowering lives of individuals with Muscular Dystrophy.

During the year, NSL continued to contribute to the local Arts and Cultural scene through its support for the Singapore Symphony Orchestra. In recognition of NSL's contribution, NSL was awarded the Friend of the Arts Award 2020. This added on to the Patron of the Arts Awards it has been receiving annually from the National Arts Council since 2001.

People – Employees as Assets

Employees are the greatest asset that drives NSL business forward. NSL is committed to ensuring that its employees' health, safety and well-being are taken care of as a priority.

The Group implemented safe management measures in accordance with government guidelines to safeguard business continuity. In addition, non-dormitory accommodations were provided to some of its workers who were affected by the Singapore borders closure, thereby avoiding the impact of lockdown in dormitory. In Malaysia, weekly sample screenings were conducted for employees in the factories to prevent outbreaks. More cabins, kitchens and toilets with strict zonal segregation were also constructed in its dormitories to create more individual space and minimise interaction amongst foreign workers.

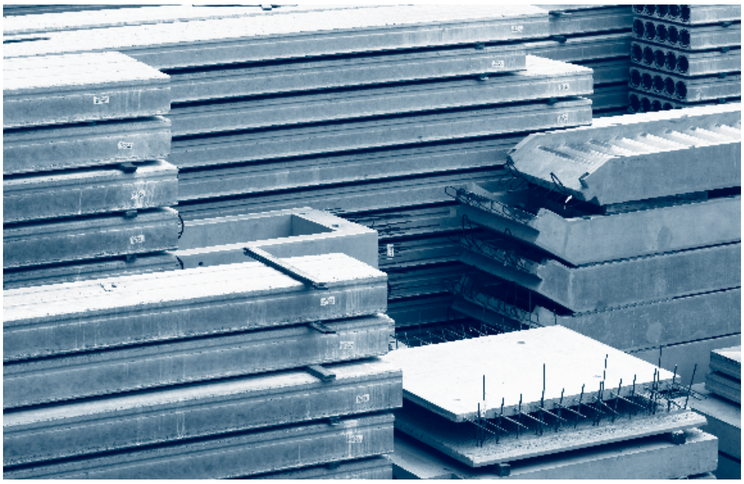
To minimise the spread of the virus and ensure safe working conditions, NSL regularly issued Personal Protective Equipment ("PPE"), including N95 masks, goggles and boots to its workers.

It is pivotal to NSL's success that staff are kept abreast of skills requirements and are prepared for Industry 4.0, which the Group is implementing. To ensure that its employees are well trained to excel in their current job demands, each head of the department is tasked to arrange for training courses for its staff annually. The target is for each employee to minimally attend 40 hours of training per year.

NSL's Sports and Recreational Committee organised workshops and interactive activities to promote work-life balance for all. Unfortunately, due to lockdowns and social distancing measures implemented last year, planned activities were cancelled.

Protecting the Environment

The Group cares about and protects the environment. This is evident in its offering of green products, as well as its effort in minimising energy, waste and emissions, and ensuring environmental compliance.



The Precast and PBU division offers 35 different varieties of green concrete in design mix to support sustainable construction in Singapore and Malaysia. In FY2020, green concrete contributed 43.79% of its project volume, a 11.79% increase compared to FY2019, demonstrating a growing demand for green buildings.

Corporate Directory

Precast & PBU

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Environmental Services

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NSL OilChem Green Energy Pte Ltd

NSL OilChem Marine Pte Ltd

NSL OilChem Specialties Pte Ltd
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F (65) 6513 3998
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NSL OilChem Logistics Pte Ltd
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Others

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NSL Resorts International Pte Ltd

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Financial Review

Directors' Statement

For the financial year ended 31 December 2020

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2020 and the balance sheet of the Company as at 31 December 2020.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 43 to 129 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Prof CHAM Tao Soon
John KOH Tiong Lu
Dr TAN Tat Wai
BAN Song Long
David FU Kuo Chen
Dr LOW Chin Nam

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings, none of the directors of the Company at the beginning and at the end of the financial year and as at 21 January 2021 had any interest in the shares and debentures of the Company and its related corporations except, as follows:

	Interest held in the name of Director			Deemed interest of Director		
Name of directors and corporations in which interest held	**At 21.01.2021**	**At 31.12.2020**	**At 01.01.2020**	**At 21.01.2021**	**At 31.12.2020**	**At 01.01.2020**
NSL Ltd.						
Ordinary shares						
Prof Cham Tao Soon	30,000	30,000	30,000	10,000*	10,000*	10,000*
Related Corporation						
Raffles Marina Holdings Ltd						
Class B Ordinary Shares						
Dr Low Chin Nam	9,000	9,000	9,000	-	-	-

* Prof Cham Tao Soon is deemed to have an interest in the NSL Ltd. shares held by his spouse.

Directors' Statement
For the financial year ended 31 December 2020

MATERIAL CONTRACTS

Except as disclosed in the Statement of Corporate Governance and the financial statements, no material contract (including loans) of the Company or its subsidiaries involving the interests of the chief executive officer or any director or controlling shareholders subsisted at the end of the financial year or has been entered into since the end of the financial year or has been entered into since the end of the previous financial year.

SHARE OPTIONS

(Principle 8)

In line with the guidance under Provision 8.3 of the 2018 Code, the Company has a share option scheme, known as NSL Share Option Plan (the "**Plan**"), which was approved by the shareholders at an Extraordinary General Meeting on 25 April 2012.

The Plan is administered by the Remuneration Committee ("**RC**") whose members are:

Prof CHAM Tao Soon (Chairman), Non-Executive, Independent
John KOH Tiong Lu, Non-Executive, Independent
Dr TAN Tat Wai, Non-Executive, Independent
David FU Kuo Chen, Non-Executive

The aggregate number of new shares which may be issued pursuant to options granted under the Plan on any date shall not exceed 10% of the total number of issued shares (excluding treasury shares) on the day preceding that date.

Under the Plan, options to subscribe for the ordinary shares of the Company are to be granted to (i) Group Employees who hold such rank as may be designated by the RC from time to time; (ii) Non-Executive Directors who, in the opinion of the RC, have contributed or will contribute to the success of the Group; and (iii) Associated Company Employees who hold such rank as may be designated by the RC from time to time and who, in the opinion of the RC, have contributed or will contribute to the success of the Group. Controlling shareholders of the Company or an associate of such controlling shareholder(s) are not eligible to participate in the Plan.

The exercise price for each share in respect of which an option is exercisable shall be determined by the RC at its absolute discretion, and fixed by the RC at a price equal to the average of the last dealt prices of the Company's ordinary shares, as determined by reference to the daily official list or any other publication published by SGX-ST, for the three (3) consecutive trading days immediately preceding the grant date of that option. No option is to be granted at a discount to the prevailing market price of the shares.

No option has been granted since the commencement of the Plan.

AUDIT COMMITTEE

The Board of Directors has reviewed and is satisfied with the adequacy and effectiveness of internal controls which comes under the supervision of the Audit Committee. The details and function of the Audit Committee are set out in the Statement of Corporate Governance.

The Audit Committee has nominated PricewaterhouseCoopers LLP for re-appointment by the shareholders as independent auditor at the forthcoming Annual General Meeting.

Directors' Statement
For the financial year ended 31 December 2020

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, being eligible, has expressed their willingness to accept re-appointment.

On behalf of the Directors

Prof CHAM Tao Soon
Director

Dr LOW Chin Nam
Director

Singapore
8 March 2021

Statement of Corporate Governance

For the financial year ended 31 December 2020

The Board recognises that it is the focal point of corporate governance of NSL Ltd. (the "**Company**") and its group of companies and believes that good corporate governance will, in the long term enhance return on capital through increased accountability.

The Group had in 1998 adopted an internal Corporate Governance Guide which has been updated from time to time to reflect, as far as practicable, the Code of Corporate Governance issued by the Monetary Authority of Singapore ("**2018 Code**"), the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Companies Act, Chapter 50 of Singapore (the "**Singapore Companies Act**"). NSL Ltd's Corporate Governance Guide (2019) contains, *inter alia*, matters relating to code of conduct for employees, whistle-blower provisions, terms of reference for the Executive Committee, Audit Committee, Nominating Committee and Remuneration Committee and reporting procedures for interested person transactions, disclosure of directors' interest and dealings in the Company's securities.

Rule 710 of the Listing Manual of the SGX-ST was amended on 1 January 2019 to provide that an issuer must describe in its annual report its corporate governance practices with specific reference to the principles and the provisions of the 2018 Code. Accordingly, (a) an issuer must comply with the principles of the 2018 Code and (b) where an issuer's practices vary from any provisions of the 2018 Code, it must explicitly state, in its annual report, the provision from which it has varied, explain the reasons for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.

The Company has complied with the principles of the 2018 Code and has largely complied with the provisions of the 2018 Code. Where there is a variation from any provisions of the 2018 Code, appropriate explanations have been provided on the reason for such variations and how the existing practices adopted are consistent with the intent, aim and philosophy of the relevant principles of the 2018 Code.

The following describes the Company's corporate governance practices with specific reference to the 2018 Code.

Board of Directors
(Principles 1 to 3)

The Board charts the strategic course for NSL Ltd. and its group of companies in its Precast & Prefabricated Bathroom Unit ("**PBU**") and Environmental Services businesses.

The Board comprises the following members as at the date of this statement:

Prof CHAM Tao Soon	(Chairman), Non-Executive, Independent
John KOH Tiong Lu	Non-Executive, Independent
Dr TAN Tat Wai	Non-Executive, Independent
BAN Song Long	Non-Executive
David FU Kuo Chen	Non-Executive
Dr LOW Chin Nam	Executive

In line with the guidance under Provision 3.1 of the 2018 Code, the positions of Chairman and Executive Director are separately held by two persons in order to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

In line with the guidance under Provision 3.2 of the 2018 Code, the Chairman is responsible for the overall management of the Board and leads the Board to ensure its effectiveness in all aspects of its role. Among other things, the Chairman sets the agenda and ensures that adequate time is available for discussion of all agenda items. He encourages constructive relations within the Board and between the Board and Management, and also facilitates the effective contribution of non-executive directors in particular. The Chairman plays a key role in promoting high standards of corporate governance and ensuring effective communications with shareholders of the Company. The Executive Director is responsible for the overall management of the Group.

Statement of Corporate Governance

For the financial year ended 31 December 2020

Given that the roles of the Chairman and Executive Director are separate and the Chairman is independent, no lead independent director has been appointed.

In line with the guidance under Provision 1.1 of the 2018 Code, the Board is responsible for putting in place a code of conduct and ethics, setting appropriate tone-from-the-top and desired organisational culture, and ensuring proper accountability within the Company. Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict.

In line with the guidance under Provisions 2.1, 2.2 and 2.3 of the 2018 Code, the Board, half of which comprise independent non-executive directors, is able to exercise its powers objectively and independently from Management. All non-executive directors, except for Mr Ban Song Long and Mr David Fu Kuo Chen, who are also directors of 98 Holdings Pte Ltd, the ultimate holding company of the Group, are independent i.e. they have no relationship with the Company, its related corporations (as defined in the Singapore Companies Act), its substantial shareholders, or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Group, and they are able to exercise objective judgement on corporate affairs independently from Management and its substantial shareholders.

All directors are required to disclose any relationship or appointments which would impair their independence to the Board. Based on an internal evaluation conducted by the Nominating Committee, the Board views all the non-executive directors of the Company, except for Mr Ban Song Long and Mr David Fu Kuo Chen, as independent in character, judgement and that there are no relationships which are likely to affect or could appear to affect the director's judgement.

In line with the guidance under Provision 1.5 of the 2018 Code, the directors attend and actively participate in Board and Board Committee meetings to oversee the business affairs of the Group, approve financial objectives, annual budgets, investment and divestment proposals, business strategies and monitor standards of performance of the Group. In line with the guidance under Provision 1.6 of the 2018 Code, Board members are provided with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities.

In line with the guidance under Provision 2.5 of the 2018 Code, non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management, and the chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

In line with the guidance under Provision 1.7 of the 2018 Code, all directors have separate and independent access to the Company's senior management, the advice and services of the Company Secretary and external advisers (where necessary). The Company Secretary attends all meetings of the Board and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary also attends all meetings of the Executive Committee, Nominating Committee and Remuneration Committee. Under the direction of the Chairman, the Company Secretary ensures information flow within the Board and its committees and between senior management and non-executive directors, as well as facilitating orientation and assisting with professional development as and when required. Under the Constitution of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

Provision 1.2 of the 2018 Code states, among other things, that the induction, training and development provided to new directors are disclosed in the annual report. In this regard, no new director was appointed to the Board in the financial year ended 31 December 2020 and accordingly, no such induction, training and development was provided during such financial year. With respect to existing directors, they were provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. In particular, the existing directors are periodically informed of upcoming programmes which are relevant to their roles as directors of the Company.

Statement of Corporate Governance

For the financial year ended 31 December 2020

In line with the guidance under Provision 1.1 of the 2018 Code, the Board objectively takes decisions in the best interests of the Group and holds Management accountable for performance. In line with the guidance under Provision 1.4 of the 2018 Code, the Board has delegated specific responsibilities to four Committees, namely the Audit, Executive, Nominating and Remuneration Committees. Information on each of the four Committees is set out below. The Board accepts that while these Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. Matters requiring the Board's decision and endorsement are defined in the NSL Ltd Group Corporate Authorisation, which has been clearly communicated to Management and sets out (a) the matters reserved for the Board's decision, including bank borrowings and (b) clear directions to Management on matters that must be approved by the Board.

With reference to the guidance under Provision 2.4 of the 2018 Code, the Board and Board Committees are of an appropriate size, and (notwithstanding there is presently no female representation) comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as age, so as to avoid groupthink and foster constructive debate. While the Board recognises the value of gender diversity in relation to the composition of the Board, the Board believes it is of an appropriate size and has an appropriate diversity of thought and background to enable the Board to make decisions in the best interests of the Company in line with Principle 2 of the 2018 Code and accordingly, the Board does not presently propose to appoint female candidates for the sole purpose of achieving gender diversity on the Board. In view of the foregoing and on the basis that the Company already adopts a culture of diversity as a matter of its existing Board practices, the Board does not currently have a formal board diversity policy (which includes qualitative and measurable quantitative objectives).

Key information on the directors is set out on pages 35 and 36.

The Constitution of the Company allows directors to participate in a Board meeting by telephone conference or video-conference whereby all persons participating in the meeting are able to communicate as a group, without requiring the directors' physical presence at the meeting. In line with the guidance under Provisions 1.5 and 11.4 of the 2018 Code, the number of Board, General and Board Committee meetings held in the financial year ended 31 December 2020 and the attendance of directors during these meetings is as follows:

Directors' Attendance At Board, General And Board Committee Meetings
1 January 2020 to 31 December 2020

	BOARD		AUDIT		NOMINATING		REMUNERATION		EXECUTIVE COMMITTEE		GENERAL MEETING		CORPORATE RESEARCH	
	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Prof Cham Tao Soon	6	6	4	4	1	1	5	5	n/a	n/a	1	1	3	3
Ban Song Long	6	6	4	4	n/a	n/a	n/a	n/a	10	10	1	1	n/a	n/a
David Fu Kuo Chen	6	6	n/a	n/a	1	1	5	5	10	10	1	1	3	3
John Koh Tiong Lu	6	6	4	4	1	1	5	5	n/a	n/a	1	1	n/a	n/a
Dr Low Chin Nam	6	6	n/a	n/a	n/a	n/a	n/a	n/a	10	10	1	1	3	3
Dr Tan Tat Wai	6	6	4	4	1	1	5	5	n/a	n/a	1	1	n/a	n/a

Statement of Corporate Governance

For the financial year ended 31 December 2020

**Audit Committee
(Principle 10)**

In line with the guidance under Provision 10.2 of the 2018 Code, the Audit Committee comprises the following members, the majority of whom, including the Chairman, are independent directors. The members of the Audit Committee at the date of this statement are:

John KOH Tiong Lu (Chairman), Non-Executive, Independent
Prof CHAM Tao Soon, Non-Executive, Independent
Dr TAN Tat Wai, Non-Executive, Independent
BAN Song Long, Non-Executive

The members of the Audit Committee, collectively, have expertise or experience in financial management and are qualified to discharge the Audit Committee's responsibilities. In line with the guidance under Provision 10.3 of the 2018 Code, none of the members nor the Chairman of the Audit Committee are former partners or directors of the Group's auditing firm.

In line with the guidance under Provision 10.1 of the 2018 Code, the Audit Committee performs duties as specified in the Singapore Companies Act and the 2018 Code. Its duties include overseeing the quality and integrity of the accounting, auditing, internal controls and financial practices of the Group, and its exposure to risks. It also keeps under review the adequacy and effectiveness of the Company's systems of accounting and internal controls for which the directors are responsible. The Audit Committee is empowered to investigate any matter within its terms of reference and in this regard will have full access to and co-operation by Management and reasonable resources to enable it to discharge its functions.

The Audit Committee Guidance Committee issued the first edition of the Guidebook for Audit Committees in Singapore in October 2008 and the second edition in August 2014. Both editions were distributed to all members of the Audit Committee. Where appropriate, the Audit Committee will adopt relevant best practices set out in the Guidebook; which will be used as reference to assist the Audit Committee in performing its functions.

In line with the guidance under Provision 10.4 of the 2018 Code, the internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the Audit Committee, and has appropriate standing within the Company.

The Audit Committee held four meetings for the financial year ended 31 December 2020.

In carrying out its duties, the Audit Committee:

(a) Reviewed the independence, adequacy, effectiveness and scope and results of the Group's internal audit function and external audits;

(b) Met with the auditors to discuss the results of their audits, significant financial reporting issues and judgements, to enquire if there are material weaknesses and control deficiencies over the Group's financial reporting process and the corresponding effects of the financial statements. In line with the guidance under Provision 10.5 of the 2018 Code, the Audit Committee also met the auditors separately in the absence of Management;

(c) Reviewed significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and all announcements relating to the Group's financial performance;

(d) Reviewed at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;

(e) Reviewed the assurance from the Executive Director and Senior Vice-President, Finance on the financial records and financial statements;

(f) Reviewed the quarterly and annual financial statements, SGXNET announcements and all related disclosures before submission to the Board for approval;

(g) Reviewed, on an annual basis, non-audit services rendered to the Group by the external auditors to ascertain that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors;

(h) Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(i) Decided on the appointment, termination and remuneration of the head of the internal audit function; and

(j) Being satisfied with the independence and objectivity of the external auditors, recommended to the Board of Directors the re-appointment of PricewaterhouseCoopers LLP as auditors of the Company at the forthcoming annual general meeting. The Audit Committee also reviewed and approved the remuneration and terms of engagement of the external auditors.

The Audit Committee also considered the report from the external auditors, including their findings on the key areas of audit focus. Significant matters that were discussed with management and the external auditors have been included as key audit matters (KAMs) in the audit report for the financial year ended 31 December 2020. Refer to pages 37 to 39 of this Annual Report.

In assessing each KAM, the Audit Committee took into consideration the approach and methodology applied in the valuation of assets. The Audit Committee concluded that management's accounting treatment in each of the KAMs were appropriate.

The Audit Committee has reviewed all non-audit services provided by the external auditors for the financial year ended 31 December 2020 as well as the fees paid and is satisfied that the independence and objectivity of the external auditors have not been impaired.

The Audit Committee and Board of Directors confirmed that they are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies would not compromise the standard and effectiveness of the audit of the Company. Accordingly, the Group has complied with Rules 712 and 716 of the Listing Manual of the SGX-ST in relation to its auditors.

On the basis of the foregoing, the Company has complied with Rule 1207(6)(c) of the Listing Manual of the SGX-ST.

The Audit Committee undertakes to investigate complaints of suspected fraud, unlawful business practices and unsafe working conditions in an objective manner and the Company has put in place a whistle-blower policy and procedures which provide employees with direct access to the Audit Committee Chairman.

Whistle-blowing posters, outlining confidential channels for whistle-blowing directly to the Audit Committee Chairman (cellphone, e-mail and P.O. Box) have been prominently displayed in high traffic areas, in all offices and plants of the Group world-wide. The Company has made available (vide its website as well as the websites of each of its main business units) to its vendors, suppliers and customers the same confidential channels for whistle-blowing directly to the Audit Committee Chairman. In addition, the poster has been translated into 12 languages and disseminated as a pamphlet to most non-English speaking employees of the Group.

Executive Committee

The Executive Committee ("**EC**") comprises the following members:

BAN Song Long (Chairman), Non-Executive
David FU Kuo Chen, Non-Executive
Dr LOW Chin Nam, Executive

Under its terms of reference, the EC is authorised to approve and execute such transactions as are authorised and delegated by the Board as set out in the NSL Ltd Group Corporate Authorisation.

Nominating Committee
(Principles 1, 4 & 5)

In line with the guidance under with Provision 4.2 of the 2018 Code, the Nominating Committee ("**NC**") comprises the following members:

Prof CHAM Tao Soon (Chairman), Non-Executive, Independent
John KOH Tiong Lu, Non-Executive, Independent
Dr TAN Tat Wai, Non-Executive, Independent
David FU Kuo Chen, Non-Executive

In line with the guidance under Provision 4.1 of the 2018 Code, under its terms of reference, the principal duties of the NC are:

- To review and make recommendations to the Board on succession plans for directors, in particular the appointment and/or replacement of the Chairman, the Executive Director and other persons having authority and responsibility for planning, directing and controlling the activities of the Company ("**key management personnel**").

- To review and make recommendations to the Board on all Board appointments and re-nominations.

- To review and make recommendations to the Board on the process and criteria for evaluation of the performance of the Board, Board Committees and directors.

- To review and make recommendations to the Board on the training and professional development programmes for the Board and its directors.

- To propose objective performance criteria to evaluate the Board's performance.

- To assess and determine annually the independence of the directors.

With reference to the guidance under Provision 4.3 of the 2018 Code, in reviewing and making recommendations to the Board on Board appointments and re-nominations, the NC takes into consideration the composition and renewal of the Board, as well as each director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, his or her performance as an independent director, so as to ensure that the Board and its Board Committees are of an appropriate size, and comprise directors who as a group provide an appropriate balance and mix of skills, knowledge and experience and other aspects of diversity such as age, so as to avoid groupthink and foster constructive debate. Provision 4.3 of the 2018 Code states, among other things, that the Company discloses the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates. In this regard, as the Board believes it is of an appropriate size and has an appropriate diversity of thought and background to enable the Board to make decisions in the best interests of the Company in line with Principle 2 of the 2018 Code and in view that the directors who retired at the last annual general meeting had offered themselves for re-election and had been re-elected successfully, the NC had not undertaken a search for new candidates during the financial year ended 31 December 2020.

In line with the guidance under Provision 5.1 of the 2018 Code, the Company has in place a process for assessing the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual director to the Board.

The NC is also responsible for determining annually, the independence of directors.

In conducting its assessment on the independence of non-shareholder related non-executive directors, the NC was guided by the 2018 Code and a set of specific criteria. The NC noted that prior to 1 January 2022, Guideline 2.4 of the Code of Corporate Governance 2012 issued on 2 May 2012 (the "**2012 Code**") shall apply. Guideline 2.4 of the 2012 Code states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In this regard, the NC is of the view that an individual's independence cannot be arbitrarily determined merely on the basis of a set period of time. On the contrary, these directors continued to provide stability to the Board and the Company had benefited greatly from the presence of individuals who were specialists in their own field and they had, over time, not only gained valuable insight into the Group, its business, markets and industry but have brought their breadth and depth of business experience to the Company.

The NC considered specifically whether their length of service had compromised their independence and having regard to all the other relevant circumstances, concluded that these non-executive directors i.e. Prof Cham Tao Soon, Mr John Koh Tiong Lu and Dr Tan Tat Wai remained independent from Management and provided a strong independent element on the Board, being free from any business or other relationship which could materially interfere with the exercise of their judgement.

In line with the guidance under Provision 4.5 of the 2018 Code, the NC ensures that new directors are aware of their duties and obligations and also decides if a director is able to and has been adequately carrying out his or her duties as a director of the Company, taking into account the number of directorships and principal commitments of each director. Key information on the directors, including listed company directorships and principal commitments, is set out on pages 35 and 36.

The NC noted the 2018 Code requirement for the Board of Directors to decide on the issue of multiple board representations of directors and was of the view that the onus was placed on individual directors to ensure he could discharge all his duties and responsibilities as a director. Therefore, the NC did not recommend the setting of the maximum number of listed company board representations which a director may hold and would leave this issue to be determined by individual directors. In line with the guidance under Provision 4.5 of the 2018 Code, the NC is satisfied that sufficient time and attention was given by the directors to the affairs of the Group, taking into consideration the director's number of listed company board representations and other principal commitments.

The Board, through the NC, reviews the size and composition of the Board and is of the opinion that, given the scope and nature of the Group's operations, the size of the Board is appropriate in facilitating effective decision-making.

The NC does not have a practice of appointing alternate directors. No alternate director was appointed in this financial year.

With reference to the guidance under Provision 5.2 of the 2018 Code, the NC undertook or, as the case may be, is completing an assessment of the Board, its board committees and each director. For purposes of such assessment, evaluation forms were sent to the directors to assess the effectiveness of the Board, its board committees and each director. The evaluation forms were or, as the case may be, will be collated and tabled to the NC for deliberation. No external facilitator was appointed for purposes of such assessment.

Statement of Corporate Governance
For the financial year ended 31 December 2020

Remuneration Committee
(Principles 6 & 7)

In line with the guidance under Provision 6.2 of the 2018 Code, the Remuneration Committee ("**RC**") comprises the following members:

Prof CHAM Tao Soon (Chairman), Non-Executive, Independent
John KOH Tiong Lu, Non-Executive, Independent
Dr TAN Tat Wai, Non-Executive, Independent
David FU Kuo Chen, Non-Executive

In line with the guidance under Provisions 6.1, 7.1, 7.2 and 7.3 of the 2018 Code, under its terms of reference, the principal duties of the RC include:

- To review and make recommendations to the Board a framework of remuneration for the Board and key management personnel, with the objective of, among others, ensuring that the level and structure of remuneration of the Board and key management personnel are appropriate to attract, retain and motivate the directors to provide good stewardship of the Group and key management personnel to successfully manage the Group for the long term.

- To review and recommend to the Board specific remuneration packages for each of the directors and the key management personnel, taking into consideration the following:

    - a significant and appropriate proportion of the remuneration for executive directors and key management personnel is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promote the long-term success of the Group; and

    - the remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors, such as effort, time spent and responsibilities.

- To review all benefits and long-term incentive schemes (including share option schemes) for the Board and key management personnel.

In line with the guidance under Provision 8.1 of the 2018 Code, in reviewing and determining the remuneration packages of the Executive Director and key management personnel, the RC shall consider, amongst other things, their responsibilities, skills, expertise and contribution to the Group's performance and if the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain the best available executive talent.

With reference to Provision 6.4 of the 2018 Code, no remuneration consultant was engaged to advise on the remuneration of directors and key management personnel.

Remuneration and Benefits of Directors and Key Executives (Principle 8)

In line with the guidance under Provisions 8.1 and 8.3 of the 2018 Code, the level and mix of each of the Directors' remuneration, and that of each of the top 5 key executives (who are not directors), are set out below:

(a) Directors

Remuneration Band & Name of Director	Base / Fixed Salary(1) S$'000	Variable or Performance-related Income / Bonuses(1) S$'000	Directors' Fees S$'000	Benefits-in-kind S$'000	Share Options Granted(2) S$'000	Total Compensation S$'000
Non-Executive Directors						
Prof CHAM Tao Soon	-	-	139	-	-	139
BAN Song Long	-	-	93	-	-	93
David FU Kuo Chen	-	-	88	-	-	88
John KOH Tiong Lu	-	-	110	-	-	110
Dr TAN Tat Wai	-	-	83	-	-	83
Executive Director						
Dr LOW Chin Nam	360	-	49	41	-	450

(1) The salary and performance bonus amounts shown are inclusive of allowances, leave pay and CPF.
(2) No options were granted during the financial year.

(b) Key Executives

In line with the guidance under Provisions 8.1 and 8.3 of the 2019 Code, the table below shows the level and mix of gross remuneration received by the top 5 executives (excluding the Executive Director) of the Group in bands of S$250,000:

Remuneration Band & Name of Key Executive	Base / Fixed Salary(1) %	Variable or Performance-related Income / Bonuses(1) %	Benefits-in-kind %	Share Options Granted(2) %	Total Compensation %
S$250,000 to S$499,999					
Matti MIKKOLA	87	-	13	-	100
Jussi RAUNIO	64	31	5	-	100
Henrik Bondrup JENSEN	73	-	27	-	100
TAN Meow Cheng	99	-	1	-	100
LIM Su-Ling	100	-	-	-	100

(1) The salary and performance bonus amounts shown are inclusive of allowances, leave pay and CPF.
(2) No options were granted during the financial year.

The annual aggregate remuneration paid to the top five key executives (excluding the Executive Director) for the financial year ended 31 December 2020 was S$1,642,000.

In line with the guidance under Provision 8.2 of the 2018 Code, there is no employee whose remuneration exceeds S$100,000 during the financial year who a substantial shareholder of the Company, or is an immediate family member of a director, chief executive officer or substantial shareholder of NSL Ltd.

Corporate Research and Development Advisory Panel

The Corporate Research and Development Advisory Panel ("**CRD**") as at the date of this statement comprises the following members:

Prof CHAM Tao Soon (Chairman)
David FU Kuo Chen
LAM Siew Wah
LIM Swee Cheang
Dr LOW Chin Nam
Prof NG Wun Jern
Dr TIONG Lee Kong, Robert

The CRD serves as a forum for open discussion between the academic circle, government bodies and the Group. Members comprise senior management, scientists and academicians from Universities and Government bodies. The CRD usually meets 2 to 3 times a year.

Risk Management and Internal Controls
(Principle 9)

The Board of Directors, with the assistance of the Audit Committee, ensures that the Management maintains adequate risk management and internal control systems to safeguard shareholders' investment and the Group's assets.

In line with the guidance under Provision 9.1 of the 2018 Code, Management regularly reviews the Group's business and operational activities to identify areas of significant risks as well as implement appropriate measures to control and mitigate these risks. These measures provide reasonable, but not absolute, assurance against material misstatements or loss, as well as ensure the safeguarding of assets, maintenance of proper accounting records and reliable financial information, and compliance with applicable law and regulations.

The nature and management of financial risks are discussed in Note 36 to the Financial Statements.

Review and tests of internal control procedures are carried out by the Company's internal auditors based on approved internal audit plan. Significant internal control weaknesses noted by the internal auditors (if any) together with their recommendations, are included in their reports which are submitted to the Audit Committee.

In line with the guidance under Provision 9.2 of the 2018 Code, the Board has obtained assurance from Dr Low Chin Nam, Executive Director and Mr Chia Tong Hee, Senior Vice-President, Finance, that:

(a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Group; and

(b) the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls were adequate and effective as at 31 December 2020.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board is of the opinion that the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls were adequate and effective as at 31 December 2020.

The Audit Committee concurred with the Board's view that the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls were adequate and effective as at 31 December 2020.

Navigating the challenges arising from Coronavirus Disease 2019 ("COVID-19") pandemic

As with the vast majority of the business world, the coronavirus outbreak and the crisis caused by the unfolding pandemic took us by surprise.

The Board responded swiftly and spent a large amount of time guiding Management on the vulnerabilities of the Group in the face of a collective external stressor on all its businesses in all regions. They discussed and reviewed with Management, inter alia, the impact of COVID-19 on Group business operations; actions taken to safeguard the health and safety of employees; compliance with safe distancing measures in various regions; actions to ensure compliance with business continuity; actions to ensure continued cashflow for all businesses and impact on business costs.

Management monitored the impact of COVID-19 situation within the Group and escalated developments (positive and negative), mitigating measures implemented as well as relevant legal and regulatory requirements in the regions where the Group operates.

Internal Audit Function

The Company has an in-house internal audit department with a round-the-year internal audit program for the Group. The role of the internal auditors is to assist the Audit Committee to ensure that the Group maintains a sound system of internal controls and may undertake investigations as directed by the Audit Committee.

Internal Audit prepares an annual audit plan. The Audit Committee reviews and approves the annual internal audit plan, which complements that of the external auditors, so as to review the adequacy and effectiveness of the system of internal controls of the Group. The external auditors will highlight any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations raised by the internal and external auditors are reported to the Audit Committee. Internal Audit follows up on all recommendations by internal and external auditors to ensure management has implemented these in a timely and appropriate manner and reports the results to the Audit Committee every quarter.

Staffed by suitably qualified executives, Internal Audit has unrestricted direct access to the Audit Committee. The Head of Internal Audit's primary line of reporting is to the Chairman of the Audit Committee.

Overall, the Audit Committee is satisfied that the internal audit function is independent and effective and that internal audit department has adequate resources and appropriate standing within the Group to perform its function effectively.

Shareholder Rights, Conduct of General Meetings and Communication with Shareholders (Principles 11, 12 & 13)

The Company makes all necessary disclosures to the public via SGXNET. When material information is disseminated to the SGX-ST, such information is simultaneously posted on the Company's website at www.nsl.com.sg.

The Board, endeavours, by the release of quarterly and full year results, to provide shareholders with a balanced and understandable assessment of the Group's performance and prospects.

Statement of Corporate Governance

For the financial year ended 31 December 2020

In line with the guidance under Provision 11.1 of the 2018 Code, shareholders of the Company receive the notice of the annual general meeting. The notice is also advertised in the newspapers. At annual general meetings, shareholders are given the opportunity to seek clarification from directors and management on the financial affairs of the Company.

In line with the guidance under Provision 11.3 of the 2018 Code, to the extent possible, all directors will attend general meetings of shareholders. External auditors will also be present to assist the directors in addressing shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Company does not intend to adopt absentia voting methods (e.g. via mail, email or fax) until issues such as the authentication of shareholder identity and other related security and integrity of such information can be resolved. Notwithstanding the foregoing, under the Company's Constitution:

(a) a member of the Company who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) is entitled to appoint not more than two proxies to attend, speak and vote at the meeting; and

(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.

Accordingly, the Board is of the view that shareholders will still be able to participate effectively in and vote at general meetings even in the absence of absentia voting.

In line with the guidance under Provision 11.2 of the 2018 Code, resolutions submitted at annual general meetings are typically separate and not bundled or made inter-conditional on each other, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Company will explain the reasons and material implications in the notice of annual general meeting.

The Company had put all resolutions to vote by poll at shareholders meetings since December 2002 and announced detailed results showing the number of votes cast for and against each resolution and the respective percentages since 2012.

The Company does not publish minutes of general meetings or shareholders on its corporate website as contemplated by Provision 11.5 of the 2018 Code. There are potential adverse implications for the Company if the minutes of general meetings are published to the public at large (outside the confines of a shareholders' meeting) including disclosure of sensitive information to the Group's competitors. Further, shareholders, including those who did not attend the relevant general meeting, have a right to be furnished copies of minutes of general meeting pursuant to Section 189 of the Singapore Companies Act. Accordingly, the Company is of the view that its position is consistent with the intent of Principle 11 of the 2018 Code as shareholders are treated fairly and equitably by the Company.

The Company does not have a formal dividend policy as contemplated by Provision 11.6 of the 2018 Code. The Board may from time to time consider paying dividends in a manner that is in line with the Group's financial performance, taking into consideration the Group's earnings, capital requirements and overall financial position. Any dividends declared are clearly communicated to shareholders in public announcements and through announcements via SGXNET when the Company discloses its financial results. Subject to the approval of shareholders at the forthcoming annual general meeting, the Board has recommended a final dividend of S$0.05 per share for the financial year ended 31 December 2020 to be paid on such date as may be determined by the directors.

In line with the guidance under Provision 12.1 of the 2018 Code, the Company communicates (at least once annually at the annual general meeting) with its shareholders and facilitates the participation of shareholders during general meetings and (where applicable) other dialogues to allow shareholders to communicate their views on various matters affecting the Company. The Company also provides avenues for communication between the Board and all shareholders.

In view of the current COVID-19 situation in Singapore, the 2021 AGM will, as with the 2020 AGM, be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the meeting in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the meeting as proxy at the AGM, will be put in place for the AGM.

In view of the constantly evolving COVID-19 situation in Singapore, we may be required to change our arrangements for the AGM at short notice. Shareholders are encouraged to check SGXNET for the latest updates on the status of the 2021 AGM.

The Company currently does not have an investor relations policy in place as contemplated by Provisions 12.2 and 12.3 of the 2018 Code but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer should such a need arise. Shareholders could contact the Company's corporate communications department directly with questions and the Company may respond to such questions through such department. The contact details of the department are also set out on the Company's website.

In line with the guidance under Provisions 13.1, 13.2 and 13.3 of the 2018 Code, the Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and maintains a current corporate website to communicate and engage with stakeholders.

Securities Transactions

The Company has issued a policy on dealings in the securities of the Company to its directors, employees and directors of its subsidiaries, setting out the implications of insider trading and guidance on such dealings. Accordingly, the Company has complied with Rule 1207 (19) of the Listing Manual of the SGX-ST since 1998.

The Company and its officers are not allowed to deal in the Company's securities during the one month preceding, and up to the time of announcement of, the Company's results for the half-year and the full financial year (if the Company does not announce its quarterly results).

The directors and key employees are also expected to observe insider trading laws at all times, even when dealing in securities outside of the prohibited periods and to refrain from dealing in the securities on short-term considerations.

Interested Person Transactions

Pursuant to Rule 907 of the Listing Manual of the SGX-ST, no interested person transaction was entered into during the financial year.

Statement of Corporate Governance

For the financial year ended 31 December 2020

PARTICULARS OF DIRECTORS AS AT 8 MARCH 2021

NAME OF DIRECTOR	ACADEMIC & PROFESSIONAL QUALIFICATIONS	BOARD COMMITTEE AS CHAIRMAN OR MEMBER	DIRECTORSHIP DATE FIRST APPOINTED DATE LAST RE-ELECTED	BOARD APPOINTMENT WHETHER EXECUTIVE OR NON-EXECUTIVE	DUE FOR RE-ELECTION AT AGM ON 27 APRIL 2021	LISTED COMPANY DIRECTORSHIPS	PRINCIPAL COMMITMENTS
Prof Cham Tao Soon	• Bachelor of Engineering degree from Malaya University • Bachelor of Science degree from University of London • Doctorate of Philosophy degree from University of Cambridge • Fellow of the Institution of Engineers, Singapore • Fellow of the Institution of Mechanical Engineers, UK	*Chairman:* Nominating Committee Remuneration Committee Corporate Research and Development Advisory Panel *Member:* Audit Committee	26 May 1988 24 April 2018	Non-Executive / Independent	Re-election (Article 90)	Soup Restaurant Group Ltd	No
John Koh Tiong Lu	• LLM degree from Harvard Law School • BA and MA degree (Economics and Law) from Trinity College, University of Cambridge	*Chairman:* Audit Committee *Member:* Nominating Committee Remuneration Committee	30 January 2003 25 June 2020	Non-Executive / Independent	N/A	Aurora Mobile Limited KrisEnergy Ltd	No
Dr Tan Tat Wai	• Bachelor of Science degrees in Electrical Engineering and Economics from Massachusetts Institute of Technology • Master's degrees in Economics from the University of Wisconsin (Madison) and Harvard University • Doctor of Philosophy degree in Economics from University of Harvard	*Member:* Audit Committee Nominating Committee Remuneration Committee	15 February 1993 25 June 2020	Non-Executive / Independent	N/A	Southern Steel Berhad	Hospital Lam Wah Ee (Non-profit hospital) Penang Chinese Girls Schools Phor Tay Schools

NAME OF DIRECTOR	ACADEMIC & PROFESSIONAL QUALIFICATIONS	BOARD COMMITTEE AS CHAIRMAN OR MEMBER	DIRECTORSHIP DATE FIRST APPOINTED DATE LAST RE-ELECTED	BOARD APPOINTMENT WHETHER EXECUTIVE OR NON-EXECUTIVE	DUE FOR RE-ELECTION AT AGM ON 27 APRIL 2021	LISTED COMPANY DIRECTORSHIPS	PRINCIPAL COMMITMENTS
Ban Song Long	Associate of the Institute of Bankers, London	*Chairman:* Executive Committee *Member:* Audit Committee	25 January 2003 24 April 2018	Non-Executive	Re-election (Article 90)	No	Excelfin Pte Ltd (Managing Director) Yotei Pte Ltd (Managing Director)
David Fu Kuo Chen	Bachelor of Science degree in Engineering from University of Southern California	*Member:* Nominating Committee Remuneration Committee Executive Committee Corporate Research and Development Advisory Panel	25 January 2003 26 April 2019	Non-Executive	N/A	Hotel Properties Ltd	No
Dr Low Chin Nam	• Bachelor of Science (First Class Honours) in Electronics Engineering from King's College, University of London • Master of Science in Management Science from Imperial College, University of London • Doctor of Philosophy degree in Econometrics from Monash University, Australia	Member: Executive Committee Corporate Research and Development Advisory Panel	1 August 2016 26 April 2019	Executive (Responsible for the overall Management of the NSL Group)	N/A	No	Full time executive of NSL Ltd

Independent Auditor's Report
to the members of NSL LTD.

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of NSL Ltd. ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:
- the consolidated income statement of the Group for the financial year ended 31 December 2020;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2020;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Impairment assessment on trade receivables

Refer to Note 3a, Note 17 and Note 36b to the financial statements for the related disclosures

At 31 December 2020, the Group had outstanding trade receivables of S$65,117,000 (net of accumulated loss allowance for impairment of trade receivables of S$12,259,000) and credit loss allowance of S$1,790,000 was recorded in the consolidated income statement for the financial year ended.

For trade receivables, the Group applies the simplified approach permitted under SFRS(I) 9 and as set out in accounting policy stated in Note 2K which requires expected lifetime loss to be recognised from initial recognition of the trade receivables.

Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, default in payments (interest and/or principal payments) are at least 2 years overdue and/or legal enforcement action undertaken by the Group for recovery against the debtor are considered evidence that the debtor is non-performing ("Non-performing receivable"). In such an instance, the expected credit loss of the non-performing receivable is measured at the maximum exposure to the Group at balance sheet date.

Trade receivables that are other than non-performing are grouped by management based on similar credit risk characteristics and days past due; and a provision matrix was used to measure the lifetime expected credit loss within each operating segment.

In estimating the expected credit loss, management considers historical credit loss rates for each aging category and makes adjustments, where applicable, to reflect current and forward-looking macroeconomic factors affecting the ability of the debtors to settle the receivables.

We focused on this area because of the significant judgement and estimates required in the assessment of the expected credit loss recognised by the Group.

How our audit addressed the Key Audit Matter

We obtained an understanding of the Group's process for estimating the expected credit loss and assessed management's measurement of the lifetime expected credit loss.

We requested for confirmations and checked for evidence of receipts subsequent to the year end for selected significant debtors. We discussed with management the status of long overdue trade receivables and their consideration of debtors' specific profiles and risks within each operating segment. We also evaluated management's assumptions and inputs used in the computation of expected credit loss and assessed the reasonableness of management's assumptions used in by considering the Group's historical credit loss experience, ageing analysis of outstanding receivables within each operating segment and the forward-looking adjustments established based on their assessment of current and future market conditions including the impact of the Coronavirus Disease 2019 ("COVID-19") pandemic.

We verified the mathematical accuracy of the impairment loss of trade receivables and assessed the reasonableness of the credit loss rates for the respective aging brackets of trade receivables, in assessing the adequacy of impairment required.

We also considered the appropriateness and adequacy of the disclosures in respect of this matter.

Based on our procedures, we found the judgement exercised by management in the determination of impairment of trade receivables and the expected credit loss recorded in the financial statements to be appropriate.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment on property, plant and equipment ("PPE") and right-of-use assets ("RoU assets")	
Refer to Note 3b, Note 19 and Note 20 to the financial statements for the related disclosures. As at 31 December 2020, the Group's PPE and RoU assets were carried at net book values of S$112,649,000 and S$35,929,000 respectively. For PPE and RoU assets of certain cash-generating units ("CGU") of the Group with indicators of impairment, management performed an impairment review to assess the recoverable amounts of these assets based on the higher of value-in-use ("VIU") and fair value less cost to sell ("FVLCS"). Arising from management's impairment assessment based on VIU calculations using the discounted cash flow model, total impairment losses of S$7,227,000 and S$2,014,000 for PPE and RoU assets were recorded respectively in the profit or loss to write down the carrying amounts of these assets to their estimated recoverable amounts. The continually evolving situation due to COVID-19 pandemic has resulted in significant economic uncertainty in the current and future economic environment. We focused on this area because of the significant judgement and estimates required in estimating the projected sales growth rate, projected gross profit margins and discount rates in computing the recoverable amounts of the CGUs.	We assessed management's process for identifying and reviewing the CGUs subject to impairment testing and evaluated the basis and the methodology used to derive the recoverable amount of the CGUs based on VIU computations. Where external independent valuation experts are engaged by the management, we found that they possessed the requisite competency and experience to assist management in the assessment of the recoverable amount using the VIU model. We assessed the reasonableness of the cash flow projections by comparing the projected sales growth rate and gross profit margins against the CGU's historical data, performance and latest financial budgets approved by management and understood how they have considered the impact of the COVID-19 pandemic and market uncertainty in their estimates. In addition, we have independently verified the discount rates used by management to be appropriate. We also considered the appropriateness and adequacy of the disclosures relating to the assumptions. Based on our procedures performed, we found management's judgement and estimates in relation to the determination of the recoverable amounts of the CGUs to be appropriate and the disclosure in the financial statements to be adequate.

Independent Auditor's Report

to the members of NSL LTD.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report
to the members of NSL LTD.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Sim May Ling Theresa.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 8 March 2021

Consolidated Income Statement

For the financial year ended 31 December 2020

	Note	The Group 2020 S$'000	2019 S$'000
Continuing operations			
Sales	4	**247,106**	272,350
Cost of sales		**(218,622)**	(251,771)
Gross profit		**28,484**	20,579
Other income			
- Interest	5	**3,989**	5,210
- Others	5	**7,040**	6,284
Other gains and losses	6	**(9,695)**	(23,985)
Distribution costs		**(7,760)**	(8,845)
Administrative expenses		**(28,042)**	(32,577)
Impairment loss on financial assets	36b	**(1,790)**	(106)
Finance costs	7	**(1,734)**	(1,348)
Share of results of associated companies, net of tax	22	**(7,403)**	(164)
Loss before income tax	8	**(16,911)**	(34,952)
Income tax expense	10	**(2,374)**	(2,606)
Loss from continuing operations		**(19,285)**	(37,558)
Discontinued operations			
Profit from discontinued operations	11	**-**	596
Total loss for the financial year		**(19,285)**	(36,962)
(Loss) / profit attributable to equity holders of the Company:			
- from continuing operations		**(16,619)**	(33,637)
- from discontinued operations		**-**	494
		(16,619)	(33,143)
(Loss) / profit attributable to non-controlling interest:			
- from continuing operations		**(2,666)**	(3,921)
- from discontinued operations		**-**	102
		(2,666)	(3,819)
Basic and fully diluted (loss) / earnings per share (cents)			
- from continuing operations	13	**(4.45)**	(9.00)
- from discontinued operations	13	**-**	0.13

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2020

		The Group	
	Note	**2020 S$'000**	2019 S$'000
Total loss for the financial year		**(19,285)**	(36,962)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations			
- Gains/(losses) arising during the year		**4,719**	(3,418)
Share of other comprehensive (losses)/income of associated companies		**(310)**	87
		4,409	(3,331)
Items that will not be reclassified subsequently to profit or loss:			
Fair value gain arising from financial assets, at FVOCI*		**11,860**	3,417
Exchange differences on translating foreign operations			
- Gains arising during the year		**117**	68
Share of other comprehensive gains/(losses) of associated companies		**4,177**	(1,540)
Other comprehensive gain/(loss) for the year, net of tax		**20,563**	(1,386)
Total comprehensive gain/(loss) for the year, net of tax		**1,278**	(38,348)
Total comprehensive gain/(loss) attributable to:			
Equity holders of the Company		**3,827**	(34,597)
Non-controlling interests		**(2,549)**	(3,751)
		1,278	(38,348)

*Financial assets measured at fair value through other comprehensive income

The accompanying notes form an integral part of the financial statements.

Balance Sheets
As at 31 December 2020

		The Group		The Company	
		2020	2019	**2020**	2019
	Note	**S$'000**	S$'000	**S$'000**	S$'000
Share capital	14	**193,839**	193,839	**193,839**	193,839
Reserves	15	**301,617**	316,468	**149,875**	155,566
Shareholders' equity		**495,456**	510,307	**343,714**	349,405
Non-controlling interests	21	**(3,682)**	(1,133)	**-**	-
TOTAL EQUITY		**491,774**	509,174	**343,714**	349,405
CURRENT ASSETS					
Inventories	16	**51,168**	45,726	**-**	-
Receivables, prepayments and other current assets	17	**79,796**	92,556	**13,170**	49,226
Other investments at amortised cost	25	**2,006**	500	**2,006**	500
Tax recoverable		**2,593**	1,708	**-**	-
Cash and cash equivalents	18	**300,210**	281,592	**228,046**	224,221
		435,773	422,082	**243,222**	273,947
NON-CURRENT ASSETS					
Property, plant and equipment	19	**112,649**	124,859	**371**	446
Right-of-use assets	20	**35,929**	38,439	**1,119**	1,415
Investments in subsidiaries	21	**-**	-	**85,232**	85,232
Investments in associated companies	22	**46,838**	47,569	**-**	-
Long term receivables	23	**458**	5,130	**64,213**	28,051
Financial assets, at FVOCI	24	**1,187**	11,202	**896**	10,911
Other investments at amortised cost	25	**-**	2,021	**-**	2,021
Intangible assets	26	**9,866**	10,341	**-**	71
Deferred tax assets	31	**2,614**	3,081	**-**	-
Other non-current assets		**105**	105	**-**	-
		209,646	242,747	**151,831**	128,147
TOTAL ASSETS		**645,419**	664,829	**395,053**	402,094

The accompanying notes form an integral part of the financial statements.

Balance Sheets
As at 31 December 2020

		The Group		The Company	
		2020	2019	**2020**	2019
	Note	**S$'000**	S$'000	**S$'000**	S$'000
CURRENT LIABILITIES					
Borrowings	27a	**(14,827)**	(10,872)	**-**	-
Lease liabilities	27b	**(3,653)**	(3,206)	**(266)**	(266)
Trade, other payables and other current liabilities	28	**(88,123)**	(91,795)	**(40,555)**	(41,556)
Current income tax liabilities		**(2,019)**	(295)	**-**	-
Deferred income	29	**(29)**	(183)	**-**	-
		(108,651)	(106,351)	**(40,821)**	(41,822)
NON-CURRENT LIABILITIES					
Provision for retirement benefits	30	**(3,451)**	(3,901)	**-**	-
Deferred tax liabilities	31	**(2,119)**	(2,111)	**(46)**	(129)
Borrowings	27a	**(21,107)**	(23,107)	**-**	-
Lease liabilities	27b	**(15,334)**	(17,409)	**(793)**	(1,059)
Deferred income	29	**(405)**	(377)	**-**	-
Other non-current liabilities	32	**(2,578)**	(2,399)	**(9,679)**	(9,679)
		(44,994)	(49,304)	**(10,518)**	(10,867)
TOTAL LIABILITIES		**(153,645)**	(155,655)	**(51,339)**	(52,689)
NET ASSETS		**491,774**	509,174	**343,714**	349,405

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2020

	Note	Attributable to Equity Holders of the Company								
		Share Capital S$'000	Revenue Reserve S$'000	Foreign Currency Translation Reserve S$'000	Capital Reserve S$'000	Fair Value Reserve S$'000	General and Other Reserve S$'000	Total S$'000	Non-controlling Interests S$'000	Total Equity S$'000
THE GROUP										
Balance as at 1 January 2020		193,839	316,435	(4,381)	-	4,973	(559)	510,307	(1,133)	509,174
Loss for the year		-	(16,619)	-	-	-	-	(16,619)	(2,666)	(19,285)
Other comprehensive income / (losses) for the year		-	-	4,409	-	16,210	(173)	20,446	117	20,563
Transfer to revenue reserve upon disposal of financial asset, at FVOCI	15	-	15,657	-	-	(15,657)	-	-	-	-
Total comprehensive (losses) / income for the year		-	(962)	4,409	-	553	(173)	3,827	(2,549)	1,278
Dividends paid	12	-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
Total transactions with owners, recognised directly in equity		-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
Balance as at 31 December 2020		193,839	296,795	28	-	5,526	(732)	495,456	(3,682)	491,774
Balance as at 1 January 2019		193,839	368,372	(1,050)	(1,944)	1,556	981	561,754	4,572	566,326
Loss for the year		-	(33,143)	-	-	-	-	(33,143)	(3,819)	(36,962)
Other comprehensive (losses) / income for the year		-	-	(3,331)	-	3,417	(1,540)	(1,454)	68	(1,386)
Total comprehensive (losses) / income for the year		-	(33,143)	(3,331)	-	3,417	(1,540)	(34,597)	(3,751)	(38,348)
Dividends paid	12	-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
Dividends paid to non-controlling interests of subsidiary		-	-	-	-	-	-	-	(244)	(244)
Write-back of long outstanding dividend payables		-	118	-	-	-	-	118	-	118
Total transactions with owners, recognised directly in equity		-	(18,560)	-	-	-	-	(18,560)	(244)	(18,804)
Disposal of subsidiaries	15b	-	(234)	-	1,944	-	-	1,710	(1,710)	-
Balance as at 31 December 2019		193,839	316,435	(4,381)	-	4,973	(559)	510,307	(1,133)	509,174

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2020

		The Group	
	Note	**2020 S$'000**	2019 S$'000
Cash Flows from Operating Activities			
Loss from continuing operations		**(19,285)**	(37,558)
Profit from discontinued operations		**-**	596
Loss for the financial year		**(19,285)**	(36,962)
Adjustments for:			
Taxation		**2,374**	2,681
Amortisation of intangible assets		**803**	1,036
Amortisation of deferred income		**(177)**	(170)
Depreciation of property, plant and equipment		**13,863**	14,609
Depreciation of right-of-use assets		**4,599**	3,557
Interest expense		**1,734**	1,408
Interest income		**(3,989)**	(5,210)
Dividend income from financial assets, at FVOCI		**(21)**	(12)
Impairment of property, plant and equipment		**7,227**	20,901
Impairment of right-of-use assets		**2,014**	3,453
Impairment of intangible assets		**-**	122
Loss / (gain) on disposal including write-off of property, plant and equipment (net)		**63**	(508)
Plant closure and restructuring costs		**-**	203
Insurance compensation		**-**	(3,393)
Provision for retirement benefits (net)		**533**	637
Share of results of associated companies, net of tax		**7,403**	164
Loss on disposal of subsidiaries	18a	**-**	34
Fair value gain on redemption liability		**-**	(630)
Exchange differences and other adjustments		**706**	(1,004)
Operating cash flows before working capital changes		**17,847**	916
Changes in working capital, net of effects from acquisition and disposal of subsidiaries:			
Inventories		**(5,442)**	6,580
Receivables and prepayments		**14,481**	(5,703)
Deferred income		**51**	26
Trade and other payables		**(5,091)**	1,611
Cash generated from operations		**21,846**	3,430
Income tax paid		**(1,103)**	(1,462)
Insurance compensation received		**-**	4,393
Plant closure and restructuring costs		**(203)**	-
Retirement benefits paid		**(937)**	(179)
Net cash generated from operating activities		**19,603**	6,182

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2020

	Note	The Group 2020 S$'000	The Group 2019 S$'000
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		**289**	1,228
Proceeds from disposal of FVOCI financial assets		**21,875**	-
Insurance compensation received		**-**	906
Net cash inflow from disposal of subsidiaries	18a	**3,000**	5,034
Purchases of property, plant and equipment		**(8,688)**	(24,217)
Purchases of right-of-use assets		**-**	(4,698)
Purchases of intangible assets		**(272)**	(577)
Interest received		**4,518**	5,578
Dividends received from financial assets, at FVOCI/ available-for-sale		**21**	12
Proceeds from maturity of investments at amortised cost		**500**	-
Net cash used in investing activities		**21,243**	(16,734)
Cash Flows from Financing Activities			
Proceeds from borrowings		**5,199**	13,402
Repayment of borrowings		**(3,236)**	(1,513)
Principal payment of lease liability		**(4,354)**	(2,954)
Interest paid		**(1,734)**	(2,166)
Bank deposits pledged		**130**	(11,037)
Dividends paid to shareholders	12	**(18,678)**	(18,678)
Dividends paid to non-controlling interests		**-**	(244)
Net cash used in financing activities		**(22,673)**	(23,190)
Net increase/(decrease) in cash and cash equivalents		**18,173**	(33,742)
Cash and cash equivalents at beginning of the financial year		**264,055**	298,161
Effects of exchange rate changes on cash and cash equivalents		**575**	(364)
Cash and cash equivalents at end of the financial year	18	**282,803**	264,055

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2020

Reconciliation of liabilities arising from financing activities

	1 January 2020 S$'000	Proceeds from borrowings S$'000	Principal and interest payments S$'000	Non-cash changes					31 December 2020 S$'000
				Rent concession S$'000	Modification of lease liability S$'000	Additions during the year S$'000	Interest expense S$'000	Foreign exchange movement S$'000	
Bank borrowings	33,979	5,199	(3,236)	-	-	-	-	(8)	35,934
Lease liabilities	20,615	-	(5,145)	(97)	277	2,453	791	93	18,987

	1 January 2019 S$'000	Proceeds from borrowings S$'000	Principal and interest payments S$'000	Non-cash changes			31 December 2019 S$'000
				Additions during the year S$'000	Interest expense S$'000	Foreign exchange movement S$'000	
Bank borrowings	22,110	13,402	(1,513)	-	-	(20)	33,979
Lease liabilities	20,802	-	(3,744)	2,666	790	101	20,615

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements
For the financial year ended 31 December 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

NSL Ltd. (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The Company's registered office is at 317 Outram Road, #03-02 Singapore 169075.

The principal activities of the Company are provision of management services and investment holding. The principal activities of its subsidiaries are mainly manufacturing and sale of building materials, oil and petroleum related products and provision of environmental services (Note 40).

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

These financial statements are expressed in thousands of Singapore Dollars.

B. Interpretations and amendments to published standards effective in 2020

On 1 January 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

Early adoption of amendment to SFRS(I) 16 Leases

The group has elected to early adopt the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all property leases.

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial year.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Revenue recognition

(1) Sale of goods

The Group manufactures and sells a range of building materials, recycled oil and other petroleum related products ("oil and petroleum products"), refractory materials and roadstone products. Revenue from the sale of goods is recognised when the Group has delivered the goods to the locations specified by its customers and control of the goods has transferred, being when the customers have accepted the products in accordance with the sales contract.

The period between the transfer of the promised goods and payment by the customer may exceed one year (i.e. retention monies). For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the Group's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

(2) Services rendered

The Group provides environmental services which involves sludge and slop processing related services. For precast and PBU segment, the Group provides services relating to project preliminaries work and related services. Revenue from providing these services is recognised in the accounting period in which the services are rendered.

Subscription services for the membership in the Group's marina club is recognised in the accounting period in which the services are rendered. This includes entrance fees and membership transfer fees of membership clubs which are recognised in profit or loss on a straight-line basis over the term of membership. Unamortised entrance fees and membership transfer fees are recognised as deferred income in the balance sheet.

(3) Rental income

Rental income from operating lease (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Revenue recognition (continued)

(4) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(5) Interest income

Interest income is recognised using the effective interest method.

(6) Sale of scrap

The Group recognises sale of scrap when the customers accepted the scrap and the collectability of the related receivables is reasonably assured.

D. Cost of sales

Cost of sales comprises cost of purchased and manufactured goods sold, other relevant costs attributable to goods sold and costs of rendering services.

E. Group accounting

(1) Subsidiaries

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary’s net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Group accounting (continued)

(1) Subsidiaries (continued)

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2G for the subsequent accounting policy on goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to revenue reserve if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2I for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(2) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Group accounting (continued)

(3) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Refer to Note 2I for the accounting policy on investments in associated companies in the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Property, plant and equipment

(1) Measurement

Property, plant and equipment are initially recognised at cost, and subsequently carried at cost less accumulated depreciation and impairment losses (refer to Note 2J for accounting policy on impairment of property, plant and equipment).

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 2H for accounting policy on borrowing costs).

(2) Depreciation

Freehold land and construction-in-progress are not depreciated. Depreciation of other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Buildings	-	8 to 60 years
Leasehold improvements	-	4 to 15 years
Plant and machinery	-	3 to 15 years
Vessels (including dry docking)	-	15 to 18 years
Other assets	-	3 to 15 years

Other assets comprise furniture and fittings, office appliances and equipment and motor vehicles.

Dry docking costs are recognised as a separate component of each vessel’s carrying amount. These costs are depreciated over the period to the next scheduled dry docking, which is 5 years. The remaining carrying amount of the old dry docking as a result of the commencement of new dry docking will be written off to profit or loss.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(3) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised as an expense in profit or loss when incurred.

(4) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss within “other gains and losses”.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Intangible assets

(1) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold.

(2) Acquired intangible assets

Acquired intangible assets consists of computer software licenses that are recognised at cost less accumulated amortisation and accumulated impairment losses (refer to Note 2J for accounting policy for impairment of other intangible assets). These costs are amortised to profit or loss using the straight-line method over their expected useful lives ranging from 3 to 5 years, which is the shorter of their estimated useful lives and period of contractual rights. Costs associated with maintaining the acquired intangible assets are expensed off when incurred.

The amortisation period and amortisation method of intangible assets (other than goodwill) are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

H. Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to assets under construction. This includes those costs on borrowings acquired specifically for assets under construction, as well as those in relation to general borrowings used to finance assets under construction.

I. Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses (refer to Note 2J for accounting policy on impairment of investment in subsidiaries and associated companies) in the Company's balance sheet.

On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Impairment of non-financial assets

(1) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-unit ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(2) Other intangible assets
Property, plant and equipment
Right-of-use assets
Investments in subsidiaries and associated companies

Other intangible assets, property, plant and equipment, right-of-use assets, investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset (other than goodwill) is reversed if, and only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset (other than goodwill) is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset (other than goodwill) is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Financial assets

(1) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income ("FVOCI")

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and listed debt instruments.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Financial assets (continued)

(2) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(3) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to revenue reserve along with the amount previously recognised in other comprehensive income relating to that asset.

(4) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

L. Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

N. Trade and other payables / liabilities

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

O. Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities, bonds and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of forward foreign exchange contracts are determined using actively quoted forward exchange rates at the balance sheet date.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods, and makes assumptions based on current market conditions that are existing at each balance sheet date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and/or discounted cash flow analysis. The Group also estimates the fair values of the financial assets by reference to the net assets of these equity securities, adjusting where applicable using appropriate measures to fair value the underlying assets and liabilities. In determining these fair values, management evaluates, among other factors, the reliability and appropriateness of the use of the underlying net asset information provided, taking into consideration factors such as industry and sector outlook, other market comparable and other prevailing market factors and conditions.

The fair value of non-current financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Q. Leases

(1) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

Leasehold land	-	Over a lease period of up to 98 years
Office and buildings	-	2 to 5 years
Motor vessels	-	1 to 3 years
Other assets	-	2 to 4 years

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of right-of-use assets if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Leases (continued)

(1) When the Group is the lessee (continued):

(ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short term and low value leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Leases (continued)

(2) When the Group is the lessor:

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

R. Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Provisions

(1) Provision for asset dismantlement, removal and restoration

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of right-of-use assets arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related right-of-use assets, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

(2) Provision for other liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss when the changes arise.

T. Employee compensation

(1) Pension benefits

The Group operates both defined contribution post-employment benefit plans and defined benefit.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group’s contributions are recognised as employee compensation expense when they are due.

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Employee compensation (continued)

(1) Pension benefits (continued)

Certain subsidiaries of the Group operate separate defined retirement benefit schemes for certain employees. Such benefits are unfunded.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. Retirement benefits are assessed annually using the projected unit credit method. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using a discount rate by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to the terms of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actual assumptions are charged or credited to equity in other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period. Changes in the defined benefit liability arising from past service cost and net interest on the defined benefit obligation for the financial year are recognised in profit or loss.

(2) Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

U. Currency translation

(1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(2) Transaction and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of transaction. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investments in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Currency translation (continued)

(2) Transaction and balances (continued)

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains and losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

(3) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rate at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date. For acquisitions prior to 1 January 2005, the goodwill and fair value adjustments are translated at the exchange rates at the dates of acquisition.

V. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

W. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

X. Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Y. Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of the Group that either has been disposed of, or that is classified as held-for-sale and:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

Z. Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3a. Impairment of trade receivables

As at 31 December 2020, the Group's trade receivables amounted to $65,117,000 (Note 17). For trade receivables, the Group applies the simplified approach permitted under SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables as set out in accounting policy stated in Note 2K. The Group's credit risk exposure for trade receivables by different operating segments and days past due are set out in Note 36(b).

In relation to trade receivables that are other than non-performing, management has grouped the receivables based on similar credit risk characteristics and days past due and have used a provision matrix to measure the lifetime expected credit losses within each operating segment. The loss allowance rates within the provision matrix to be applied on receivables with different risk characteristics are based on historical default rates and takes into consideration forward-looking information affecting the ability of the debtors to settle the receivables. The loss allowance rates are reviewed on a regular basis.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3a. Impairment of trade receivables (continued)

As at 31 December 2020, total loss allowance of S$12,259,000 for trade receivable was recognised and credit loss allowance of S$1,790,000 was recorded in the consolidated income statement for the financial year then ended.

Management evaluated the economic situation caused by the COVID-19 pandemic to be transitory and would be followed by a recovery in the respective operating segments of the Group and hence determined that the impact of COVID-19 pandemic had no significant impact on the expected credit loss of trade receivables of the Group. The economic environment remains uncertain and credit loss allowances may be subject to further volatility depending on the duration of the COVID-19 pandemic and related containment measures.

3b. Impairment of property, plant and equipment (“PPE”) and right-of-use assets (“RoU assets”)

Property, plant and equipment and right-of-use assets are reviewed for impairment whenever there is indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of value-in-use (“VIU”) and fair value less costs to sell (“FVLCS”) of the asset is estimated to determine the impairment loss.

Arising from management’s assessment for the financial year ended 31 December 2020, impairment losses of S$7,227,000 and S$2,014,000 were recorded for the PPE (Note 19) and RoU assets (Note 20) respectively to write down the carrying amounts of these assets to their estimated recoverable amounts.

The continually evolving situation due to COVID-19 pandemic resulted in significant economic uncertainty in the current and future economic environment. As a result of the heightened uncertainty, significant management judgement is applied in the estimation of cash flow projections which form the basis to derive the recoverable amounts of the PPE and RoU assets. Accordingly, apart from relying on the CGU’s historical data, performance and latest financial budgets approved by management, the cash flow projections have also been adjusted to reflect the estimated recovery from impact of COVID-19 pandemic, which management considers most likely, based on the information available as at the balance sheet date.

In particular, the determination of impairment losses of the Group from the VIUs of the PPE and RoU assets specific to two CGUs in the Precast & PBU segment operating in Malaysia and United Arab Emirates (“UAE”) involve significant judgement about the projected sales growth rates, projected gross profit margins and discount rates applied to cash flow projections to determine the recoverable amounts of the CGUs. The VIU calculation used cash flow projections that were based on financial budgets approved by management and discounted using the pre-tax weighted average cost of capital of 11.29% and 10.23% for the CGU in Malaysia and UAE respectively. Based on management’s assessment, an impairment loss of S$4,044,000 (2019: Nil) and S$1,013,000 (2019: Nil) was recognised for PPE and RoU assets respectively specific to a CGU in UAE. Impairment loss of Nil (2019: S$5,327,000) was recorded for PPE and RoU assets (2019: S$1,811,000) for the CGU in a Malaysia subsidiary. If management’s projected sale growth rates had been 10% lower/higher from management’s assumption and assuming all other variables remain unchanged, the impairment losses for the related PPE and RoU assets would be higher/lower by S$910,000 and S$227,000 respectively. If the projected gross profit margins were to be lower/higher by 5% from management’s assumption and assuming all other variables remain unchanged, the impairment losses for the related PPE and RoU assets would be higher/lower by S$1,959,000 and S$490,000 respectively. If the pre-tax weighted average cost of capital were to be higher/lower by 10% from management’s assumption and assuming all other variances remain unchanged, the impairment losses for the related PPE and RoU assets would be higher/lower by S$600,000 and S$149,000 respectively.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

4a Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time and overtime in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

	At a point in time S$'000	Overtime S$'000	Total S$'000
The Group			
2020			
Manufacturing and sale of building materials			
- Singapore	33,801	1,917	35,718
- Malaysia	20,418	-	20,418
- United Arab Emirates	37,009	-	37,009
- Finland & other parts of Europe	98,855	-	98,855
	190,083	1,917	192,000
Provision of environmental services and sale of oil and petroleum products			
- Singapore	6,758	33,797	40,555
- Malaysia	510	-	510
- United Arab Emirates	206	-	206
- Others	948	-	948
	8,422	33,797	42,219
Others			
- Singapore	5,672	2,010	7,682
- Malaysia	2,046	-	2,046
- Others	558	-	558
	8,276	2,010	10,286
	206,781	37,724	244,505
Rental income on operating lease			2,601
Total			247,106

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

4a Disaggregation of revenue from contracts with customers (continued)

	At a point in time S$'000	Overtime S$'000	Total S$'000
The Group			
2019			
Manufacturing and sale of building materials			
- Singapore	40,274	-	40,274
- Malaysia	38,121	-	38,121
- United Arab Emirates	47,910	-	47,910
- Finland & other parts of Europe	91,446	-	91,446
	217,751	-	217,751
Provision of environmental services and sale of oil and petroleum products			
- Singapore	4,736	24,677	29,413
- Malaysia	1,130	-	1,130
- United Arab Emirates	172	-	172
- Others	2,384	-	2,384
	8,422	24,677	33,099
Others			
- Singapore	11,061	2,655	13,716
- Malaysia	3,346	-	3,346
- Others	1,460	-	1,460
	15,867	2,655	18,522
	242,040	27,332	269,372
Rental income on operating lease	-	-	2,978
Total			272,350

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

4b Contract liabilities

	The Group		
	31 December		1 January
	2020	2019	2019
	S$'000	S$'000	S$'000
Contract liabilities			
- Manufacturing and sale of building materials	**16,208**	11,733	13,783
- Others	**544**	37	-
Total contract liabilities (Note 28)	**16,752**	11,770	13,783

Contract liabilities for manufacturing and sale of building material has increased due to more contracts in which the Group billed and received consideration ahead of the provision of services.

(i) Revenue recognised in relation to contract liabilities

	The Group	
	2020	2019
	S$'000	S$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
- Manufacturing and sale of building materials	**10,651**	13,244

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less is not disclosed.

4c Assets recognised from costs to fulfil contracts

The Group has recognised assets in relation to costs of contract-specific moulds used in production in the Precast & PBU operating segment. These costs incurred to fulfil contracts are presented within other current assets in the balance sheet and amortised to the profit or loss as cost of sales on a basis consistent with the pattern of recognition of the associated revenue.

	The Group	
	31 December	
	2020	2019
	S$'000	S$'000
Other current assets		
Asset recognised from costs incurred to fulfil contracts as at 31 December (Note 17)	**833**	1,931
Amortisation recognised as cost of sales during the year	**237**	4,833

The costs to fulfil contracts decreased mainly due to less contracts secured during the year within the Precast and PBU operating segment which required specific mould designs.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

4d Trade receivables from contracts with customers

	The Group		
	31 December		1 January
	2020	2019	2019
	S$'000	S$'000	S$'000
Current assets			
Trade receivables from contracts with customers (Note 17 and 23)	**77,376**	91,680	104,888
Loss allowance	**(12,259)**	(15,488)	(18,667)
	65,117	76,192	86,221

5. OTHER INCOME

The following has been included in arriving at other income:

	The Group	
	2020	2019
	S$'000	S$'000
Interest income		
- Financial assets measured at amortised cost		
- Fixed deposits	**3,816**	5,058
- Others	**173**	152
	3,989	5,210
Dividend income from financial assets, at FVOCI	**21**	12
Sale of scrap	**899**	1,312
Insurance claim for business interruption due to fire incident of a subsidiary	**-**	3,393
Government grants	**5,070**	-
Other income	**1,050**	1,567
	7,040	6,284
	11,029	11,494

Government grants recognised during the financial year comprised mainly of the following:

- Grant income of the Group of S$3,619,000 (2019: Nil) relates to the Jobs Support Scheme (the "JSS") in Singapore. The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

- COVID-19 relief schemes and assistance packages in the form of property tax rebate and cash grants received by the Group amounted to S$1,147,000 of which S$269,000 was passed on as rent rebates to tenants via reduction in rental income.

6. OTHER GAINS AND LOSSES

	The Group	
	2020 **S$'000**	2019 S$'000
Currency exchange losses - net	**(477)**	(314)
Plant closure and restructuring costs of a subsidiary	**-**	(203)
Property, plant and equipment		
- (Loss)/gain on disposal	**(63)**	509
- Allowance for impairment loss (Note 19c)	**(7,227)**	(20,901)
Impairment of right-of-use assets (Note 20a)	**(2,014)**	(3,453)
Impairment of intangible assets	**-**	(122)
Loss on disposal of a subsidiary (Note 18a)	**-**	(34)
Fair value gain on redemption liability related to a call and put option of a subsidiary (Note 11c)	**-**	630
Miscellaneous	**86**	(97)
	(9,695)	(23,985)

7. FINANCE COSTS

	The Group	
	2020 **S$'000**	2019 S$'000
Interest expense		
- Bank borrowings	**(873)**	(295)
- Lease liabilities/finance lease liabilities (Note 20)	**(791)**	(790)
- Redemption liability related to a call and put option of a subsidiary (Note 11c)	**-**	(181)
- Others	**(70)**	(82)
	(1,734)	(1,348)

8. LOSS BEFORE INCOME TAX

The following have been included in arriving at loss before income tax:

		The Group	
	Note	**2020 S$'000**	2019 S$'000
(Charged) / credited:			
Amortisation of intangible assets	26	**(803)**	(922)
Amortisation of deferred income	29	**177**	170
Depreciation of property, plant and equipment	19	**(13,863)**	(14,294)
Depreciation of right-of-use assets	20	**(4,599)**	(3,557)
Employee compensation	9	**(84,570)**	(86,482)
Cost of inventories as expense (included in 'Cost of sales')		**(83,353)**	(96,724)
Sub-contractor charges		**(14,215)**	(18,701)
Auditors' remuneration paid / payable to			
- auditors of the Company[(1)]		**(455)**	(443)
- other auditors of subsidiaries[(2)]		**(202)**	(210)
Non-audit fees paid / payable to			
- auditors of the Company[(1)]		**(214)**	(218)
- other auditors of subsidiaries		**(31)**	(56)
Rental expense		**(3,976)**	(6,087)
Transportation expense		**(7,619)**	(9,783)
Impairment loss of trade receivables, net	36b	**(1,790)**	(106)
Allowance for stocks obsolescence		**(1,783)**	49
Write-down of inventories to net realisable value, net		**(1,133)**	(642)

(1) PricewaterhouseCoopers LLP, Singapore
(2) Comprises S$170,000 (2019: S$166,000) paid or payable to the network of member firms of PricewaterhouseCoopers International Limited outside Singapore and S$32,000 (2019: S$44,000) paid or payable to other firms of auditors in respect of the audit of subsidiaries.

9. EMPLOYEE COMPENSATION

	The Group	
	2020 S$'000	2019 S$'000
Wages and salaries	**74,431**	76,347
Employer's contribution to defined contribution plans, including Central Provident Fund	**2,542**	2,814
Retirement benefits (Note 30)	**533**	637
Other staff benefits	**7,064**	6,684
	84,570	86,482

Key management's remuneration is disclosed in Note 33b.

10. INCOME TAX EXPENSE

	The Group	
	2020 **S$'000**	2019 S$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
From continuing operations		
Current income tax		
- Singapore	**(120)**	191
- Foreign	**1,996**	1,697
	1,876	1,888
Deferred income tax (Note 31)	**475**	835
	2,351	2,723
From discontinued operations		
Current income tax		
- Singapore (Note 11)	**-**	75
Total current taxation	**2,351**	2,798
Under / (Over) provision in prior financial years:		
From continuing operations		
Current income tax	**6**	(110)
Deferred income tax (Note 31)	**17**	(7)
Total under/(over) provision in prior years	**23**	(117)
Tax expense is attributable to:		
- continuing operations	**2,374**	2,606
- discontinued operations	**-**	75
	2,374	2,681

The deferred tax credit relating to each component of other comprehensive income is as follows:

	The Group					
	2020			2019		
	Before Tax S$'000	**Tax credit S$'000**	**After Tax S$'000**	Before Tax S$'000	Tax credit S$'000	After Tax S$'000
Fair value gain of financial assets, at FVOCI / Other comprehensive income	**11,860**	**-**	**11,860**	3,417	-	3,417

10. INCOME TAX EXPENSE (CONTINUED)

The tax expense on the Group's results differ from the amount that would arise using the Singapore corporate income tax rate as explained below:

	The Group	
	2020 **S$'000**	2019 S$'000
(Loss) / profit before tax from		
- continuing operations	**(16,911)**	(34,952)
- discontinued operations (Note 11)	**-**	671
	(16,911)	(34,281)
Share of results of associated companies, net of tax [(1)]	**7,403**	164
Loss before tax and share of results of associated companies	**(9,508)**	(34,117)
Tax calculated at a tax rate of 17% (2019: 17%)	**(1,616)**	(5,800)
Income not subject to tax	**(760)**	(225)
Expenses not deductible for tax purposes	**1,708**	1,804
Utilisation of previously unrecognised tax assets	**(181)**	(46)
Tax benefit from current year's tax losses not recognised	**1,864**	5,817
Effects of different tax rates in other countries	**1,430**	1,388
Tax incentives and rebates	**(78)**	(82)
Under / (over) provision of income tax	**23**	(117)
Others	**(16)**	(58)
Tax charge	**2,374**	2,681

(1) Share of results of associated companies is net of tax expense of S$381,000 (2019: tax expense of S$313,000).

11. DISCONTINUED OPERATIONS

On 5 August 2019, a subsidiary of the Group, NSL OilChem Waste Management Pte Ltd ("NSL OilChem") entered into a sale and purchase agreement with the non-controlling interests of its subsidiary, NSL Fuel Management Services Pte Ltd ("NSL Fuel") for the proposed disposal of 6,000,000 ordinary shares, representing 82.75% of the issued share capital in NSL Fuel and its subsidiaries.

The sale was completed on 27 August 2019. Following completion, NSL Fuel ceased to be a member of the Group.

11. DISCONTINUED OPERATIONS (CONTINUED)

11a. An analysis of the results of discontinued operation is as follows:

	The Group
	2019 S$'000
Sales	48,539
Net expenses	(47,871)
Profit before tax from discontinued operations	668
Income tax expense	(75)
Profit after tax from discontinued operations	593
Gain on disposal of subsidiaries	3
Profit after tax from discontinued operations	596

11b. The impact of the discontinued operations on the cash flows of the Group was as follows:

	2019 S$'000
Operating cash outflows	(825)
Investing cash outflows	(45)
Financing cash outflows	(43)
Total cash outflows	(913)

11c. Call and put option

Following the sale of NSL Fuel, the redemption liability related to call and put option entered by NSL OilChem with the non-controlling shareholders had lapsed and was derecognised in 2019.

12. DIVIDENDS

	The Group and Company	
	2020 **S$'000**	2019 S$'000
Ordinary dividends paid		
Final dividend of 5 cents in respect of the previous financial year (2019: Final dividend of 5 cents in respect of the previous financial year)	**18,678**	18,678

Subsequent to the balance sheet date, the Directors proposed a final dividend of 5 cents for financial year ended 31 December 2020 (2019: a final dividend of 5 cents) amounting to S$18,678,000 (2019: S$18,678,000). This dividend will be accounted for in the shareholders' equity as an appropriation of revenue reserve in the financial year ending 31 December 2021 (2019: 31 December 2020).

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For purposes of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for effects of all dilutive potential ordinary shares. The Company does not have any potential ordinary shares with dilutive potential.

	Continuing operations		Discontinued operations		Total	
	2020	2019	**2020**	2019	**2020**	2019
Net (loss) / profit attributable to equity holders of the Company (S$'000)	**(16,619)**	(33,637)	**-**	494	**(16,619)**	(33,143)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	**373,558**	373,558	**-**	373,558	**373,558**	373,558
Basic and diluted (loss) / earnings per share (cents per share)	**(4.45)**	(9.00)	**-**	0.13	**(4.45)**	(8.87)

14. SHARE CAPITAL

The Group and Company	Issued ordinary shares No of shares '000	Amount S$'000
2020 and 2019		
Balance at 1 January and 31 December	373,558	193,839

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The Company's immediate and ultimate holding corporations are 98 Holdings Pte. Ltd. and Excel Partners Pte. Ltd. respectively, both incorporated in Singapore.

15. RESERVES

15a Composition

	The Group		The Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Revenue reserve	**296,795**	316,435	**148,990**	150,884
Foreign currency translation reserve	**28**	(4,381)	**-**	-
Fair value reserve	**5,526**	4,973	**885**	4,682
General and other reserves	**(732)**	(559)	**-**	-
	301,617	316,468	**149,875**	155,566

Revenue reserve relates to distributable retained profits of the Group.

General reserve of S$981,000 (2019: S$981,000) is relating to funds appropriated from the net profits to statutory reserves of a subsidiary established in the United Arab Emirates. 10% of the annual net profits of the subsidiary are transferred to the statutory reserves until the reserves is equal to at least 50% of the paid-up capital of the subsidiary. In accordance with the Commercial Companies Law in United Arab Emirates, no contribution (2019: Nil) has been made to statutory reserve during the current financial year.

Other reserve relates to the Group's share of other comprehensive losses of an associated company of S$1,713,000 (2019: S$1,540,000), which will not be reclassified subsequently to profit or loss.

15b Reserves movements

	The Group		The Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
(i) Revenue reserve				
Beginning of financial year	**316,435**	368,372	**150,884**	167,969
Net (loss) / profit for the year	**(16,619)**	(33,143)	**1,127**	1,475
Transfer of reserves upon disposal of financial asset, at FVOCI	**15,657**	-	**15,657**	-
Dividends paid (Note 12)	**(18,678)**	(18,678)	**(18,678)**	(18,678)
Write-back of long outstanding dividend payables	**-**	118	**-**	118
Disposal of subsidiaries	**-**	(234)	**-**	-
End of financial year	**296,795**	316,435	**148,990**	150,884
(ii) Foreign currency translation reserve				
Beginning of financial year	**(4,381)**	(1,050)	**-**	-
Net currency translation differences of financial statements of foreign subsidiaries and associates	**4,526**	(3,263)	**-**	-
Less: Non-controlling interests	**(117)**	(68)		
End of financial year	**28**	(4,381)	**-**	-

15. RESERVES (CONTINUED)

15b Reserves movements (continued)

	The Group		The Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
(iii) Fair value reserve				
Beginning of financial year	**4,973**	1,556	**4,682**	1,265
Fair value gains of financial asset, at FVOCI	**11,860**	3,417	**11,860**	3,417
Share of associate's fair value gain on financial asset, at FVOCI	**4,350**	-	**-**	-
Transfer of reserves to retained profits upon disposal of financial asset, at FVOCI (Note 24)	**(15,657)**	-	**(15,657)**	-
End of financial year	**5,526**	4,973	**885**	4,682
(iv) General and other reserve				
Beginning of financial year	**(559)**	981	**-**	-
Other comprehensive losses for the year	**(173)**	(1,540)	**-**	-
End of financial year	**(732)**	(559)	**-**	-
(v) Capital reserve				
Beginning and end of financial year	**-**	(1,944)	**-**	-
Disposal of subsidiaries	**-**	1,944	**-**	-
End of financial year	**-**	-	**-**	-

Capital reserve relates to adjustments to non-controlling interests arising from transactions that do not involve the loss of control. The capital reserve has been fully reversed as the redemption liability related to the call and put option with non-controlling interests had lapsed upon disposal of a subsidiary in 2019 (Note 11).

16. INVENTORIES

	The Group	
	2020	2019
	S$'000	S$'000
At lower of cost and net realisable value		
Raw materials	**18,289**	19,800
Finished goods	**26,190**	20,596
General stores and consumables	**6,689**	5,330
	51,168	45,726

For the financial year ended 31 December 2020, the Group recorded S$1,133,000 (2019: S$642,000) in the profit or loss to write down the inventories to its net realisable value. The amount has been included in "cost of sales".

17. RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS

	The Group		The Company	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Trade receivables				
- Associated companies	**1,576**	1,555	**-**	-
- Non-related parties [17c]	**75,800**	85,123	**-**	-
	77,376	86,678	**-**	-
Less: Allowance for impairment of trade receivables	**(12,259)**	(15,149)	**-**	-
Trade receivables – net	**65,117**	71,529	**-**	-
Non-trade amounts owing by subsidiaries[17a]	**-**	-	**12,533**	48,043
Prepayments	**5,676**	8,058	**120**	212
Costs to fulfil contracts	**833**	1,931	**-**	-
Deposits	**1,539**	1,416	**9**	13
Interest receivables	**446**	975	**479**	929
Recoverable expenditure	**656**	670	**-**	-
Sale consideration receivable (Note 18)	**-**	3,000	**-**	-
Sundry receivables [17b]	**5,529**	4,977	**29**	29
	79,796	92,556	**13,170**	49,226

17a Non-trade amounts owing by subsidiaries are unsecured, repayable on demand and are interest-free, except for an amount of S$7,598,000 (2019: S$38,130,000) that bears interest at average of 2.9% (2019: 2.4%) per annum.

17b Sundry receivables are unsecured, interest free and expected to be repaid within the next 12 months after the balance sheet date.

17c Included in the Group's trade receivables are retention monies of S$8,349,000 (2019: S$5,002,000) which are expected to be realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting period.

18. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Fixed deposits	**228,019**	232,826	**210,168**	214,472
Cash at bank and on hand	**72,191**	48,766	**17,878**	9,749
	300,210	281,592	**228,046**	224,221

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group		The Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Cash and bank balances	**300,210**	281,592	**228,046**	224,221
Less: bank deposits pledged	**(17,407)**	(17,537)	**-**	-
Cash and cash equivalents per statement of cash flows	**282,803**	264,055	**228,046**	224,221

Bank deposits of S$17,407,000 (2019: S$17,537,000) are pledged to banks for banking facilities granted to subsidiaries (Note 27).

18. CASH AND CASH EQUIVALENTS (CONTINUED)

18a Disposal of subsidiaries

In prior year, the Group completed the disposal of its subsidiary, NSL Fuel (Note 11) for a net cash consideration of approximately S$9,353,000. In addition, the Group also disposed its subsidiary, NSL OilChem (Timor), Unipessoal Lda for a cash consideration of S$595,000.

The effects of the disposal of subsidiaries on the cash flows of the Group were as follows:

	The Group 2019 S$'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	1,941
Trade and other receivables	14,776
Inventories	1,869
Property, plant and equipment	2,651
Intangible assets	253
Total assets	21,490
Trade and other payables	(8,825)
Contingent consideration payable	(655)
Deferred tax liabilities	(79)
Total liabilities	(9,559)
Net assets derecognised	11,931
Less: Non-controlling interests	(1,949)
Net assets disposed of	9,982

	The Group 2019 S$'000
Net assets disposed of	9,982
Loss on disposal	(34)
Total sale consideration, net of transaction costs	9,948
Less: Cash and cash equivalents in subsidiaries disposed of	(1,941)
Less: Sale consideration receivable (Note 17)	(3,000)
Add: Professional fees payable	27
Net cash inflow on disposal of subsidiaries	5,034

19. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land S$'000	Buildings S$'000	Leasehold Improvements S$'000	Plant & Machinery S$'000	Vessels*** S$'000	Other Assets* S$'000	Construction in-progress S$'000	Total S$'000
The Group – 2020								
Cost								
At 1 January 2020	6,240	170,581	1,145	105,151	14,592	46,776	24,157	368,642
Currency realignment	(22)	446	-	1,063	-	(262)	-	1,225
Additions **	-	116	27	2,222	-	2,341	3,910	8,616
Disposals and write off	-	(139)	-	(189)	-	(1,275)	(59)	(1,662)
Reclassifications		703	211	20,702	-	213	(21,829)	-
At 31 December 2020	6,218	171,707	1,383	128,949	14,592	47,793	6,179	376,821
Accumulated Depreciation and Impairment Losses								
At 1 January 2020	-	115,674	322	86,714	4,385	34,536	2,152	243,783
Currency realignment	-	216	-	746	-	(296)	-	666
Depreciation charge for the year**	-	3,943	192	4,775	953	4,000	-	13,863
Disposals and write off	-	(41)	-	(173)	-	(1,153)	-	(1,367)
Impairment loss	-	5,092	-	826	-	1,297	12	7,227
At 31 December 2020	-	124,884	514	92,888	5,338	38,384	2,164	264,172
Net Book Value								
At 31 December 2020	6,218	46,823	869	36,061	9,254	9,409	4,015	112,649
The Group – 2019								
Cost								
At 1 January 2019	6,245	152,621	921	101,378	13,479	48,151	31,323	354,118
Currency realignment	(5)	(525)	-	(798)	-	(239)	(2)	(1,569)
Additions **	-	1,086	-	4,532	1,113	6,118	12,726	25,575
Disposals and write off	-	(1)	(47)	(357)	-	(4,005)	(10)	(4,420)
Disposal of subsidiaries (Note 18a)	-	-	-	(1,197)	-	(3,865)	-	(5,062)
Reclassifications	-	17,400	271	1,593	-	616	(19,880)	-
At 31 December 2019	6,240	170,581	1,145	105,151	14,592	46,776	24,157	368,642
Accumulated Depreciation and Impairment Losses								
At 1 January 2019	-	109,786	253	68,628	1,541	35,245	-	215,453
Currency realignment	-	(332)	-	(587)	-	(150)	-	(1,069)
Depreciation charge for the year**								
- continuing operations	-	3,884	115	5,137	976	4,182	-	14,294
- discontinued operations	-	-	-	83	-	232	-	315
Disposals and write off	-	-	(46)	(110)	-	(3,544)	-	(3,700)
Disposal of subsidiaries (Note 18a)	-	(1)	-	(506)	-	(1,904)	-	(2,411)
Reclassifications	-	-	-	1	-	(1)	-	-
Impairment loss	-	2,337	-	14,068	1,868	476	2,152	20,901
At 31 December 2019	-	115,674	322	86,714	4,385	34,536	2,152	243,783
Net Book Value								
At 31 December 2019	6,240	54,907	823	18,437	10,207	12,240	22,005	124,859

* Other assets comprise furniture & fittings, office equipment and motor vehicles.

** Additions of construction-in-progress include capitalisation of depreciation of property, plant and equipment and right-of-use assets amounting to Nil (2019: S$569,000) and borrowing costs of Nil (2019: S$758,000).

*** Dry docking costs amounting to S$889,000 (2019: S$1,152,000) are recognised as a separate component of each vessel's carrying amount. For more details, please refer to Note 2F.

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Other Assets* S$'000	Total S$'000
The Company – 2020		
Cost		
At 1 January 2020	1,803	1,803
Additions	82	82
Disposals	(3)	(3)
At 31 December 2020	1,882	1,882
Accumulated Depreciation		
At 1 January 2020	1,357	1,357
Depreciation charge for the year	157	157
Disposals and write off	(3)	(3)
At 31 December 2020	1,511	1,511
Net Book Value		
At 31 December 2020	371	371
The Company – 2019		
Cost		
At 1 January 2019	1,776	1,776
Additions	397	397
Disposals and write off	(370)	(370)
At 31 December 2019	1,803	1,803
Accumulated Depreciation		
At 1 January 2019	1,606	1,606
Depreciation charge for the year	121	121
Disposals and write off	(370)	(370)
At 31 December 2019	1,357	1,357
Net Book Value		
At 31 December 2019	446	446

* Other assets comprise furniture & fittings, office equipment and motor vehicles.

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

19a The Group's major properties comprise freehold land in Malaysia and Finland, leasehold lands, factories and office buildings in Singapore, Malaysia and United Arab Emirates, and a building used for the operation of a resort-style marina in Singapore.

19b Included in the Group's property, plant and equipment are property, plant and equipment of subsidiaries with net book value of S$50,190,000 (2019: S$50,063,000) charged by way of debentures to banks for banking facilities granted (Note 27).

19c Arising from weaker market demand amidst the overall economic slowdown, the Group recorded impairment loss of S$7,227,000 (2019: S$20,901,000) and S$2,014,000 (2019: S$3,453,000) for PPE and RoU assets respectively for the financial year ended 31 December 2020. The impairment losses of PPE and RoU were determined following management's assessment of the recoverable amounts derived from the higher of VIU and FVLCS.

The breakdown of impairment loss by operating segment comprise mainly of the following:

- For the Precast & PBU operating segment, based on management's assessment using the VIU calculation an impairment loss of S$4,044,000 (2019: Nil) and S$1,013,000 (2019: Nil) was recognised for property, plant and equipment and RoU assets respectively specific to a CGU in UAE. Impairment loss of Nil (2019: S$5,327,000) was recorded for property, plant and equipment and RoU assets (2019: S$1,811,000) for the CGU in a Malaysia subsidiary. Refer to Note 3b for further details.

- For the Environmental Services operating segment, based on management's assessment using VIU calculations, the recoverable amount supports the carrying value of the plant and equipment and accordingly, no further impairment loss is required for the financial year ended 31 December 2020. In the previous financial year, due to challenging market conditions, impairment losses of S$13,706,000 and S$1,642,000 was recognised to fully impair certain plant and equipment and RoU assets of a CGU respectively based on VIU calculations and a further impairment loss of S$1,868,000 was recognised for the Group's vessels to write-down their carrying amounts to the recoverable amounts derived from FVLCS. The fair values of the vessels were determined by an independent professional valuer using the market approach where comparable transaction prices of similar vessels were considered.

- For the Chemicals operating segment, the net carrying amount of a building within the Chemicals operating segment was fully impaired, amounting to S$510,000 (2019: Nil) as it is and expected to remain not in use.

- For the Investment Holding and Others operating segment, an impairment loss of S$2,609,000 (2019: Nil) and S$299,000 (2019: Nil) was recognised for the PPE and RoU assets respectively of a CGU operating the Group's marina club in Singapore. The recoverable amount was determined by an independent professional valuer based on VIU calculation using discounted cash flow approach and applying a pre-tax weighted-average cost of capital of 8.62%.

20. RIGHT-OF-USE ASSETS

Leases – The Group as a lessee

Nature of the Group's leasing activities are as follows:

Leasehold lands

The Group has made upfront payments to secure the right-of-use of leasehold lands which are used in the Group's business operations. These leasehold lands are recognised as right-of-use ("RoU") assets.

Office and buildings

The Group leases office space for the purpose of back office operations, and buildings used in the Group's business operations. The Company also leases office space for the purpose of back office operations.

Motor vehicles and other assets

The Group leases motor vehicles to render logistic services and other assets comprising, plant and machineries and office equipment, for their business operations.

20a The carrying amounts of RoU assets are as follows:

	Leasehold lands $'000	Office and buildings $'000	Motor vehicles $'000	Other assets $'000	Total $'000
The Group – 2020					
Cost					
Beginning of financial year	47,760	4,066	1,415	727	53,968
Additions	2,000	1,605	-	115	3,720
Modification of lease liability	277	-	-	-	277
Currency realignment	105	(93)	(8)	-	4
Disposal	-	-	(91)	(44)	(135)
End of financial year	50,142	5,578	1,316	798	57,834
Accumulated depreciation and impairment losses					
Beginning of financial year	13,933	884	494	218	15,529
Depreciation charge (Note 8)	2,246	1,516	350	487	4,599
Disposal	-	-	(91)	(44)	(135)
Impairment (Note 6)	1,002	957	55	-	2,014
Currency realignment	(6)	(84)	(12)	-	(102)
End of financial year	17,175	3,273	796	661	21,905
Net book value at end of financial year	32,967	2,305	520	137	35,929

20. RIGHT-OF-USE ASSETS (CONTINUED)

Leases – The Group as a lessee (continued)

20a The carrying amounts of RoU assets are as follows (continued):

	Office and buildings $'000	Other assets $'000	Total $'000
The Company – 2020			
Cost			
Beginning and end of financial year	1,459	11	1,470
Accumulated depreciation			
Beginning of financial year	48	7	55
Depreciation charge	292	4	296
End of financial year	340	11	351
Net book value at end of financial year	1,119	-	1,119

	Leasehold lands $'000	Office and buildings $'000	Motor vehicles $'000	Other assets $'000	Total $'000
The Group – 2019					
Cost					
Beginning of financial year	43,080	2,619	601	334	46,634
Additions	4,698	1,459	814	393	7,364
Currency realignment	(18)	(12)	-	-	(30)
End of financial year	47,760	4,066	1,415	727	53,968
Accumulated depreciation and impairment losses					
Beginning of financial year	8,527	-	-	-	8,527
Depreciation charge (Note 8)	2,175	670	494	218	3,557
Impairment (Note 6)	3,236	217	-	-	3,453
Currency realignment	(5)	(3)	-	-	(8)
End of financial year	13,933	884	494	218	15,529
Net book value at end of financial year	33,827	3,182	921	509	38,439

20. RIGHT-OF-USE ASSETS (CONTINUED)

Leases – The Group as a lessee (continued)

20a The carrying amounts of RoU assets are as follows (continued):

	Office and buildings $'000	Other assets $'000	Total $'000
The Company – 2019			
Cost			
Beginning of financial year	-	11	11
Additions	1,459	-	1,459
End of financial year	1,459	11	1,470
Accumulated depreciation			
Beginning of financial year	-	-	-
Depreciation charge	48	7	55
End of financial year	48	7	55
Net book value at end of financial year	1,411	4	1,415

For the financial year ended 31 December 2020, following management's assessment of impairment of RoU assets, the Group recorded impairment losses of S$2,014,000 (2019: S$3,453,000). The impairment losses of RoU assets recorded by the Group are determined based on the recoverable amounts derived from the higher of VIU and FVLCS and recognised on a pro-rata basis based on the carrying amounts of the property, plant and equipment and RoU assets within the respective CGUs. Refer to Note 19c for further details.

20b RoU assets of subsidiaries with net book value of S$8,951,000 (2019: S$8,847,000) are charged by way of debentures to banks for banking facilities granted (Note 27).

20c The following charges relating to RoU assets have been included in profit or loss:

	2020 $'000	2019 $'000
Interest expense on lease liabilities	791	790
Lease expense not capitalised in lease liabilities		
Lease expense – short-term leases	3,307	6,073
Lease expense – low-value leases	669	14
	3,976	6,087

20d Cash outflow of all leases

Total cash outflow for all the leases in 2020 was S$9,121,000 (2019: S$9,831,000).

20. RIGHT-OF-USE ASSETS (CONTINUED)

Leases – The Group as a lessee (continued)

20e Extension options

The lease for a land of a subsidiary contain extension periods, for which the related lease payments of S$1,878,000 (2019: S$1,784,000) had been included in lease liabilities as the Group is reasonably certain to exercise this extension option. The extension options are exercisable by the Group and not by the lessor. In determining whether to utilise the extension options and the duration of the extension period, the Group considers and seeks to optimise operational flexibility in terms of managing the asset used in the Group's operations.

20f During the financial year, the Group negotiated and modified an existing lease contract for a plant by extending the lease term by another 4 years at revised lease payments. As this extension is not part of the terms and conditions of the original lease contracts, it is accounted for as a lease modification with an addition to the right-of-use assets. The corresponding remeasurement to lease liability is recorded under "Borrowings and Lease Liabilities" (Note 27).

Leases – The Group as a lessor

Nature of the Group's leasing activities are as follows:

The Group has leased out their owned property, plant and equipment to a third party for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from property, plant and equipment are disclosed in Note 4a.

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	2020	2019
	$'000	$'000
Less than one year	**433**	375
One to two years	**192**	122
Two to three years	**-**	36
Total undiscounted lease payments	**625**	533

21. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2020	2019
	S$'000	S$'000
Equity investments at cost		
Balance at 1 January and 31 December	**85,232**	85,232

Details regarding significant subsidiaries are set out in Note 40.

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

21a Carrying value of non-controlling interests

	2020 S$'000	2019 S$'000
Dubai Precast LLC	(6,396)	(5,168)
NSL OilChem Waste Management Pte. Ltd.	2,364	2,386
Other subsidiaries with immaterial non-controlling interests	350	1,649
Total	(3,682)	(1,133)

21b Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

There were no transactions with non-controlling interests for the financial year ended 31 December 2020 and 2019, except as disclosed in Note 11.

Summarised balance sheet

	Dubai Precast LLC		NSL OilChem Waste Management Pte. Ltd.	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Current				
Assets	34,501	39,644	32,315	34,058
Liabilities	(15,040)	(23,270)	(21,015)	(28,205)
Total current net assets	19,461	16,374	11,300	5,853
Non-current				
Assets	4,744	14,999	72,191	72,820
Liabilities	(55,748)	(56,771)	(64,255)	(59,256)
Total non-current net (liabilities) / assets	(51,004)	(41,772)	7,936	13,564
Net (liabilities) / assets	(31,543)	(25,398)	19,236	19,417

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

21b Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised statement of comprehensive income

	Dubai Precast LLC		NSL OilChem Waste Management Pte. Ltd.	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Revenue	**37,009**	47,910	**41,755**	32,972
Loss before income tax	**(6,831)**	(3,808)	**(325)**	(19,214)
Income tax credit	**-**	-	**144**	348
Post-tax loss	**(6,831)**	(3,808)	**(181)**	(18,866)
Other comprehensive income	**686**	342	**-**	-
Total comprehensive loss	**(6,145)**	(3,466)	**(181)**	(18,866)
Total comprehensive loss allocated to non-controlling interests	**(1,229)**	(693)	**(22)**	(2,318)
Dividends paid to non-controlling interests	**-**	-	**-**	-

Summarised cash flows

	Dubai Precast LLC		NSL OilChem Waste Management Pte. Ltd.	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Net cash generated from / (used in) operating activities	**3,710**	1,512	**5,906**	(3,656)
Net cash provided by / (used in) investing activities	**17**	(1,088)	**(1,990)**	(4,515)
Net cash (used in) / provided by financing activities	**(1,581)**	(1,082)	**(3,908)**	10,233

22. INVESTMENTS IN ASSOCIATED COMPANIES

	The Group	
	2020 S$'000	2019 S$'000
Carrying value of Group's interest in associated companies	**46,838**	47,569

22a The Group has S$4,526,000 (2019: Nil) unrecognised losses of associated companies during the year. The accumulated losses of associated companies not recognised were S$29,412,000 (2019: S$25,531,000) at the balance sheet date.

22b There are no contingent liabilities relating to the Group's interest in the associated companies.

22c The summarised financial information (not adjusted for the proportionate of effective ownership interest held by the Group) of associated companies as at balance sheet date is as follows:

	The Group	
	2020 S$'000	2019 S$'000
- Assets	**526,853**	524,191
- Liabilities	**(436,196)**	(418,585)
- Revenue	**407,966**	468,321
- Net loss for the financial year	**(39,183)**	(12,974)

22d The investment in associated companies comprised mainly of the following:

Name of entity	Place of business / country of incorporation	% of ownership interest	
		2020	2019
Salzgitter Maschinenbau AG ("SMAG")	Germany	**25.5**	25.5

22. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

22e Summarised financial information for associated companies

Set out below are the summarised financial information for SMAG.

Amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated company and fair value adjustments made at the time of acquisition:

	2020 S$'000	2019 S$'000
Revenue	**371,380**	398,558
Loss after tax	**(25,823)**	(1,585)
Other comprehensive income/(losses)	**9,333**	(13,520)
Total comprehensive loss	**(16,490)**	(15,105)
Attributable to:		
- Non-controlling interests	**(983)**	(1,485)
- Shareholders of associated company	**(15,507)**	(13,620)
Current assets	**170,790**	164,004
Non-current assets	**224,139**	231,901
Current liabilities	**(112,323)**	(107,127)
Non-current liabilities	**(131,378)**	(122,343)
Net assets	**151,228**	166,435
Attributable to:		
- Non-controlling interests	**9,252**	8,656
- Shareholders of associated company	**141,976**	157,779
Group's share of net assets at beginning of the year	**21,032**	24,639
Goodwill at beginning of the year	**19,060**	19,677
Carrying value of interest in associated company at beginning of the year	**40,092**	44,316
Group's share of:		
Loss after tax	**(6,324)**	(782)
Other comprehensive income/(losses), which included currency translation differences	**2,376**	(3,442)
Total comprehensive losses	**(3,948)**	(4,224)
Carrying value of interest in associated company at end of the year	**36,144**	40,092
Add: Carrying value of individually immaterial associated companies, in aggregate	**10,694**	7,477
Carrying value of Group's interest in associated companies	**46,838**	47,569

22. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

22f The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associated companies accounted for using the equity method:

	2020 S$'000	2019 S$'000
Net (loss) / profit	**(1,079)**	618
Other comprehensive income / (loss)	**4,296**	(90)
Total comprehensive income	**3,217**	528

23. LONG TERM RECEIVABLES

	The Group		The Company	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Amounts owing by subsidiaries				
- non-trade[23a & 23b]	**-**	-	**105,275**	69,113
Less: Allowance for impairment of receivables	**-**	-	**(41,062)**	(41,062)
		-	**64,213**	28,051
Amounts owing by associated companies				
- non-trade[23c]	**458**	467	**-**	-
Long-term trade receivables [23d]	**-**	5,002	**-**	-
Less: Allowance for impairment	**-**	(339)	**-**	-
	-	4,663	**-**	-
	458	5,130	**64,213**	28,051

23a The amounts owing by subsidiaries of S$69,275,000 (2019: S$69,113,000) are non-trade, interest free, unsecured and are not expected to be repaid within the next 12 months after the balance sheet date. Settlement of the amounts owing by subsidiaries are neither planned nor likely to occur in the foreseeable future. As a result, such amounts are in substance part of Company's net investments in subsidiaries. The amounts owing by subsidiaries are accounted for in accordance with Note 2I.

23b The non-trade amount owing by a subsidiary of S$36,000,000 (2019: Nil) is unsecured and has no fixed term of repayment. The balance has been subordinated to secure banking facilities granted to the Group (Note 27) for which repayment is not expected within the next 12 months after the balance sheet date.

23c Non-trade amount owing by an associated company is unsecured and interest-free and not expected to be repaid within the next 12 months after the balance sheet date.

23d The long-term trade receivables comprised retention monies and their carrying values approximated their fair values.

24. FINANCIAL ASSETS, AT FVOCI

	The Group		The Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**11,202**	7,785	**10,911**	7,494
Fair value gains	**11,860**	3,417	**11,860**	3,417
Disposal	**(21,875)**	-	**(21,875)**	-
End of financial year	**1,187**	11,202	**896**	10,911

	The Group		The Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Unlisted securities				
- Bangkok Cogeneration Co., Ltd	**-**	10,360	**-**	10,360
Others (listed and unlisted securities)	**1,187**	842	**896**	551
Total	**1,187**	11,202	**896**	10,911

During the financial year ended 31 December 2020, the Group disposed an unlisted equity security as the underlying investment was no longer aligned with the Group's long-term investment strategy. The investment had a fair value of S$21,875,000 (2019: S$10,360,000) at the date of disposal, and the cumulative gain on disposal amounted to S$15,657,000 (2019: Nil) net of tax. The cumulative gain on disposal was reclassified from fair value reserve to revenue reserve.

25. OTHER INVESTMENTS AT AMORTISED COST

	The Group and the Company	
	2020	2019
	S$'000	S$'000
Beginning of financial year	**2,521**	2,536
Accrued interest		
- Recognised in profit or loss during the year	**(15)**	(15)
Less: Bond matured	**(500)**	-
End of financial year	**2,006**	2,521

25. OTHER INVESTMENTS AT AMORTISED COST (CONTINUED)

The fair values of the bonds at the balance sheet date are as follows:

	The Group and the Company			
	Carrying amount 2020 S$'000	**Fair value 2020 S$'000**	Carrying amount 2019 S$'000	Fair value 2019 S$'000
Current				
- Bonds with fixed interest of 3.1% and maturity date of 10 December 2020	**-**	**-**	500	503
- Bonds with fixed interest of 3.145% and maturity date of 8 April 2021	**1,002**	1,006	-	-
- Bonds with fixed interest of 3.85% and maturity date of 27 May 2021	**1,004**	1,008	-	-
	2,006		500	
Non-current				
- Bonds with fixed interest of 3.145% and maturity date of 8 April 2021	**-**	-	1,007	1,018
- Bonds with fixed interest of 3.85% and maturity date of 27 May 2021	**-**	-	1,014	1,023
	-		2,021	
	2,006		2,521	

The fair values are within Level 1 of the fair value hierarchy.

26. INTANGIBLE ASSETS

	The Group		The Company	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Goodwill arising on consolidation[26a]	**8,678**	8,678	**-**	-
Acquired intangible assets[26b]	**1,188**	1,663	**-**	71
	9,866	10,341	**-**	71

26a Goodwill arising on consolidation

	The Group	
	2020 S$'000	2019 S$'000
Cost and Net Book Value	**8,678**	8,678

26. INTANGIBLE ASSETS (CONTINUED)

26a Goodwill arising on consolidation (continued)

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating-units ("CGU") identified according to countries of operation and business segments.

A segment-level summary of the goodwill allocation is as follows:

Group

	31 December 2020 and 2019		
	Singapore S$'000	Finland S$'000	Total S$'000
Precast & PBU	-	8,024	8,024
Environmental Services	654	-	654
	654	8,024	8,678

The recoverable amount of a CGU is determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management. Cash flows cover at least a five-year period and the growth rate used to extrapolate the cash flows beyond the budget period did not exceed the long-term average growth rate for the business in which the CGU operates.

Due to the inherent uncertainty arising from the continually evolving situation, the Group adopted the Expected Cash Flow approach in performing its impairment assessment this year. Under this approach, uncertainties about future outcomes are reflected through probability-weighted cash flow scenarios. The use of the Expected Cash Flow approach also aligns with management's internal forecasts.

Key assumptions used for value-in-use calculations are as follows:

	31 December 2020		31 December 2019	
	Growth rate [1]	**Discount rate [2]**	Growth rate [1]	Discount rate [2]
Precast & PBU	**2.0%**	**12.0%**	2.2%	12.0%
Environmental Services	**1.0%**	**11.3%**	1.0%	11.3%

[1] Projected average sales growth rate covering at least five-year period cash flow projections.
[2] Pre-tax discount rate applied to cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment. The projected average sales growth rates used are consistent with the industry forecast. The discount rates used are pre-tax and reflected specific risks relating to the relevant segments.

26. INTANGIBLE ASSETS (CONTINUED)

26b Acquired intangible assets

	The Group		The Company	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Cost				
Balance at 1 January	**7,128**	7,225	**322**	322
Additions	**272**	578	**-**	-
Disposal of subsidiary (Note 18a)	**-**	(536)	**-**	-
Currency realignment	**326**	(139)	**-**	-
Balance at 31 December	**7,726**	7,128	**322**	322
Accumulated amortisation				
Balance at 1 January	**5,465**	4,716	**251**	159
Amortisation charge for the year:				
- Continuing operations	**803**	922	**71**	92
- Discontinued operations	**-**	113	**-**	-
Impairment	**-**	122	**-**	-
Disposal of subsidiary (Note 18a)	**-**	(283)	**-**	-
Currency realignment	**270**	(125)	**-**	-
Balance at 31 December	**6,538**	5,465	**322**	251
Net Book Value at 31 December	**1,188**	1,663	**-**	71

Amortisation expense included in the consolidated income statement is analysed as follows:

	The Group	
	2020 S$'000	2019 S$'000
Cost of sales	**182**	159
Administrative expenses	**621**	763
Total	**803**	922

27. BORROWINGS AND LEASE LIABILITIES

27a Borrowings

Total borrowings of the Group include bank borrowings and other short-term borrowings. The maturity profile of these borrowings are as follows:

	2020 S$'000	2019 S$'000
The Group		
Current:		
Bank loans		
- Secured	**10,633**	6,053
- Unsecured	**4,000**	4,597
Bills payable – secured	**194**	222
	14,827	10,872
Non-current:		
Bank loans		
- Secured	**21,107**	23,107
	35,934	33,979

The carrying value of non-current borrowings approximate their fair values.

27b Lease liabilities

As at 31 December 2020, the Group and the Company has total lease liabilities of S$18,987,000 (2019: S$20,615,000) and S$1,059,000 (2019: S$1,325,000) respectively. The lease liabilities of the Group and the Company has the following maturity profile:

	The Group		The Company	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Current	**3,653**	3,206	**266**	266
Non-current	**15,334**	17,409	**793**	1,059
	18,987	20,615	**1,059**	1,325

27. BORROWINGS AND LEASE LIABILITIES (CONTINUED)

27c The interest rates per annum of the bank borrowings during the financial year are as follows:

	The Group	
	2020	2019
Loans denominated in:		
- Singapore Dollars	**1.8% to 3.3%**	3.0% to 4.4%
- Malaysian Ringgit	**2.3% to 3.9%**	3.8%
- United Arab Emirates Dirhams	**3.5%**	3.5%

27d The banking facilities are secured against fixed and floating charge over bank deposits (Note 18), property, plant and equipment (Note 19) and right-of-use assets (Note 20) of certain subsidiaries of the Group.

28. TRADE, OTHER PAYABLES AND OTHER CURRENT LIABILITIES

	The Group		The Company	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Trade payables – non-related parties	**26,129**	37,759	**-**	-
Accrued operating expenses, including staff compensation	**22,565**	17,463	**1,297**	1,276
Project related accruals	**16,071**	15,515	**-**	-
Accrued liability for capital expenditure	**2,267**	2,236	**-**	-
Contract liabilities	**16,752**	11,770	**-**	-
Sundry payables[28a & b]	**3,715**	6,490	**1,353**	1,488
Amounts owing to subsidiaries				
- Non-trade[28a]	**-**	-	**37,905**	38,792
Others	**624**	562	**-**	-
	88,123	91,795	**40,555**	41,556

28a The non-trade amounts owing to subsidiaries and sundry payables are unsecured, interest free and repayable on demand.

28b Included in the Company's sundry payables as at 31 December 2020 is a consideration of S$765,000 (2019: S$962,000) payable to subsidiaries as the subsidiaries' tax losses are being utilised by the Company under the Group tax relief system.

29. DEFERRED INCOME

Deferred income relates mainly to unearned entrance fees received in respect of club memberships sold. The deferred income is amortised over the remaining membership period of 28 years (2019: 29 years).

	The Group	
	2020 S$'000	2019 S$'000
Balance at 1 January	**560**	703
Additions	**51**	27
Amortisation charge	**(177)**	(170)
Balance at 31 December	**434**	560
Current portion	**29**	183
Non-current portion	**405**	377
	434	560

30. PROVISION FOR RETIREMENT BENEFITS

The amounts recognised in the balance sheets are as follows:

	The Group	
	2020 S$'000	2019 S$'000
Present value of unfunded obligations	**3,451**	3,901

Certain subsidiaries of the Group operate separate unfunded defined retirement benefit schemes for certain employees. Benefits are payable based on the last drawn salaries of the respective employees and the number of years of service with the subsidiaries of the Group. Provision is made using the projected unit credit method described in Note 2T.

Movement in the liability recognised in the balance sheets:

	The Group	
	2020 S$'000	2019 S$'000
Non-current		
Balance at 1 January	**3,901**	3,473
Charge to profit or loss	**533**	637
Benefits paid	**(937)**	(179)
Currency realignment	**(46)**	(30)
Balance at 31 December	**3,451**	3,901

30. PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

The principal actuarial assumptions used were as follows:

	The Group	
	2020	2019
	%	%
Discount rate	**1**	2
Salary increment rate	**-***	3

*Less than 1%

31. DEFERRED TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets as follows:

	The Group		The Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Deferred tax assets	**(2,614)**	(3,081)	**-**	-
Deferred tax liabilities	**2,119**	2,111	**46**	129
Net deferred tax (assets) / liabilities	**(495)**	(970)	**46**	129

The movement in deferred taxes is as follows:

	The Group		The Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Balance at 1 January	**(970)**	(1,722)	**129**	236
Charged/(credited):				
- Profit or loss (Note 10)	**492**	828	**(83)**	(107)
Disposal of subsidiaries (Note 18a)	**-**	(79)	**-**	-
Currency realignment	**(17)**	3	**-**	-
Balance at 31 December	**(495)**	(970)	**46**	129

Deferred income tax assets are recognised for tax losses carried forward and unutilised capital allowances to the extent that realisation of the related tax benefits through future taxable profits is probable. At 31 December 2020, the Group has unutilised tax losses and capital allowances of S$30,816,000 (2019: S$31,315,000) and S$24,377,000 (2019: S$22,409,000) respectively for which deferred tax benefits have not been recognised in the financial statements. These are available for set-off against future taxable profits subject to meeting certain statutory requirements in their respective countries of incorporation by those companies with unrecognised tax losses and capital allowances. These unutilised tax losses and capital allowances do not have expiry dates, except for an amount of S$8,310,000 (2019: S$4,860,000) unutilised tax losses which will expire within 7 years from the respective year of assessment in which the tax losses occur.

31. DEFERRED TAXATION (CONTINUED)

Deferred income tax liabilities of Nil (2019: Nil) have not been recognised for the withholding and other taxes that will be payable on the earnings of overseas subsidiaries when remitted to the holding company. These unremitted earnings are permanently reinvested and amounting to Nil (2019: Nil) at the balance sheet date.

31a Movement in the Group's deferred tax assets and liabilities (prior to legally enforceable offsetting of balances within same tax authority) are as follows:

The Group – Deferred tax liabilities

	Accelerated tax depreciation		Fair value gains		Unremitted income		Others		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Balance at 1 January	**(368)**	2,036	**227**	234	**1,465**	1,310	**198**	317	**1,522**	3,897
Charged/(credited):										
- Profit or loss	**739**	(2,358)	**(143)**	(7)	**109**	155	**(70)**	(120)	**635**	(2,330)
Disposal of subsidiaries	**-**	(46)	**-**	-	**-**	-	**-**	-	**-**	(46)
Currency realignment	**8**	-	**-**	-	**-**	-	**(1)**	1	**7**	1
Balance at 31 December	**379**	(368)	**84**	227	**1,574**	1,465	**127**	198	**2,164**	1,522

The Group – Deferred tax assets

	Provisions		Unutilised tax losses / capital allowances		Deferred income		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Balance at 1 January	**(1,103)**	(732)	**(1,310)**	(4,778)	**(79)**	(108)	**(2,492)**	(5,618)
Charged/(credited):								
- Profit or loss	**36**	(344)	**(210)**	3,473	**31**	29	**(143)**	3,158
Disposal of subsidiaries	**-**	(33)	**-**	-	**-**	-	**-**	(33)
Currency realignment	**(10)**	6	**(14)**	(5)	**-**	-	**(24)**	1
Balance at 31 December	**(1,077)**	(1,103)	**(1,534)**	(1,310)	**(48)**	(79)	**(2,659)**	(2,492)

31. DEFERRED TAXATION (CONTINUED)

31b Movement in the Company's deferred tax liabilities are as follows:

The Company – Deferred tax liabilities

	Unremitted income		Total	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Balance at 1 January	**129**	236	**129**	236
Credited to:				
- Profit or loss	**(83)**	(107)	**(83)**	(107)
Balance at 31 December	**46**	129	**46**	129

32. OTHER NON-CURRENT LIABILITIES

	The Group		The Company	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Amounts owing to a subsidiary (32a)	**-**	-	**9,580**	9,679
Non-trade payable (32b)	**-**	1,919	**-**	-
Provisions for reinstatement cost (32c)	**2,578**	480	**99**	-
	2,578	2,399	**9,679**	9,679

32a The non-trade amounts owing to a subsidiary are unsecured, interest-free and are not expected to be repaid within the next 12 months after the balance sheet date.

32b The non-trade payable in prior year was related to payable for asset under construction.

32c Provisions for reinstatement cost are recognised for the present value of costs to be incurred for the restoration of the leasehold land, buildings and office. It is expected that the provision will be used upon expiry of the lease term in 2025. Total expected costs to be incurred are S$2,578,000 (2019: S$480,000).

Movement in these provisions is as follows:

	The Group		The Company	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Beginning of financial year	**480**	480	**-**	-
Provision made	**2,098**	-	**99**	-
End of financial year	**2,578**	480	**99**	-

33. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company have the following significant transactions with related parties on terms agreed between the parties:

33a Sales and purchases of goods and services

	The Group	
	2020 S$'000	2019 S$'000
Sales to associated companies	**3,280**	5,969

33b Key management's remuneration

	The Group	
	2020 S$'000	2019 S$'000
Salary and other employee benefits	**4,113**	4,569
Employer's contribution to defined contribution plans, including Central Provident Fund	**100**	114
Retirement benefits	**107**	96
	4,320	4,779

Included in the above are Directors' fees and Directors' remuneration of S$562,000 (2019: S$562,000) and S$401,000 (2019: S$442,000) respectively payable / paid to the Directors of the Company.

The details of Directors' remuneration are disclosed in the Statement of Corporate Governance.

34. FINANCIAL INFORMATION BY SEGMENTS

Operating segments

Operating segments of the Group are determined based on the Group's internal reporting structure. Segment information is presented on the same basis as the internal management reports used by the senior management of the Group in making strategic decisions.

In determining the operating segments, the Group has considered primarily the industries the Group's companies are operating in and their contribution to the Group.

The Group operates mainly in the manufacturing and sale of building materials, provision of environmental services and sale of related products, as well as operations in the manufacturing and sale of refractory materials and roadstone products. Accordingly, these activities are grouped into separate operating segments within the three main divisions: Precast & Prefabricated Bathroom Unit ("PBU"), Environmental Services and Chemicals. Operating segment classified as "Investment Holding & Others" relates to the Group's remaining assets, comprising mainly of holding investments and the operation of a marina club, which is not a significant component of this segment.

Inter-segment transactions are determined on an arm's length basis. The performance of the segments is measured in a manner consistent with that in the consolidated income statement.

The Group executive management assesses the performance of the operating segments based on a measure of profit / (loss) before taxation before exceptional items for continuing operations. Exceptional items comprise of one-off items from impairment of property, plant and equipment and right-of-use assets, business restructuring costs and professional fees that are not expected to recur regularly in every reporting period, are separately analysed.

34. FINANCIAL INFORMATION BY SEGMENTS (CONTINUED)

Operating segments (continued)

The information for the reportable segments for the year ended 31 December 2020 is as follows:

	Precast & PBU S$'000	Environmental Services S$'000	Chemicals S$'000	Investment Holding & Others S$'000	Total for Continuing Operations S$'000
Revenue					
External sales	192,001	42,218	4,846	8,041	247,106
Inter-segment sales	-	1	860	140	1,001
Total revenue	192,001	42,219	5,706	8,181	248,107
Elimination	-	(1)	(860)	(140)	(1,001)
	192,001	42,218	4,846	8,041	247,106
(Loss) / profit before taxation before exceptional items	1,686	1,497	(2,787)	(7,089)	(6,693)
Impairment					
- Property, plant and equipment	(4,044)	-	(574)	(2,609)	(7,227)
- Right-of-use assets	(1,013)	-	(702)	(299)	(2,014)
Others*	193	(1,030)	-	(140)	(977)
(Loss) / profit before Taxation	(3,178)	467	(4,063)	(10,137)	(16,911)
Interest income	368	2	23	3,596	3,989
Interest expense	(477)	(898)	(312)	(47)	(1,734)
Impairment of financial asset	(1,695)	(45)	(52)	2	(1,790)
Depreciation					
- Property, plant and equipment	(4,856)	(7,419)	(344)	(1,244)	(13,863)
- Right-of-use assets	(1,575)	(1,666)	(977)	(381)	(4,599)
Amortisation					
- Intangible assets	(685)	(48)	-	(70)	(803)
- Deferred income	-	-	-	177	177
Share of results of associated companies, net of tax					
- SMAG	-	-	-	(6,324)	(6,324)
- Others	-	-	(760)	(319)	(1,079)
Segment Assets	213,420	60,334	34,518	337,147	645,419
Segment assets includes:					
Investment in associated companies	-	-	2,595	44,243	46,838
Additions to:					
- Property, plant and equipment	2,546	5,556	25	489	8,616
- Right-of-use assets (includes lease modification)	1,605	2,392	-	-	3,997
- Intangible assets	230	42	-	-	272
Segment Liabilities	95,788	42,879	9,528	5,450	153,645

* *Other items comprise mainly of one-time charges incurred relating to business restructuring costs and professional fees*

34. FINANCIAL INFORMATION BY SEGMENTS (CONTINUED)

Operating segments (continued)

The information for the reportable segments for the year ended 31 December 2019 is as follows:

	Precast & PBU S$'000	Environmental Services S$'000	Chemicals S$'000	Investment Holding & Others S$'000	Total for Continuing Operations S$'000	Discontinued operations S$'000
Revenue						
External sales	218,628	33,098	8,280	12,344	272,350	48,539
Inter-segment sales	-	-	1,672	-	1,672	109
Total revenue	218,628	33,098	9,952	12,344	274,022	48,648
Elimination	-	-	(1,672)	-	(1,672)	(109)
	218,628	33,098	8,280	12,344	272,350	48,539
(Loss) / profit before taxation before exceptional items	(2,421)	(3,666)	(23)	(1,718)	(7,828)	671
Impairment						
- Property, plant and equipment	(5,327)	(15,574)	-	-	(20,901)	-
- Right-of-use assets	(1,811)	(1,642)	-	-	(3,453)	-
- Intangible assets	(122)	-	-	-	(122)	
Others*	-	(2,648)	-	-	(2,648)	-
(Loss) / profit before Taxation	(9,681)	(23,530)	(23)	(1,718)	(34,952)	671
Interest income	438	3	30	4,739	5,210	-
Interest expense	(323)	(652)	(298)	(75)	(1,348)	(60)
Impairment of financial assets	(123)	(1)	-	18	(106)	(18)
Depreciation						
- Property, plant and equipment	(6,121)	(6,644)	(332)	(1,197)	(14,294)	(315)
- Right-of-use assets	(971)	(1,453)	(977)	(156)	(3,557)	-
Amortisation						
- Intangible assets	(699)	(130)	-	(93)	(922)	(114)
- Deferred income	-	-	-	170	170	-
Share of results of associated companies, net of tax						
- SMAG	-	-	-	(782)	(782)	-
- Others	-	-	275	343	618	-
Segment Assets	214,344	64,500	39,177	346,808	664,829	-
Segment assets includes:						
Investment in associated companies	-	-	3,362	44,207	47,569	-
Additions to:						
- Property, plant and equipment	6,128	17,406	295	1,106	24,935	40
- Right-of-use assets	4,836	1,068	-	1,460	7,364	-
- Intangible assets	466	43	-	-	509	69
Segment Liabilities	92,204	47,127	10,460	5,864	155,655	-

* *Other items comprise mainly of one-time charges incurred relating to business restructuring costs, professional fees and disposal of subsidiary.*

34. FINANCIAL INFORMATION BY SEGMENTS (CONTINUED)

Geographical information

The Group's business segments operate mainly in the following geographical areas:

(i) Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the manufacturing and sale of building materials, sale of oil & petroleum products, manufacturing and sale of refractory materials and roadstone products, the provision of environmental services, and investment holding;

(ii) Malaysia – the operations in Malaysia are principally the manufacturing and sale of building materials;

(iii) United Arab Emirates – the operations in United Arab Emirates are principally the manufacturing and sale of building materials;

(iv) Finland – the operations in Finland are principally the manufacturing and sale of building materials and prefabricated bathroom units;

(v) Germany – this relates to the Group's 25.5% interest in associated company SMAG, and its principal activities are disclosed in Note 40.

(vi) Other countries – the operations in other countries such as Indonesia include the sale of refractory materials.

	The Group			
	External sales for continuing operations[1]		Non-current assets for continuing operations[2]	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Singapore	**86,555**	86,378	**110,991**	118,750
Malaysia	**22,974**	42,596	**26,099**	27,805
United Arab Emirates	**37,215**	48,083	**4,744**	11,400
Finland & other parts of Europe	**98,893**	91,455	**19,097**	18,868
Germany	**-**	-	**36,144**	40,092
Others	**1,469**	3,838	**8,312**	4,398
	247,106	272,350	**205,387**	221,313

(1) External sales by geographical segment are determined based on locations of the respective customers. Excluded from the above is revenue of Nil (2019: S$48,539,000) from discontinued operations of a Singapore subsidiary (Note 11).

(2) Non-current assets by geographical segment are based on locations of the respective assets. Non-current assets include property, plant and equipment, right-of-use assets, associated companies, intangible assets and other non-current assets.

35. COMMITMENTS

Capital commitments contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associated companies (Note 22) are as follows:

	The Group	
	2020 S$'000	2019 S$'000
Commitments for capital expenditure not provided for in the financial statements in respect of contracts placed for property, plant and equipment	**1,715**	2,674
Commitments in respect of equity participation in an associated company	**-**	7,109
	1,715	9,783

36. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures.

Financial risk management is carried out and monitored by a central treasury department in accordance with established policies and guidelines, set by the Board of Directors.

36a Market risk

(i) Currency risk

The Group operates in various countries, which include Singapore, Malaysia, United Arab Emirates, Germany and Finland. Certain entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as United States Dollar ("USD"), Malaysian Ringgit ("MYR"), Euro ("EUR") and United Arab Emirates Dirham ("AED"). Currency exposure to Thai Baht ("THB") mainly arose from its financial assets in the form of equity investments.

Currency risk arises when transactions are denominated in foreign currencies. The Group manages its currency risk through natural hedge and foreign exchange forward contracts. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

The Group is exposed to currency translation risk on the net assets in foreign operations including foreign currency loans to associated companies which are part of the net investments in foreign operations, which are deferred in equity until disposal of the foreign operations. Where appropriate, this exposure is managed through borrowings denominated in the relevant foreign currencies.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36a Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure (net of currency forwards where applicable) is as follows:

	SGD S$'000	USD S$'000	MYR S$'000	EUR S$'000	THB S$'000	AED S$'000	Others S$'000	Total S$'000
The Group								
At 31 December 2020								
Cash and bank balances	265,400	1,277	9,465	17,233	-	5,896	939	300,210
Receivables	26,056	998	13,689	8,924	-	22,371	1,707	73,745
Intra-group receivables	214,455	638	7,844	-	-	-	101	223,038
Financial assets, at FVOCI	1,187	-	-	-	-	-	-	1,187
Other investments at amortised cost	2,006	-	-	-	-	-	-	2,006
Borrowings and lease liabilities	(41,700)	-	(9,155)	(1,878)	-	(2,188)	-	(54,921)
Intra-group payables	(214,455)	(638)	(7,844)	-	-	-	(101)	(223,038)
Trade and other payables	(12,083)	(254)	(23,394)	(22,330)	(56)	(12,386)	(868)	(71,371)
Net financial assets / (liabilities)	240,866	2,021	(9,395)	1,949	(56)	13,693	1,778	250,856
Less: net financial (assets) / liabilities denominated in the respective entities' functional currencies	(256,641)	2	8,057	(2,016)	-	(13,693)	(134)	
Currency exposure	(15,775)	2,023	(1,338)	(67)	(56)	-	1,644	

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36a Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	USD S$'000	MYR S$'000	EUR S$'000	THB S$'000	AED S$'000	Others S$'000	Total S$'000
The Group								
At 31 December 2019								
Cash and bank balances	256,262	1,557	10,296	7,110	-	3,814	2,553	281,592
Receivables	31,729	929	11,774	10,257	-	31,828	1,180	87,697
Intra-group receivables	207,021	1,250	10,274	-	-	-	-	218,545
Financial assets, at FVOCI	842	-	-	-	10,360	-	-	11,202
Other investments at amortised cost	2,521	-	-	-	-	-	-	2,521
Borrowings and lease liabilities	(45,361)	-	(5,449)	(1,784)	-	(2,000)	-	(54,594)
Intra-group payables	(207,021)	(1,250)	(10,274)	-	-	-	-	(218,545)
Trade and other payables	(16,568)	(403)	(25,145)	(17,670)	(90)	(19,168)	(981)	(80,025)
Other non-current liabilities	(2,399)	-	-	-	-	-	-	(2,399)
Net financial assets / (liabilities)	227,026	2,083	(8,524)	(2,087)	10,270	14,474	2,752	245,994
Less: net financial (assets) / liabilities denominated in the respective entities' functional currencies	(239,264)	(9)	3,444	2,102	-	(14,474)	(28)	
Currency exposure	(12,238)	2,074	(5,080)	15	10,270	-	2,724	

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36a Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	USD S$'000	EUR S$'000	THB S$'000	Total S$'000
The Company					
At 31 December 2020					
Cash and bank balances	227,989	52	5	-	228,046
Receivables	49,050	-	-	-	49,050
Financial assets, at FVOCI	896	-	-	-	896
Other investments at amortised cost	2,006	-	-	-	2,006
Trade and other payables	(40,555)	-	-	-	(40,555)
Other non-current liabilities	(9,580)	-	-	-	(9,580)
Lease liabilities	(1,059)	-	-	-	(1,059)
Net financial assets / (liabilities)	228,747	52	5	-	228,804
Less: net financial assets denominated in the Company's functional currency	(228,747)	-	-	-	
Currency exposure	-	52	5	-	

	SGD S$'000	USD S$'000	EUR S$'000	THB S$'000	Total S$'000
The Company					
At 31 December 2019					
Cash and bank balances	224,168	48	5	-	224,221
Receivables	49,014	-	-	-	49,014
Financial assets, at FVOCI	551	-	-	10,360	10,911
Other investments at amortised cost	2,521	-	-	-	2,521
Trade and other payables	(41,556)	-	-	-	(41,556)
Other non-current liabilities	(9,679)	-	-	-	(9,679)
Lease liabilities	(1,325)	-	-	-	(1,325)
Net financial assets / (liabilities)	223,694	48	5	10,360	234,107
Less: net financial assets denominated in the Company's functional currency	(223,694)	-	-	-	
Currency exposure	-	48	5	10,360	

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36a Market risk (continued)

(i) Currency risk (continued)

The Group and Company have no other significant currency exposure, except to USD, MYR and THB.

If the USD, MYR and THB change against the SGD by 5%, 3% and 3% (2019: 5%, 3% and 3%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset / liability position will be as follows:

	2020		2019	
	Increase / (decrease)			
	Results after tax S$'000	**Other comprehensive income S$'000**	Results after tax S$'000	Other comprehensive income S$'000
The Group				
USD against SGD				
- strengthened	**84**	**-**	86	-
- weakened	**(84)**	**-**	(86)	-
MYR against SGD				
- strengthened	**(33)**	**-**	(129)	-
- weakened	**33**	**-**	129	-
THB against SGD				
- strengthened	**-**	**-**	-	308
- weakened	**-**	**-**	-	(308)
The Company				
USD against SGD				
- strengthened	**2**	**-**	2	-
- weakened	**(2)**	**-**	(2)	-
THB against SGD				
- strengthened	**-**	**-**	-	308
- weakened	**-**	**-**	-	(308)

(ii) Equity price risk

The Group and the Company are exposed to equity securities price risk arising from the investments held by the Group and the Company which are classified on the balance sheets as financial assets at FVOCI (Note 24).

If equity prices of financial assets, at FVOCI held by the Company and subsidiaries of the Group increase / decrease by 5% (2019: 5%) with all other variables including tax rate being held constant, other comprehensive income of the Group and the Company will be higher or lower by S$59,000 (2019: S$560,000) and S$45,000 (2019: S$546,000) respectively.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36a Market risk (continued)

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to changes in interest rates relates mainly to debt obligations with financial institutions and cash and bank balances. Bank borrowings are contracted on both fixed and variable terms with the objectives of minimising interest burden whilst maintaining an acceptable debt maturity profile. As the Group does not have significant fixed-interest borrowings, it does not have significant exposure to fair value interest rate risk.

The Group's borrowings at variable rates (i.e. cash flow interest rate risk) on which effective hedges have not been entered into, are denominated mainly in SGD and MYR. If the SGD and MYR interest rate increases / decreases by 0.5% (2019: 0.5%) with all other variables being held constant, the net profit after tax will be lower / higher by S$145,000 (2019: S$120,000).

36b Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in financial loss to the Group. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and credit insurance are secured where appropriate to mitigate credit risk. The Group has no significant concentration of credit risk.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of the class of financial assets presented on the balance sheet, except for trade receivables (Note 17 and 23) whereby the maximum exposure to credit risk is reduced by the amount the Group holds as collateral in form of banker guarantees of S$4,472,000 (2019: S$7,868,000) and letters of credit of S$905,000 (2019: S$2,410,000).

The Group's major classes of financial assets are cash and bank balances, and trade and other receivables. The Company's major classes of financial assets are cash and bank balances.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36b Credit risk (continued)

The movements in credit loss allowance are as follows:

	Allowances on trade receivables (a)		
	Non-performing S$'000	Others S$'000	Total S$'000
The Group			
2020			
Balance as at 1 January 2020	13,717	1,771	15,488
Loss allowance recognised in profit or loss during the year on:			
- Assets acquired / originated	1,118	1,032	2,150
- Reversal of unutilised amounts	-	(360)	(360)
	1,118	672	1,790
Receivables written off as uncollectible	(5,005)	-	(5,005)
Reclassified to non-performing	1,567	(1,567)	-
Currency alignment	(142)	128	(14)
Balance as at 31 December 2020	11,255	1,004	12,259

	Allowances on trade receivables (a)		
	Non-performing S$'000	Others S$'000	Total S$'000
The Group			
2019			
Balance as at 1 January 2019	14,533	4,134	18,667
Loss allowance recognised in profit or loss during the year on:			
- Assets acquired / originated	1,341	921	2,262
- Reversal of unutilised amounts	(1,320)	(836)	(2,156)
	21	85	106
Receivables written off as uncollectible	(2,495)	-	(2,495)
Reclassified to non-performing	1,775	(1,775)	-
Disposal of subsidiaries	(109)	(727)	(836)
Currency alignment	(8)	54	46
Balance as at 31 December 2019	13,717	1,771	15,488

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36b Credit risk (continued)

(i) Trade receivables

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which required expected lifetime losses to be recognised from initial recognition of the receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, default in payments (interest and/or principal payments) are at least 2 years overdue and/or legal enforcement action undertaken by the Group for recovery against the debtor are considered evidence that the debtor is non-performing ("Non-performing receivable"). In such instances, management measured the expected credit loss of the non-performing receivable at its maximum exposure to the Group at balance sheet date.

In relation to trade receivables that are other than non-performing, they were grouped based on similar credit risk characteristics and days past due; and a provision matrix was used to measure the lifetime expected credit loss within each operating segment of the Group.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor entering bankruptcy or failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 6 months when they fall due, and writes off the financial asset when it is deemed uncollectible. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2020 are set out as follows:

	Current	Past due up to 3 months	Past due 3 to 6 months	Past due 6 to 12 months	Past due more than 12 months	Sub-total*	Non-performing receivables	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Group								
Precast and PBU								
Expected loss rate	0%	1%	6%	14%	18%		100%	
Trade receivables	41,380	8,487	1,083	2,368	1,640	54,958	5,424	60,382
Loss allowance	(88)	(73)	(64)	(332)	(289)	(846)	(5,424)	(6,270)
Environmental Services								
Expected loss rate	0%	0%	2%	41%	0%		93%	
Trade receivables	4,960	4,065	129	111	89	9,354	5,627	14,981
Loss allowance	-	-	(3)	(46)	-	(49)	(5,221)	(5,270)
Others								
Expected loss rate	5%	20%	50%	0%	22%		100%	
Trade receivables	1,165	168	20	-	51	1,404	609	2,013
Loss allowance	(55)	(34)	(10)	-	(11)	(110)	(609)	(719)

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36b Credit risk (continued)

(i) Trade receivables (continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2019 are set out as follows:

	Current	Past due up to 3 months	Past due 3 to 6 months	Past due 6 to 12 months	Past due more than 12 months	Sub-total*	Non-performing receivables	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Group								
Precast and PBU								
Expected loss rate	0%	2%	3%	6%	93%			
Trade receivables	49,851	10,708	2,518	3,674	1,209	67,960	7,809	75,769
Loss allowance	(58)	(165)	(65)	(205)	(1,121)	(1,614)	(7,809)	(9,423)
Environmental Services								
Expected loss rate	0%	0%	0%	0%	0%			
Trade receivables	5,032	1,904	302	70	-	7,308	5,687	12,995
Loss allowance	-	-	-	-	-	-	(5,226)	(5,226)
Others								
Expected loss rate	1%	0%	11%	50%	88%			
Trade receivables	1,549	506	9	10	160	2,234	682	2,916
Loss allowance	(10)	(1)	(1)	(5)	(140)	(157)	(682)	(839)

* Represents trade receivables that are other than non-performing and for which provision matrix was used to measure the lifetime expected credit loss.

(ii) Long term trade receivables

As disclosed in Note 23, long term trade receivables of the Group in prior year comprised mainly retention monies and these balances shared the same risk characteristics as current trade receivables for the same type of contracts and credit loss allowance was measured at lifetime expected credit loss. For trade receivables that were other than non-performing, the Group had determined that the expected loss rates for current trade receivables were a reasonable approximation of the credit loss rates for retention monies.

(iii) Other investments at amortised cost

Credit risk exposure and significant credit risk concentration

The Group and Company use the following categories of internal credit risk rating for its investment in listed bonds and intercompany loans. As disclosed in Note 25, other investments at amortised cost comprise mainly listed bonds. These are considered "low credit risk" as listed bonds are of investment grade credit rating with at least one major rating agency and have low risk of default as the issuers have a strong capacity to meet the contracted cashflow obligations in the near term. The financial impact on expected credit loss allowance of the listed bonds is insignificant.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36b Credit risk (continued)

(iv) Cash and cash equivalents

The Group and the Company held cash and cash equivalents of S$300,210,000 and S$228,046,000 respectively (2019: S$281,592,000 and S$224,221,000) with banks which most are rated AAA and AA based on Standard & Poor and are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(v) Receivables from and loan to subsidiaries

The expected credit loss of non-trade amounts owing by subsidiaries of S$48,532,000 (2019: S$48,043,000) (Note 17 and Note 23) to the Company, measured on 12-month expected credit losses, is insignificant.

Category of internal credit rating	Performing	Under-performing	Non-performing	Write-off
Definition of category	Issuers have a low risk of default and a strong capacity to meet contractual cash flows.	Issuers for which there is a significant increase in credit risk; as significant credit risk is presumed if interest and/or principal repayment are 6 months past due.	Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, default in payments (interest and/or principal payments) are at least 2 years overdue and/or legal enforcement action undertaken by the Group for recovery against the debtor.	Interest and/or principal repayments are 2 years past due and there is no reasonable expectation of recovery.
Basis of recognition of expected credit losses	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Asset is written off

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36c Liquidity risk

In managing liquidity risk, the Group's policy is to maintain sufficient cash resources and ensure the availability of funding through adequate amounts of committed credit facilities.

The table below analyses the maturity profile of the Group's and Company's non-derivative financial liabilities based on contractual undiscounted cash flows from the remaining period from the balance sheet date to the contractual maturity date.

	Less than 1 year S$'000	Between 1 to 2 years S$'000	Between 2 to 5 years S$'000	Over 5 years S$'000
The Group				
2020				
Trade and other payables	71,371	-	-	-
Lease liabilities	4,212	3,308	7,109	9,614
Short-term borrowings	15,273	-	-	-
Long-term borrowings	-	3,357	18,134	-
2019				
Trade and other payables	80,025	-	-	-
Lease liabilities	3,908	3,353	7,845	11,085
Short-term borrowings	11,799	-	-	-
Long-term borrowings	-	1,754	22,888	-
Other non-current liabilities	-	2,300	99	-
The Company				
2020				
Trade and other payables	40,555	-	-	-
Lease liabilities	291	291	533	-
Other non-current liabilities	-	9,580	-	-
2019				
Trade and other payables	41,556	-	-	-
Lease liabilities	297	291	824	
Other non-current liabilities	-	9,580	99	-

Notes to the Financial Statements

For the financial year ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36d Capital risk

The Group's objectives when managing capital are to ensure the Group's ability to continue as a going concern and to maintain an efficient capital structure so as to enhance shareholders value. In order to maintain or achieve a prudent and efficient capital structure, the Group may adjust the amount of dividend payment, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The total capital of the Group and the Company as at balance sheet dates is represented by the respective "Total equity" as presented on the balance sheets. The Group and the Company monitor capital based on gross debt comprising borrowings (Note 27) and trade and other payables (Note 28) and net cash position which is defined as cash (Note 18) less gross debt.

As part of the monitoring process of the Group's borrowings, management performs specific review of the need of individual entities within the Group to obtain external financing, taking into consideration the operating cash flows and gearing ratio of each entity as well as the prevailing market interest rates.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial year ended 31 December 2020.

In 2019, one of the subsidiaries with bank borrowings (Note 27) was not in compliance with all externally imposed capital requirements of bank borrowings amounting to $24,838,000. Prior to the end of the previous financial year end, the subsidiary had obtained the waiver from the banks for waiving of financial testing of financial covenants for financial year ended 2019. Accordingly, the non-current portion of the outstanding balance continued to be presented as non-current liabilities as at 31 December 2019 as management had obtained a waiver from the bank for waiving of financial testing of the financial covenant for financial year ended 31 December 2019.

36e Fair value measurements

The table below presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted price in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36e Fair value measurements (continued)

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
The Group				
31 December 2020				
Assets				
Financial assets, at FVOCI	**896**	**-**	**291**	**1,187**
31 December 2019				
Assets				
Financial assets, at FVOCI	551	-	10,651	11,202

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
The Company				
31 December 2020				
Assets				
Financial assets, at FVOCI	**896**	**-**	**-**	**896**
31 December 2019				
Assets				
Financial assets, at FVOCI	551	-	10,360	10,911

There were no transfers between Levels 1 and 2 during the year.

The fair values of financial instruments that are traded in active markets are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on current market conditions existing at each balance sheet date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same or discounted cash flow analysis. The Group also estimates the fair value of the financial asset in form of unquoted equity investment by reference to its net assets which are mainly in form of monetary assets and liabilities. Such instruments are included in Level 3.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36e Fair value measurements (continued)

The carrying amount less allowance for impairment of current receivables and other financial assets carried at amortised cost are assumed to approximate their fair values. The fair values of current borrowings and other financial liabilities carried at amortised cost approximate their carrying amounts. The fair values of non-current borrowings and other liabilities of the Group are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

The following tables present the changes in Level 3 instruments:

The Group	Financial assets, at FVOCI	Contingent consideration payable	Redemption liability	Total
	S$'000	S$'000	S$'000	S$'000
As at 31 December 2020				
Beginning of financial year	10,651	-	-	10,651
Fair value (losses) / gains recognised in other comprehensive income	11,515	-	-	11,515
Disposal (Note 24)	(21,875)	-	-	(21,875)
End of the financial year	291	-	-	291
Total unrealised (losses) / gains for the period included in profit or loss for assets and liabilities held at the end of the financial year	-	-	-	-
As at 31 December 2019				
Beginning of financial year	7,534	(914)	(2,398)	4,222
Fair value (losses) / gains recognised in				
- other comprehensive income	3,117	-	630	3,747
- profit or loss	-	259	(181)	78
Disposal (Note 11)	-	655	1,949	2,604
End of the financial year	10,651	-	-	10,651
Total unrealised (losses) / gains for the period included in profit or loss for assets and liabilities held at the end of the financial year	-	-	-	-

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36e Fair value measurements (continued)

The Company	Financial assets, at FVOCI S$'000
As at 31 December 2020	
Beginning of financial year	**10,360**
Fair value losses recognised in	
- other comprehensive income	**11,515**
Disposal (Note 24)	**(21,875)**
End of financial year	**-**
As at 31 December 2019	
Beginning of financial year	7,243
Fair value losses recognised in	
- other comprehensive income	3,117
End of financial year	10,360

36f Financial Instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	The Group		The Company	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Financial assets, at FVOCI	**1,187**	11,202	**896**	10,911
Financial assets, at amortised cost	**375,961**	371,810	**279,102**	275,756
Financial liabilities at amortised cost	**(128,870)**	(137,018)	**(51,293)**	(52,560)

37. IMPACT OF CORONAVIRUS DISEASE 2019 ("COVID-19")

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore, Malaysia, UAE and Finland, all of which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

i. The Group has assessed that the going concern basis of preparation for this set of financial statement remains appropriate.

ii. In 2020, border closures, production stoppages and workplace closures have resulted in periods where certain parts of the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have negatively impacted business production and volume in 2020, resulting in a negative impact on the Group's financial performance for 2020.

iii. In 2020, certain parts of the Group's operations received government grants as a form of support to help businesses deal with the impact from COVID-19. The effects of these government grants are disclosed in Note 5.

iv. The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 December 2020. The significant estimates and judgement applied on impairment of trade receivables and impairment of property, plant and equipment and right-of-use assets are disclosed in Note 3.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, certain assets of the Group may be subject to further write downs in the subsequent financial periods.

38. NEW ACCOUNTING STANDARDS AND SFRS INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of NSL Ltd. on 8 March 2021.

40. SIGNIFICANT COMPANIES IN THE GROUP

The principal activities of the significant companies in the Group, their countries of incorporation and places of business, and the extent of NSL Ltd.'s equity interest in significant subsidiaries and associated companies are as follows:

Name of company	Principal activities	Country of incorporation and place of business	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			31 December		31 December	
			2020 **%**	2019 %	**2020** **%**	2019 %
Eastern Industries Private Limited [(1)]	Investment holding	Singapore	**100.0**	100.0	**-**	-
NSL Chemicals Ltd. [(1)]	Investment holding, manufacturing and sale of refractory materials and roadstones	Singapore	**100.0**	100.0	**-**	-
NSL Properties Pte. Ltd. [(1)]	Investment holding	Singapore	**100.0**	100.0	**-**	-
NSL Resorts International Pte. Ltd. [(1)]	Investment holding	Singapore	**100.0**	100.0	**-**	-
Eastern Pretech Pte Ltd [(1)]	Sale of building materials	Singapore	**100.0**	100.0	**-**	-
Eastern Pretech (Malaysia) Sdn Bhd [(2)]	Manufacturing and sale of building materials	Malaysia	**100.0**	100.0	**-**	-
Dubai Precast L.L.C. [(2),(3)]	Manufacturing and sale of building materials	United Arab Emirates	**45.0**	45.0	**55.0**	55.0
Parmarine Ltd [(2)]	Manufacturing and sale of building materials	Finland	**100.0**	100.0	**-**	-
Eastech Steel Mill Services (M) Sdn Bhd [(2)]	Manufacturing and sale of refractory products	Malaysia	**100.0**	100.0	**-**	-
NSL OilChem Waste Management Pte. Ltd. [(1)]	Treatment of industrial wastewater and oily slop and recovery of waste oil and oily slop	Singapore	**87.7**	87.7	**12.3**	12.3
NSL OilChem Logistics Pte. Ltd. [(1)]	Trading in oil products and disposal of oil and chemical wastes	Singapore	**87.7**	87.7	**12.3**	12.3

Note: Refer to Page 129 for legends.

40. SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

Name of company	Principal activities	Country of incorporation and place of business	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			31 December		31 December	
			2020 %	2019 %	**2020 %**	2019 %
NSL Engineering Holdings Pte. Ltd. [1]	Investment holding	Singapore	**100.0**	100.0	**-**	-
Raffles Marina Holdings Ltd. [1]	Investment holding	Singapore	**72.1**	72.1	**27.9**	27.9
Raffles Marina Ltd [1]	Owning and managing Raffles Marina Club	Singapore	**72.1**	72.1	**27.9**	27.9

Significant Associated Company Held by a Subsidiary	Principal activities	Country of incorporation and place of business	Equity holding	
			31 December	
Unquoted			**2020 %**	2019 %
Salzgitter Maschinenbau AG ("SMAG") [4]	Investment holding, manufacturing and sale of bulk handling equipment for bulk material handling, process technology and special purpose machines	Germany	**25.5**	25.5

Legends

(1) Audited by PricewaterhouseCoopers LLP, Singapore

(2) Audited by the network of member firms of PricewaterhouseCoopers International Limited outside Singapore

(3) The percentage of shareholding held by the Group in Dubai Precast L.L.C. ("DP") is 45%. However, the Group has assessed DP to be a subsidiary as a result of the Group's entitlement of 80% share of dividends declared by or profits of DP post acquisition in 2011 and the ability to appoint a majority of the directors of DP.

(4) Audited by Deloitte Touche Tohmatsu, Germany.

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Analysis of Shareholdings

As at 8 March 2021

ISSUED AND FULLY PAID CAPITAL	:	S$193,838,796.00
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER SHARE
NUMBER OF TREASURY SHARES	:	NIL
NUMBER OF SUBSIDIARY HOLDINGS	:	NIL

SHAREHOLDINGS BY SIZE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF TOTAL ISSUED SHARES
1 to 99	110	2.08	2,183	0.00
100 to 1,000	862	16.31	734,491	0.20
1,001 to 10,000	3,227	61.06	14,947,849	4.00
10,001 to 1,000,000	1,080	20.44	44,312,320	11.86
1,000,001 and above	6	0.11	313,561,394	83.94
TOTAL	**5,285**	**100.00**	**373,558,237**	**100.00**

SHAREHOLDERS BY RESIDENCE

COUNTRIES	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF TOTAL ISSUED SHARES
Singapore	4,956	93.77	370,880,025	99.28
Malaysia	264	5.00	1,536,354	0.41
Others	65	1.23	1,141,858	0.31
TOTAL	**5,285**	**100.00**	**373,558,237**	**100.00**

TOP 20 SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NUMBER OF SHARES	% OF TOTAL ISSUED SHARES
1	98 HOLDINGS PTE LTD	303,484,453	81.24
2	DBS NOMINEES PTE LTD	2,923,604	0.78
3	CITIBANK NOMINEES SINGAPORE PTE LTD	2,265,030	0.61
4	GOH BENG HWA @ GHO BIN HOA	1,824,750	0.49
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,715,107	0.46
6	OCBC NOMINEES SINGAPORE PTE LTD	1,348,450	0.36
7	MORPH INVESTMENTS LTD	661,800	0.18
8	HENG SIEW ENG	643,300	0.17
9	RAFFLES NOMINEES (PTE) LIMITED	547,226	0.15
10	LO KAI LEONG @ LOH KAI LEONG	540,000	0.14
11	SUM AH LAM	500,000	0.13
12	YANG ENG HUAT	472,000	0.13
13	AU SOO LUAN	461,700	0.12
14	TAY HWA LANG @ TAY AH KOU OR JORDAN TAY SHIH LIANG	450,000	0.12
15	UOB KAY HIAN PRIVATE LIMITED	417,362	0.11
16	NG HOCK KON	400,000	0.11
17	TAN AH HUAT	400,000	0.11
18	ESTATE OF TAN I TONG, DECEASED	399,624	0.11
19	TUN KENG HING	375,600	0.10
20	KOW THONG JEN @ KOW CHONG JIN OR CHEW TIN WAH	372,000	0.10
	TOTAL	**320,202,006**	**85.72**

Analysis of Shareholdings

As at 8 March 2021

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

18.76% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
98 Holdings Pte. Ltd.	303,484,453	81.24	-	-
Mr Ong Beng Seng [1]	-	-	303,484,453	81.24
Excel Partners Pte. Ltd. [1]	-	-	303,484,453	81.24
Excelfin Pte Ltd [1]	-	-	303,484,453	81.24
Y.S. Fu Holdings (2002) Pte. Ltd. [2]	-	-	303,484,453	81.24
Reef Holdings Pte Ltd [1]	-	-	303,484,453	81.24
Reef Investments Pte Ltd [1]	-	-	303,484,453	81.24

Notes:

1. 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 Pte. Ltd.

2. 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 Pte. Ltd.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 61st Annual General Meeting (the "**AGM**") of NSL LTD. (the "**Company**") will be convened and held by way of electronic means on 27 April 2021 at 2.00 p.m. (Singapore time) for the following purposes:

ORDINARY BUSINESS

1 To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2020 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2 To re-elect Prof Cham Tao Soon, a Director retiring pursuant to article 90 of the Company's Constitution and, being eligible, offers himself for re-election. **(Resolution 2)**

3 To re-elect Mr Ban Song Long, a Director retiring pursuant to article 90 of the Company's Constitution and, being eligible, offers himself for re-election. **(Resolution 3)**

4 To approve the payment of Directors' fees of S$562,000.00 for the financial year ended 31 December 2020. (2019: S$562,000.00) **(Resolution 4)**

5 To declare a final dividend of S$0.05 per ordinary share (exempt one-tier) for the financial year ended 31 December 2020. (2019: final dividend of S$0.05 per ordinary share (exempt one-tier)) **(Resolution 5)**

6 To re-appoint Messrs PricewaterhouseCoopers LLP as the Company's Independent Auditor and to authorise the Directors to fix its remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

Ordinary Resolutions

7 That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 7)

8 That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and/or any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in General Meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Maximum Limit**" means that number of Shares representing 10% of the issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)) as at the date of the passing of this Resolution provided however that notwithstanding the Share Purchase Mandate may enable purchases or acquisitions of up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings) to be carried out as aforesaid, the Company shall ensure, pursuant to Rule 723 of the Listing Manual of the SGX-ST, that there will be a public float of not less than 10% in the issued Shares at all times; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a market purchase of a Share, 105% of the Average Closing Price; and

(ii) in the case of an off-market purchase of a Share, 120% of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days on which the Shares were transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase or, as the case may be, the date of the making of the offer pursuant to an off-market purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) market day period and the date of the market purchase or, as the case may be, the date of the making of the offer pursuant to an off-market purchase;

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

"**market day**" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

(Resolution 8)

9 That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be and are hereby authorised to grant options in accordance with the provisions of the NSL Share Option Plan (the "**Plan**") and to allot and issue from time to time such number of ordinary shares of the Company as may be required to be allotted and issued pursuant to the exercise of options under the Plan, provided that the aggregate number of new ordinary shares to be issued pursuant to the Plan shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited)) from time to time.

(Resolution 9)

10 That, subject to and contingent upon the passing of Resolution 2 by shareholders of the Company present in person or by proxy and voting at the AGM and the passing of Resolution 11 by shareholders of the Company present in person or by proxy and voting at the AGM (excluding the Directors and the chief executive officer of the Company, and their respective associates (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited)):

(a) the continued appointment of Prof Cham Tao Soon, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited (which will take effect from 1 January 2022) be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Prof Cham Tao Soon as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution.

(Resolution 10)

11 That, subject to and contingent upon the passing of Resolution 2:

(a) the continued appointment of Prof Cham Tao Soon, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited (which will take effect from 1 January 2022) be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Prof Cham Tao Soon as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 10 is passed by shareholders of the Company present in person or by proxy and voting at the AGM.

(Resolution 11)

*In compliance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited (which will take effect from 1 January 2022), the Directors and the chief executive officer ("**CEO**") of the Company, and their respective associates (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited), shall abstain from voting on Resolution 11. The Company will disregard any votes cast by the Directors and the CEO of the Company, and their respective associates, in respect of their holdings of shares (if any) on Resolution 11. The Directors and the CEO of the Company, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given.*

Prof Cham Tao Soon, will, upon re-election as an Independent Director of the Company, remain as the Chairman of the Board of Directors, Chairman of the Remuneration Committee, Chairman of the Nominating Committee and a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Lim Su-Ling (Ms)
Company Secretary

Singapore
5 April 2021

Explanatory Notes

(i) In relation to items 2 and 3 above, further information on Prof Cham Tao Soon and Mr Ban Song Long is set out in "Additional information on Directors seeking re-appointment pursuant to Rule 720(6) of the Listing Manual of the SGX-ST" on pages 140 to 143 of the Annual Report 2020.

(ii) Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares and to issue shares in pursuance of such instruments, up to the limits specified therein, from the date of the AGM until the date of the next Annual General Meeting. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time that this Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that this Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares. As at 8 March 2021, the Company did not have treasury shares or subsidiary holdings.

(iii) Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors to exercise the power of the Company to purchase or acquire its issued ordinary shares, until the date of the next Annual General Meeting. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, inter alia, whether the shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of shares purchased or acquired, and the consideration paid at the relevant time. Purely for illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company of 29,884,658 shares on 8 March 2021 representing 8% of the issued shares (excluding treasury shares and subsidiary holdings) as at that date, at a purchase price equivalent to the Maximum Price per share, in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2020 and certain assumptions, are set out in Paragraph 2.7 of the Company's letter to shareholders dated 5 April 2021 (the "**Letter**").

Please refer to the Letter for further details.

Notice of Annual General Meeting

(iv) Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors to grant options under the Plan, and to allot and issue shares pursuant to the exercise of such options provided that the aggregate number of shares to be issued pursuant to the Plan shall not exceed 10% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

(v) Ordinary Resolutions 10 and 11 proposed in items 10 and 11 above, are proposed in anticipation of Rule 210(5)(d)(iii) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") which will take effect from 1 January 2022.

With effect from 1 January 2022, Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST will provide that a Director is not independent if he has been a Director for an aggregate period of more than nine years and his continued appointment as an independent Director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the Directors and the CEO of the Company, and their respective associates.

Prof Cham Tao Soon is an independent Director who has served as a Director for more than nine years. His length of service as a Director has not compromised his independence and, having regard to all the other relevant circumstances, he has remained independent from Management and provided a strong independent presence on the Board of Directors, being free from any business or other relationship which could materially interfere with the exercise of his judgement.

Since Prof Cham Tao Soon is seeking re-election as Director at the AGM, the Company is proposing to seek, at the same time, the requisite approval for his continued appointment as independent Director.

If such requisite approval is not obtained prior to 1 January 2022, Prof Cham Tao Soon (if he continues to hold office as of 1 January 2022) will be regarded as non-independent as of 1 January 2022 and will be re-designated as a non-independent Director. Even if the requisite approval is not obtained, based on the current board composition of 3 independent Directors and 3 non-independent Directors, independent Directors will continue to comprise at least one-third of the Board of Directors for the purposes of Rule 210(5)(c) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022.

The requisite approval, if obtained, will remain in force until the earlier of the following: (i) the retirement or resignation of Prof Cham Tao Soon; or (ii) the conclusion of the third Annual General Meeting following the passing of the relevant Ordinary Resolutions.

Notes:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe management measures to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and keep COVID-19 transmission risk to a minimum, the AGM is being convened, and will be held, by way of electronic means and members will **NOT** be allowed to attend the AGM in person. Accordingly, this Notice will be sent to members by electronic means via publication on the Company's website at the URL https://www.nsl.com.sg/announcements and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this Notice of Annual General Meeting will also be sent by post to members.

Notice of Annual General Meeting

2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via audio-visual webcast or audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at or before the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 5 April 2021. This announcement may be accessed at the Company's website at the URL https://www.nsl.com.sg/announcements, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this announcement will also be sent by post to members.

3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at the URL https://www.nsl.com.sg/announcements and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the proxy form will also be sent by post to members.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m.** on **15 April 2021**.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at gpa@mncsingapore.com,

   in either case, by **2.00 p.m.** on **24 April 2021**, being not less than 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

Notice of Annual General Meeting

6. The Annual Report 2020 and the Letter to Shareholders dated 5 April 2021 in relation to the proposed renewal of the share purchase mandate may be accessed at the Company's website as follows:

   (a) the Annual Report 2020 may be accessed at the URL https://www.nsl.com.sg/investor-relations/annual-reports by clicking on the links for "Annual Report 2020"; and

   (b) the Letter to Shareholders dated 5 April 2021 may be accessed at the URL https://www.nsl.com.sg/investor-relations/annual-reports by clicking on the link for "Letter to Shareholders".

7. Any reference to a time of day is made by reference to Singapore time.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company 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 the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual 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.

Additional Information on Directors Seeking Re-Election

Prof Cham Tao Soon and Mr Ban Song Long are the Directors seeking re-election at the 61st Annual General Meeting of the Company to be held on 27 April 2021.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Prof Cham Tao Soon and Mr Ban Song Long as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	Prof Cham Tao Soon	Mr Ban Song Long
Working experience and occupation(s) in the past 10 years	Chairman, Soup Restaurant Group Ltd (2007 - present) Chairman, NSL Ltd (1988 - present) Supervisor, United Overseas Bank (China) Ltd (2000 - present)	Excelfin Pte Ltd, Managing Director – Investment holdings (2000 - present) Yotei Pte Ltd, Director – Investment in F&B (1993 – present) Cedar Vine Pte Ltd, Director – Investment in properties (2006 – present) NSL Ltd, Director and EXCO Chairman (2003 – present)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	Cousin of Fu Kuo Chen David
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720 (1) has been submitted to NSL Ltd	Yes	Yes
Other Directorship (for the last 5 years)	NSL Ltd Soup Restaurant Group Ltd United Overseas Bank (China) Ltd The Tan Chin Tuan Foundation Institution of Engineers (Singapore) Fund Ltd	NSL Ltd 68 Holdings Pte Ltd 98 Holdings Pte Ltd Bioveda Capital Pte Ltd Bioveda Fund Pte Ltd Catalla Investments Pte Ltd Cedar Vine Pte Ltd Cuscaden Partners Pte Ltd Excel Partners Pte Ltd Excelfin Pte Ltd FS Pte Ltd Graceford Pte Ltd Hexagon Development Advisors Pte Ltd Reef Energy Pte Ltd

Additional Information on Directors Seeking Re-Election

		Prof Cham Tao Soon	Mr Ban Song Long
			Tenya Singapore Pte Ltd Yotei Pte Ltd Zenith Securities Pte Ltd 8 Capital Limited AFA Management LLC Atlas Gourmet Sdn Bhd Comojo (Gibraltar) Ltd Comojo Investments (Gibraltar) Ltd Jacob Ballas Capital India Pvt Ltd Venus Assets Sdn Bhd Venus Gourmet Sdn Bhd Venus Pacific Sdn Bhd A H M Services Pte Ltd
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? If yes, please provide full details	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No

Additional Information on Directors Seeking Re-Election

		Prof Cham Tao Soon	Mr Ban Song Long
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

Additional Information on Directors Seeking Re-Election

		Prof Cham Tao Soon	Mr Ban Song Long
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere.	No	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

NSL LTD.

PROXY FORM

(Incorporated in Singapore)

Company Registration Number 196100107C

IMPORTANT

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of Annual General Meeting will be sent to members by electronic means via publication on the Company's website at the URL https://www.nsl.com.sg/announcements and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this Notice of Annual General Meeting will also be sent by post to members.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via audio-visual webcast or audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at or before the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 5 April 2021. This announcement may be accessed at the Company's website at the URL https://www.nsl.com.sg/announcements and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this announcement will also be sent by post to members.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
4. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 15 April 2021**.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2021.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.**

I/We ____ (Name)

of ____ (Address)

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

The Chairman of the Meeting

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on 27 April 2021 at 2.00 p.m. (Singapore time) and at any adjournment thereof, in the manner indicated below.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes **For** or **Against** a Resolution, please indicate with an "X" in the **For** or **Against** box in respect of that Resolution. Alternatively, please indicate the number of votes **For** or **Against** each Resolution in the **For** or **Against** box in respect of that Resolution. If you wish the Chairman of the Meeting as your proxy to **Abstain** from voting on a Resolution, please indicate with an "X" in the **Abstain** box in respect of that Resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the **Abstain** box in respect of that Resolution. In the absence of specific directions as to voting in respect of a Resolution, the appointment of the Chairman of the Meeting as your proxy for that Resolution will be treated as invalid.)

No.	Resolutions relating to:	For	Against	Abstain
	Ordinary Business			
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020			
2	Re-election of Prof Cham Tao Soon as a Director			
3	Re-election of Mr Ban Song Long as a Director			
4	Approval of Directors' fees amounting to S$562,000.00			
5	Approval of a final dividend of S$0.05 per ordinary share (exempt one-tier) for the financial year ended 31 December 2020			
6	Re-appointment of Messrs PricewaterhouseCoopers LLP as Independent Auditor and authorisation for Directors to fix its remuneration			
	Special Business			
7	Approval of the Share Issue Mandate			
8	Approval of the renewal of the Share Purchase Mandate			
9	Approval of the grant of options and the allotment and issue of shares pursuant to the NSL Share Option Plan			
10	Approval of the continued appointment of Prof Cham Tao Soon as an Independent Director for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited			
11	Approval of the continued appointment of Prof Cham Tao Soon as an Independent Director for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited			

Dated this ____________ day of ______________________ 2021.

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. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/ its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be accessed at the Company's website at the URL https://www.nsl.com.sg/announcements and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m.** on **15 April 2021**.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at gpa@mncsingapore.com,

   in either case, by **2.00 p.m.** on **24 April 2021**, being not less than 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as 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 appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its 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.

7. Any reference to a time of day is made by reference to Singapore time.

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