

CIRCULAR DATED 6 APRIL 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. The approval of the SGX-ST shall not be taken as an indication of the merits of the Proposed Disposal (as defined in this Circular), NewCo (as defined in this Circular), the Company and/or its subsidiaries.



NSL LTD.

(Incorporated in Singapore)

Company Registration No. 196100107C

CIRCULAR TO SHAREHOLDERS

in relation to

JOINT VENTURE WITH SALZGITTER MASCHINENBAU AG AND PROPOSED DISPOSAL OF THE COMPANY’S RAM ENGINEERING SPREADER BUSINESS

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	26 April 2015 at 2.30 p.m. (Singapore time)
Date and time of Extraordinary General Meeting	:	28 April 2015 at 2.30 p.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. (Singapore time) on the same day and at the same place)
Place of Extraordinary General Meeting	:	Bridge Rooms 1, 2 and 3 Raffles Marina 10 Tuas West Drive Singapore 638404

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DEFINITIONS

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

“9M2014”	:	The nine month period ended 30 September 2014
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“AktG”	:	German Stock Corporation Act
“Amendment Letter”	:	The Amendment Letter dated 6 March 2015 entered into between the Parties to amend the longstop date for the Proposed SMAG Disposal under the Contribution Agreement from 31 March 2015 to 30 April 2015
“Call Option SMAG”	:	The call option granting SMAG the right to require the sale and transfer of all shares in NewCo held by NSEH regardless of whether the Lock-in Period has already expired upon the occurrence of certain events, further details of which are set out in paragraph 4.12 of this Circular and paragraph 1(vi) of the Schedule
“CDP”	:	The Central Depository (Pte) Limited
“China JV”	:	Shanghai Peiner SMAG Machinery Co. Ltd.
“Claim”	:	The payment under the Contribution Agreement demanded by the Demanding Party by a written notice, which has been consented to by either SMAG or NSEH who is not the Demanding Party in writing or has been established as final and absolute in an arbitration proceeding according to the Contribution Agreement
“Closing”	:	The SMAG Closing and the PL Closing
“Closing Conditions”	:	The conditions precedent to the Proposed SMAG Disposal
“Closing Date”	:	The date when the Proposed SMAG Disposal closes with the registration of the capital increase of NewCo following the issue of the NewCo Consideration Shares
“Co-Selling Shareholder”	:	The non-disposing shareholder of NewCo who exercises its Tag-Along Right to require the third-party buyer to purchase its NewCo shares on the same conditions in a legally binding form as the sale of NewCo shares held by the disposing shareholder of NewCo to the third-party buyer
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Contribution Agreement”	:	The Contribution Agreement dated 4 December 2014, and as amended by the Amendment Letter, entered into between the Company, NSEH, NewCo and SMAG, pursuant to which, NSEH has agreed to contribute to NewCo the NSE SMAG Sale Shares in consideration for the issue of the NewCo Consideration Shares
“Controlling Shareholder”	:	A person who, in accordance with the Listing Manual, (i) holds directly or indirectly 15 per cent. or more of the total number of issued Shares (excluding treasury shares) or (ii) in fact exercises control over the Company

DEFINITIONS

“CSE”	:	Changshu RAM Engineering Co., Ltd.
“CST”	:	Changshu RAM Trading Co., Ltd.
“Defaulting Party”	:	Either of SMAG or NSEH who fails to comply with the Claim more than 90 days from the receipt of (i) its written declaration of consent to the Claim or (ii) the final judgment over the Claim
“Demanding Party”	:	Either of SMAG or NSEH who has issued to the other a written notice demanding the Claim
“Directors”	:	The directors of the Company for the time being
“EBITDA”	:	Earnings before interest, tax, depreciation and amortisation
“EGM”	:	The extraordinary general meeting of the Company, notice of which is given on pages 34 and 35 of this Circular
“Enlarged Group”	:	The enlarged NSL Group with NSEH owning the NewCo Consideration Shares as a result of the Proposed Disposal
“Enlarged Issued Share Capital of NewCo”	:	The issued share capital of NewCo immediately following the issuance of the NewCo Consideration Shares
“EPS”	:	Earnings per share
“Exercise Note”	:	The written notice issued by the Demanding Party to exercise its option to request the sale and transfer of such number of shares in NewCo held by the Defaulting Party as corresponding to the value of the Claim
“FRS”	:	Financial Reporting Standards
“FY”	:	Financial year ended or ending, as the case may be, 31 December
“Hive-Down”	:	The hive-down plan dated 27 January 2014, pursuant to which NewCo was established by SMAG by way of hive-down for new formation according to Sections 123 para. 3 no. 2, 124 et seq., 135 et seq., 138, 141 et seq. of the German Transformation Act
“India JV”	:	PEINER SMAG Machinery (India) Private Limited
“India PVT”	:	SMAG Peiner Grabs India PVT Ltd.
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 30 March 2015
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Lock-in Period”	:	The period commencing on the date of completion of the Proposed SMAG Disposal and ending on 30 September 2019, during which no shareholder shall assign, transfer, pledge, encumber or otherwise dispose of its shares in NewCo or establish trustee or sub-participation relationships

DEFINITIONS

“Management Board”	:	The management board, formed at the level of NewCo, of the new group of companies formed by the Proposed SMAG Disposal
“NAV”	:	Net asset value
“NewCo”	:	Peiner SMAG Lifting Technologies GmbH
“NewCo Consideration Shares”	:	500,000 new shares representing one third of the Enlarged Issued Share Capital of NewCo issued by NewCo to NSEH in the nominal amount of EUR 1.00 each in consideration for the NSE SMAG Sale Shares
“NewCo Financing”	:	Contribution to NewCo’s financing either by shareholder contributions, shareholder loans or the granting of securities to enable NewCo to receive bank financing
“NewCo Subsidiaries”	:	China JV, India PVT and India JV
“Notice of EGM”	:	Notice of the EGM, as set out on pages 34 and 35 of this Circular
“NSE”	:	NSL Engineering Pte. Ltd.
“NSE Group”	:	The Transferred Subsidiaries and NSE
“NSE PL Sale Shares”	:	165,000 ordinary shares in the capital of NSE, comprising three per cent. of the issued share capital of NSE, which PL has proposed to purchase from NSEH, on the terms and subject to the conditions of the SPA
“NSE Sale Shares”	:	The NSE SMAG Sale Shares and the NSE PL Sale Shares
“NSE SMAG Sale Shares”	:	5,335,000 ordinary shares in the capital of NSE, comprising 97 per cent. of the issued share capital of NSE, which NSEH has agreed to contribute to NewCo, on the terms and subject to the conditions of the Contribution Agreement
“NSEH”	:	NSL Engineering Holdings Pte. Ltd.
“NSEH NewCo Shares”	:	All NewCo shares held by NSEH
“NSH”	:	NSL Hydraulics Pte Ltd
“NSL” or “Company”	:	NSL Ltd.
“NSL Group”	:	The Company and its subsidiaries
“NSL UK”	:	NSL Engineering (UK) Ltd
“NTA”	:	Net tangible assets
“Parties”	:	The Company, NSEH, SMAG and NewCo
“PL”	:	Philip Lee Tze Yong
“PL Closing”	:	Closing of the Proposed PL Disposal

DEFINITIONS

- “PL Consideration”** : The aggregate consideration of approximately S\$1.4 million for the purchase of the NSE PL Sale Shares
- “Proposed Disposal”** : The Proposed SMAG Disposal and the Proposed PL Disposal
- “Proposed PL Disposal”** : The proposed disposal of NSE PL Sale Shares by NSEH to PL, on the terms and subject to the conditions of the SPA
- “Proposed SMAG Disposal”** : The proposed contribution to NewCo of the NSE SMAG Sale Shares by NSEH, in consideration for the issue of the NewCo Consideration Shares, representing one third of the Enlarged Issued Share Capital of NewCo, on the terms and subject to the conditions of the Contribution Agreement
- “Put Option NSEH I”** : The put option granting NSEH the right to require SMAG to purchase and accept the transfer of the NSEH NewCo Shares at the request of NSEH if the total cumulative consolidated EBITDA of NewCo and its subsidiaries in the business years 2014/15, 2015/16 and 2016/17 is less than EUR 21,000,000, further details of which are set out in **paragraph 4.10** of this Circular and **paragraph 1(ii)** of the **Schedule**
- “Put Option NSEH II”** : The put option granted by SMAG to NSEH exercisable only at the expiry of the Lock-in Period to allow NSEH to exit NewCo through the sale of all NSEH NewCo Shares at the request of NSEH, further details of which are set out in **paragraph 4.11** of this Circular and **paragraph 1(iii)** of the **Schedule**
- “Put Option NSEH III”** : The put option granted by SMAG to NSEH granting NSEH the right to require SMAG to purchase and acquire all the shares held by NSEH regardless of whether the Lock-in Period has expired upon the occurrence of certain events, further details of which are set out in **paragraph 4.12** of this Circular and **paragraph 1(vi)** of the **Schedule**
- “Relevant Period”** : The time period until such time as NSEH is able to complete the disposal of NewCo shares (including but not limited to having obtained the approval of the Shareholders), in the event that NSEH is the Defaulting Party, and NSEH is unable to complete the disposal of NewCo shares to SMAG within the time period set out in section 9.6 of the Contribution Agreement
- “Rule 1006”** : Rule 1006 of the Listing Manual
- “Securities Account”** : A securities account maintained by a Depositor with CDP, but not including a securities sub-account
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Shareholders”** : Registered holders of Shares, except that where the registered holder is CDP, the term **“Shareholders”** shall, where the context admits, mean Depositors whose Securities Accounts are credited with Shares

DEFINITIONS

“Shareholders’ Agreement”	:	The Shareholders’ Agreement dated 4 December 2014 entered into between the Company, NSEH and SMAG which sets out, <i>inter alia</i> , the various rights and duties of the Company, NSEH and SMAG as future direct and indirect shareholders in NewCo
“Shares”	:	Ordinary shares in the capital of the Company
“SMAG”	:	Salzgitter Maschinenbau AG
“SMAG Closing”	:	Closing of the Proposed SMAG Disposal
“SMAG Consideration”	:	The NewCo Consideration Shares to be issued in consideration for the contribution of the NSE SMAG Sale Shares
“SNSL”	:	SNSL Pte Ltd
“SPA”	:	The Sale and Purchase Agreement dated 3 December 2014 entered into between NSEH and PL in relation to the proposed purchase of the NSE PL Sale Shares by PL from NSEH
“Statutory Body of Managing Directors”	:	NewCo’s statutory body of managing directors appointed under the articles of association of NewCo
“Tag-Along Notice”	:	The written notice delivered by the non-disposing shareholder of NewCo to the disposing shareholder of NewCo of its intent to co-sell its NewCo shares to the third-party buyer
“Tag-Along Right”	:	The right of the non-disposing shareholder of NewCo to require the disposing shareholder of NewCo to ensure that all (but not less than all) the NewCo shares held by the non-disposing shareholder of NewCo are purchased by the third-party buyer along with the NewCo shares held by the disposing shareholder on the same terms and conditions as offered to the disposing shareholder
“Tag-Along Sale”	:	The sale of the NewCo shares held by the non-disposing shareholder of NewCo, i.e. the Co-Selling Shareholder, to the third-party buyer on the same conditions in a legally binding form as the sale of NewCo shares by the disposing shareholder of NewCo to the third-party buyer in the event the Co-Selling Shareholder exercises its Tag-Along Right
“Transferred Subsidiaries”	:	NSL UK, NSH, SNSL, CSE and CST
“EUR”	:	Euros, being the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time
“RMB”	:	Renminbi, being the lawful currency for the time being of the People’s Republic of China
“S\$” or “Singapore Dollar”	:	Singapore dollars, being the lawful currency for the time being of the Republic of Singapore
“US\$”	:	United States dollars, being the lawful currency for the time being of the United States of America

DEFINITIONS

“£” : Sterling Pounds, being the lawful currency for the time being of the United Kingdom

“%” or “per cent.” : Per centum or percentage

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

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

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

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

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “**forward-looking statements**”. Some of these statements can be identified by forward-looking terms such as “**expect**”, “**believe**”, “**plan**”, “**intend**”, “**estimate**”, “**anticipate**”, “**may**”, “**will**”, “**would**”, “**could**” or similar words. However these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company’s, the NSL Group’s, the NSE Group’s, SMAG’s, NewCo’s, the NewCo Subsidiaries’ and/or the Enlarged Group’s expected financial position, business strategies, plans and prospects are forward-looking statements and accordingly involve known and unknown risks, uncertainties and other factors that may cause the Company’s, the NSL Group’s, the NSE Group’s, SMAG’s, NewCo’s, the NewCo Subsidiaries’ and/or the Enlarged Group’s actual results, performance and achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, among others:

- (a) changes in general political, regulatory, social and economic conditions in Germany, Singapore and/or any other countries in which the Company, the NSL Group, the NSE Group, SMAG, NewCo, the NewCo Subsidiaries and/or the Enlarged Group will operate;
- (b) changes in currency exchange and interest rates;
- (c) demographic changes;
- (d) changes in competitive conditions;
- (e) changes in operating expenses; and
- (f) other factors beyond the Company’s, the NSL Group’s, the NSE Group’s, SMAG’s, NewCo’s, the NewCo Subsidiaries’ and/or the Enlarged Group’s control.

Some of these factors are discussed in greater detail in this Circular, in particular, but not limited to, the discussion under “**Risk Factors**” in **paragraph 6** of this Circular.

Given the risks and uncertainties which may cause the Company’s, the NSL Group’s, the NSE Group’s, SMAG’s, NewCo’s, the NewCo Subsidiaries’ and/or the Enlarged Group’s actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this Circular, undue reliance must not be placed on those statements. The Company does not represent or warrant that the Company’s, the NSL Group’s, the NSE Group’s, SMAG’s, NewCo’s, the NewCo Subsidiaries’ and/or the Enlarged Group’s actual future results, performance or achievements will be as discussed in those statements. Further, the Company disclaims any responsibility, and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Company’s, the NSL Group’s, the NSE Group’s, SMAG’s, NewCo’s, the NewCo Subsidiaries’ and/or the Enlarged Group’s expectations with respect to such statements after the date of this Circular or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

This Circular may include market and industry data and information that have been obtained from, *inter alia*, internal studies, where appropriate, as well as publicly available information and industry publications. There can be no assurance as to the accuracy or completeness of such information. While the Company has taken reasonable steps to ensure that the information is extracted accurately, the Company has not independently verified any of the data from third party sources or ascertained the underlying bases or assumptions relied upon therein.

LETTER TO SHAREHOLDERS

NSL LTD.

(Incorporated in Singapore)
Company Registration No. 196100107C

Directors

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

Registered Office

77 Robinson Road
#27-00 Robinson 77
Singapore 068896

6 April 2015

To: The Shareholders of NSL Ltd.

Dear Sir/Madam

JOINT VENTURE WITH SALZGITTER MASCHINENBAU AG AND PROPOSED DISPOSAL OF THE COMPANY'S RAM ENGINEERING SPREADER BUSINESS

1. INTRODUCTION

1.1 Joint Venture and Proposed Disposal. On 5 December 2014, the Company announced that the Company and its direct wholly-owned subsidiary, NSL Engineering Holdings Pte. Ltd. ("**NSEH**"), had entered into various agreements with Salzgitter Maschinenbau AG ("**SMAG**") in relation to the entry into a joint venture to form one of the world's largest independent lifting device groups in both bulk cargo and container handling in terms of turnover. In connection with the foregoing, the Company and NSEH will dispose of and contribute to the joint venture company (Peiner SMAG Lifting Technologies GmbH ("**NewCo**")) the Company's RAM engineering spreader business and have entered into the following agreements:

- (i) a Contribution Agreement dated 4 December 2014, and as amended by the Amendment Letter, entered into between the Company, its wholly-owned subsidiary, NSEH, NewCo and SMAG (the "**Contribution Agreement**"), pursuant to which, NSEH has agreed to contribute to NewCo, 5,335,000 ordinary shares in the capital of NSL Engineering Pte. Ltd. ("**NSE**"), comprising 97 per cent. of the issued share capital of NSE (the "**NSE SMAG Sale Shares**"), in consideration for the issue of 500,000 new shares in NewCo, representing one third of the Enlarged Issued Share Capital of NewCo (the "**Proposed SMAG Disposal**");
- (ii) a Shareholders' Agreement dated 4 December 2014 entered into between the Company, NSEH and SMAG (the "**Shareholders' Agreement**") which sets out, *inter alia*, the various rights and duties of the Company, NSEH and SMAG as future direct and indirect shareholders in NewCo; and
- (iii) a Sale and Purchase Agreement dated 3 December 2014 entered into between NSEH and Philip Lee Tze Yong ("**PL**" and such Sale and Purchase Agreement, the "**SPA**") in relation to the proposed purchase of 165,000 ordinary shares in the capital of NSE by PL from NSEH (the "**Proposed PL Disposal**" and collectively with the Proposed SMAG Disposal, the "**Proposed Disposal**"). The said shares comprise three per cent. of the issued share capital of NSE (the "**NSE PL Sale Shares**" and collectively with the NSE SMAG Sale Shares, the "**NSE Sale Shares**").

LETTER TO SHAREHOLDERS

In addition, the Parties had on 6 March 2015 entered into the Amendment Letter to amend the longstop date for the Proposed SMAG Disposal under the Contribution Agreement from 31 March 2015 to 30 April 2015.

Further information on NSE, SMAG and NewCo is set out in **paragraph 2** of this Circular.

- 1.2 Closing.** Closing of the Proposed SMAG Disposal (the “**SMAG Closing**”) is subject to and conditional upon various condition precedents (“**Closing Conditions**”), including the approval of the shareholders of the Company (the “**Shareholders**”) for the Proposed Disposal at the EGM. Closing of the Proposed PL Disposal (the “**PL Closing**”) and collectively with the SMAG Closing, the “**Closing**”), shall occur contemporaneously with the SMAG Closing. If the SMAG Closing does not occur, there shall be no PL Closing. Following the Closing, NSE will cease to be a wholly-owned subsidiary of the Company and NSEH.
- 1.3 Term of the Shareholders’ Agreement.** The Shareholders’ Agreement shall enter into force upon completion of the Proposed SMAG Disposal and shall be entered into for an indefinite term. However, the Shareholders’ Agreement shall automatically terminate in case of a withdrawal from the Contribution Agreement.
- 1.4 Major Transaction.** The relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual (“**Rule 1006**”) are as follows:

Rule 1006	Bases	Proposed Disposal (\$ million)	NSL Group (\$ million)	Relative Figures (%)
(a)	Net asset value (“ NAV ”) of the NSE Sale Shares compared with the NSL Group’s NAV ⁽¹⁾	31.1	536.7	5.8
(b)	Net profit attributable to the NSE Sale Shares compared with the NSL Group’s net profit ⁽¹⁾⁽²⁾	5.2	15.3	34.0
(c)	Consideration compared with NSL’s market capitalisation ⁽³⁾	46.8 ⁽⁴⁾	604.6	7.7

Notes:

- (1) Based on the unaudited consolidated financial statements of the Company and its subsidiaries (the “**NSL Group**”) for 9M2014.
- (2) The net profit before income tax, minority interests and exceptional items attributable to the NSE Sale Shares for 9M2014 has been compared with the NSL Group’s net profits before income tax, minority interests and exceptional items for 9M2014.
- (3) NSL’s market capitalisation is based upon 373,558,237 Shares as at 4 December 2014 at a volume weighted average price of S\$1.6184 for each Share.
- (4) The consideration of S\$46.8 million represents the aggregate of (i) the SMAG Consideration of S\$45.4 million based on the fair value of the 500,000 NewCo Consideration Shares to be issued to NSEH and (ii) the PL Consideration of approximately S\$1.4 million. The SMAG Consideration was derived based on a comparison of the value of the parties’ respective contributions to NewCo, specifically, a comparison of the EBITDA of NSE and the EBITDA of the grabs business of SMAG. Further details on the manner in which the said consideration was derived is disclosed in **paragraph 3.2** below. The PL Consideration was derived based on, *inter alia*, the historical EBITDA of the NSE Group. Further details on the manner in which the said consideration was derived is disclosed in **paragraph 5.2** below.

As the relative figure under Rule 1006 (b) exceeds 20 per cent., the Proposed Disposal constitutes a major transaction for the Company as defined in Chapter 10 of the Listing Manual. Accordingly, the Proposed Disposal is subject to the approval of the Shareholders.

LETTER TO SHAREHOLDERS

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

The notice of the Ordinary Resolution relating to the Proposed Disposal to be proposed at the EGM is set out on pages 34 and 35 of this Circular.

2. INFORMATION ON RAM ENGINEERING SPREADER BUSINESS OF THE COMPANY, NSE, SMAG, THE GRABS BUSINESS OF SMAG AND NEWCO

- 2.1 RAM Engineering Spreader Business and NSE.** NSE is a private limited company incorporated in Singapore with an issued and paid-up capital of S\$5,500,000 consisting of 5,500,000 ordinary shares. As at the Latest Practicable Date, NSE is a wholly-owned subsidiary of NSEH which in turn, is a wholly-owned subsidiary of the Company. PL is a director and the Chief Executive Officer of NSE.

The RAM engineering spreader business of the Company is concentrated solely in NSE and NSE does not have any other businesses besides the RAM engineering spreader business. The RAM engineering spreader business provides a comprehensive range of container spreaders for all types of container handling equipment. They include fixed and telescopic spreaders for use on all types of container handling cranes such as ship-to-shore, yard, gantry, mobile harbour, jib and intermodal cranes, forklift trucks and other container handling equipment. Options include a wide range of overheight lifting spreaders, rotators, hook beams, quick release headblocks and LED safety indicator lamps. Recent developments include CenterSpread spreaders for RMGs and RTGs, Mobile harbour crane spreaders and a new series of electric spreaders. The said business includes the following direct and indirect subsidiaries and associated companies of NSE (the “**Transferred Subsidiaries**” and collectively with NSE, the “**NSE Group**”):

- (i) NSL Engineering (UK) Ltd (“**NSL UK**”), a private limited company incorporated in England and Wales with an issued and paid-up share capital of £1,700,000 consisting of 1,700,000 ordinary shares. NSL UK is a wholly-owned direct subsidiary of NSE. The principal activity of NSL UK is the sale of spreaders and spares;
- (ii) NSL Hydraulics Pte Ltd (“**NSH**”), a private limited company incorporated in Singapore with an issued and paid-up share capital of S\$175,000 consisting of 175,000 ordinary shares. NSH is a wholly-owned direct subsidiary of NSE. NSH is the holding company of SNSL and is a dormant company;
- (iii) SNSL Pte Ltd (“**SNSL**”), a private limited company incorporated in Singapore with an issued and paid-up share capital of S\$2,001 consisting of 2,001 ordinary shares. SNSL is 50 per cent. owned by NSH and 50 per cent. owned by Stinis Krimpen BV, an entity incorporated in the Netherlands. Although the principal activities of SNSL consist of steel fabrication and engineering works, it has not commenced any activities since its incorporation;
- (iv) Changshu RAM Engineering Co., Ltd. (“**CSE**”), a company incorporated in the People’s Republic of China with a registered capital of US\$12,500,000. CSE is a wholly-owned direct subsidiary of NSE. The principal activity of CSE is the manufacturing of spreaders; and
- (v) Changshu RAM Trading Co., Ltd. (“**CST**”), a company incorporated in the People’s Republic of China with a registered capital of RMB400,000. CST is a wholly-owned direct subsidiary of CSE. The principal activity of CST is trading to support CSE.

- 2.2 SMAG and the Grabs Business of SMAG.** SMAG is a stock corporation organised under the laws of the Federal Republic of Germany, having its corporate seat in Salzgitter-Bad and recorded in the commercial register of the local court of Braunschweig under HRB 201389. SMAG is the holding company of a German group of mechanical engineering companies with factories in

LETTER TO SHAREHOLDERS

Germany, China, India and Slovakia where grabs for loading and unloading seagoing bulk cargo vessels, completely equipped driver cabins, automated drilling technology for the open-pit and underground mining industry, special-purpose vehicles for the process industry as well as mechanic and hydraulic telescopic antenna masts are developed and manufactured. The grabs business of SMAG forms part of the mechanical engineering companies in the SMAG group of companies. Following the Hive-Down (as described in **paragraph 2.3** below), the grabs business of SMAG is now concentrated solely in NewCo.

Based on publicly available information, SMAG is not listed on any stock exchange. SMAG leads the world in manufacturing grabs for international seagoing cargo handling. Operating under the worldwide known brand name PEINER, SMAG sells motor, hydraulic and rope grabs and slewing units as well as spreaders for container lifting. For the 2012/2013 financial year that ended on 30 September 2013, the SMAG group saw a turnover of around EUR 143 million.¹

2.3 NewCo and Hive-Down by SMAG. NewCo is a limited liability company organised under the laws of the Federal Republic of Germany, having its corporate seat in Salzgitter-Bad and recorded in the commercial register of the local court of Braunschweig under HRB 204558. NewCo was established by SMAG by way of hive-down for new formation according to Sections 123 para. 3 no. 2, 124 et seq., 135 et seq., 138, 141 et seq. of the German Transformation Act based on a hive-down plan dated 27 January 2014 (the “**Hive-Down**”), to create a separate entity for SMAG to concentrate and separate its grabs business from the rest of its business operations. The Hive-Down pursuant to the German Transformation Act and said hive-down plan consisted solely of SMAG transferring its grabs business division in Germany and shares in the following companies to NewCo (the “**NewCo Subsidiaries**”), in exchange for shares in NewCo:

- (i) 64.75 per cent. of the shares in Shanghai Peiner SMAG Machinery Co. Ltd. (the “**China JV**”);
- (ii) 50 per cent. of the shares in SMAG Peiner Grabs India PVT Ltd. (the “**India PVT**”); and
- (iii) 70 per cent. of the shares in Peiner SMAG Machinery (India) Private Limited (the “**India JV**”).

As at the Latest Practicable Date, SMAG holds 1,000,000 shares in NewCo representing 100 per cent. of the issued share capital of NewCo.

The principal activity of each of the NewCo Subsidiaries is the manufacture and distribution of grabs. The earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) of the grabs business of SMAG transferred to NewCo pursuant to the Hive-Down for the past three financial years (being the financial years ended 30 September 2011, 2012 and 2013) are S\$25,263,000, S\$17,526,000 and S\$9,390,000 respectively.

Upon completion of the Proposed Disposal in accordance with the Contribution Agreement, whereby NSEH will contribute the NSE SMAG Sale Shares to NewCo, NewCo will become one of the world’s largest independent lifting device groups in both bulk cargo and container handling in terms of turnover.

2.4 Asset Value. Based on the unaudited consolidated financial statements of the NSL Group for FY2014, as at 31 December 2014:

- (i) the attributable NAV of the NSE Sale Shares is approximately S\$32.0 million, comprising (a) the attributable NAV of the NSE SMAG Sale Shares of approximately S\$31.1 million and (b) the attributable NAV of the NSE PL Sale Shares of approximately S\$0.9 million; and
- (ii) the attributable NTA value of the NSE Sale Shares is approximately S\$31.8 million, comprising (a) the attributable NTA value of the NSE SMAG Sale Shares of approximately S\$30.9 million and (b) the attributable NTA value of the NSE PL Sale Shares of approximately S\$0.9 million.

¹ Source: Extracted from <http://www.smag.de/en/company/profile.html>

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- 2.5 Net Profit.** Based on the unaudited consolidated financial statements of the NSL Group for FY2014, the net profit before income tax, minority interests and exceptional items for the NSE Sale Shares is approximately S\$5.6 million. The gain on disposal pursuant to the Proposed Disposal is approximately S\$14.4 million.²

3. PRINCIPAL TERMS OF THE CONTRIBUTION AGREEMENT

The terms of the Contribution Agreement provide, *inter alia*:

3.1 Proposed SMAG Disposal

- (i) NSEH has agreed to contribute, assign and transfer, the NSE SMAG Sale Shares, together with all rights and obligations attached to such shares, to NewCo in accordance with and subject to the terms and conditions of the Contribution Agreement. All stamp or any other transfer taxes payable in connection with such contribution of the NSE SMAG Sale Shares will be borne by NewCo.
- (ii) NewCo shall be exclusively entitled to any undistributed dividends from past financial years, as well as to all dividends for the current financial year in relation to the NSE SMAG Sale Shares provided that NSE shall declare and pay a dividend of no more than S\$4,500,000 to NSEH prior to the completion of the contribution of the NSE SMAG Sale Shares, within the period from 24 September 2014 to the completion of the contribution of the NSE SMAG Sale Shares.

- 3.2 Consideration.** In consideration for the contribution of the NSE SMAG Sale Shares (the “**SMAG Consideration**”), NewCo shall issue 500,000 new shares, representing one third of the Enlarged Issued Share Capital of NewCo, to NSEH in the nominal amount of EUR 1.00 each (the “**NewCo Consideration Shares**”). Upon the issuance of the NewCo Consideration Shares, the 1,000,000 NewCo shares currently owned by SMAG will represent two thirds of the Enlarged Issued Share Capital of NewCo.

The basis on which the NSE SMAG Sale Shares will be contributed to NewCo in exchange for the issuance of the NewCo Consideration Shares was determined and agreed between NSEH and NewCo by reference to the EBITDA of NSE as reflected in NSE’s audited accounts for the past three financial years³ as compared against the EBITDA of SMAG’s grabs business for the past three financial years⁴, considering the companies’ respective planning for the future three financial years and a control premium which would give the proportion of two thirds of the Enlarged Issued Share Capital of NewCo to be held by SMAG and one third of the Enlarged Issued Share Capital of NewCo to be held by NSEH upon the completion of the Proposed SMAG Disposal.

Upon completion of the Proposed SMAG Disposal, the one-third equity interest of the NSL Group in the Enlarged Issued Share Capital of NewCo would be classified as investment in associate and its financial results would be accounted for based on the equity method under FRS 28.

- 3.3 Closing Conditions.** The transfer of the NSE SMAG Sale Shares shall be subject to, and the capital increase mentioned in section 1.1 of the Contribution Agreement shall not be filed with the commercial register before the fulfilment of, the following Closing Conditions:

- (i) termination of the Management Services Agreement between the Company, NSE, Eastern Pretech Pte Ltd and NSL Chemicals Ltd;

² The gain on disposal of S\$14.4 million is calculated as follows: consideration, being the fair value of shares to be issued by NewCo of S\$46.7 million, less estimated transaction costs of S\$1.2 million, less carrying value of the NSE Group of S\$32.0 million, add S\$0.9 million for other adjustments.

³ The EBITDA of the NSE Group for the past three financial years (being the financial years ended 31 December 2011, 2012 and 2013) are S\$6,208,000, S\$6,719,000 and S\$8,701,000 respectively.

⁴ The EBITDA of SMAG’s grabs business for the past three financial years (being the financial years ended 30 September 2011, 2012 and 2013) are S\$25,263,000, S\$17,526,000 and S\$9,390,000 respectively.

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- (ii) DBS Bank Ltd. giving its consent to the transactions contemplated in the Contribution Agreement and to the change in the directorship and management of NSE. Such consent is required from DBS Bank Ltd. as the NSE Group maintains bank facilities with it which include covenants that the Company must remain as the controlling shareholder of the NSE Group;
- (iii) in relation to CSE, OCBC Bank (China) Limited giving its consent to the transactions contemplated in the Contribution Agreement. The China JV has obtained written consent from Shanghai Qingpu Sub-branch of Agricultural Bank of China and Qingpu Sub-branch of Bank of Shanghai for the Hive-Down. Such consent is required from OCBC Bank (China) Limited as the NSE Group maintains bank facilities with it which include covenants that the Company must remain as the controlling shareholder of the NSE Group;
- (iv) NewCo having entered into new facility agreements for the financing of the SMAG group's business by a consortium of banks led by Commerzbank AG, terminating any former facility agreements and having obtained the corresponding approvals required under those facility agreements for the implementation of the Proposed SMAG Disposal;
- (v) the supervisory board of SMAG as well as the Shareholders having both approved the Proposed SMAG Disposal;
- (vi) the Shanghai Municipal Commission of Commerce approving the transfer of the equity interests in the China JV held by SMAG to NewCo following the Hive-Down and having issued the approval reply and the approval certificate to the China JV indicating that NewCo has become a shareholder of the China JV holding 64.75 per cent. of its equity interests, without any material variation or imposing conditions that are not acceptable to the Parties or such other document or evidence issued by the Shanghai Municipal Commission of Commerce acceptable to the Parties;
- (vii) the China JV being issued a new business license indicating that NewCo has become a shareholder of the China JV holding 64.75 per cent. of its equity interests; and
- (viii) the transfer of the shares of the India JV following the Hive-Down being completed and all approvals and waivers of pre-emption or other rights being obtained for such transfer from Chidambaram Lifting Equipment LLP or such approvals and waivers of pre-emption or other rights being no longer necessary because of respective amendments of the articles of association and the shareholders' agreement of the India JV.

Each of NSEH and SMAG has agreed to use its best efforts to procure that each of the Closing Conditions applicable to each of it or which are its respective responsibilities, is satisfied as soon as practicable after the date of the Contribution Agreement and that there is no occurrence that would prevent the Closing Conditions from being satisfied, as the case may be. If any of the Closing Conditions is not fulfilled by 30 April 2015, the Contribution Agreement (save for certain surviving provisions) shall terminate and none of the Parties shall have any claim against the other Parties for costs, damages, compensation or otherwise, save for a claim by a Party against any other Party arising from antecedent breaches of the terms of the Contribution Agreement. NSEH and NewCo may waive the fulfilment of any of the Closing Conditions by written agreement to the extent the fulfilment of such Closing Condition is not required by law for the implementation of the Proposed SMAG Disposal.

As at the Latest Practicable Date:

- (A) the Management Services Agreement between the Company, NSE, Eastern Pretech Pte Ltd and NSL Chemicals Ltd has been terminated on 18 March 2015;
- (B) DBS Bank Ltd. has on 3 March 2015 given its consent to the transactions contemplated in the Contribution Agreement and to the change in the directorship and management of NSE;

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- (C) OCBC Bank (China) Limited has on 5 March 2015 given its consent to the transactions contemplated in the Contribution Agreement; and
- (D) NewCo has on 16 January 2015 entered into new facility agreements for the financing of the SMAG group's business by a consortium of banks led by Commerzbank AG, terminated any former facility agreements and obtained the corresponding approvals required under those facility agreements for the implementation of the Proposed SMAG Disposal.

Accordingly, as at the Latest Practicable Date, the Closing Conditions set out in sub-paragraphs (i) to (iv) in this **paragraph 3.3** have been satisfied. In addition, the supervisory board of SMAG has on 6 March 2015 approved the Proposed SMAG Disposal. However, as the approval of the Shareholders for the Proposed SMAG Disposal has not yet been obtained, as at the Latest Practicable Date, the Closing Condition set out in sub-paragraph (v) in this **paragraph 3.3** has not been satisfied.

3.4 Closing. Subject to the fulfillment (or waiver in accordance with the Contribution Agreement) of the Closing Conditions, completion of the Proposed SMAG Disposal shall take place by NSEH delivering evidence satisfactory to NewCo that the NSE Sale Shares have been effectively transferred to NewCo, in particular by handing in copies of the annulled share certificate issued in the name of NSEH in relation to 5,335,000 ordinary shares in the capital of NSE and a newly issued share certificate in the name of NewCo in relation to the same shares. Upon completion of the Closing Conditions or waiver of the same in accordance with the Contribution Agreement, and delivery of evidence satisfactory to NewCo in accordance with the foregoing, the Parties will sign and execute a closing memorandum in two originals confirming that the SMAG Closing has occurred. Subsequently, the capital increase as referred to in section 1.1 of the Contribution Agreement shall be filed with the commercial register of NewCo. The Proposed SMAG Disposal will close with the registration of the capital increase (the "**Closing Date**").

3.5 Right of Withdrawal. Any time before the transfer of the NSE SMAG Sale Shares has been filed with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), (i) NewCo is entitled to rescind the Contribution Agreement by written notice to NSEH and not proceed with the filing of the transfer of shares in NSE with ACRA if a Material Adverse Change⁵ occurs with respect to NSE or to one or several Transferred Subsidiaries or (ii) NSEH is entitled to rescind the Contribution Agreement by written notice to SMAG and NewCo and not proceed with the filing of the transfer of shares in NSE with ACRA if a Material Adverse Change occurs with respect to NewCo and/or the NewCo Subsidiaries.

3.6 Option for Sale and Transfer of NewCo Shares. Without prejudicing other remedies available under the Contribution Agreement or applicable law, each of SMAG and NSEH may request the sale and transfer of shares in NewCo to itself from the other in accordance with the following:

- (i) Either SMAG or NSEH (the "**Demanding Party**") has issued to the other a written notice demanding a payment under the Contribution Agreement and such claim has been consented to by the other party in writing or has been established as final and absolute in an arbitration proceeding according to the Contribution Agreement (the "**Claim**").
- (ii) The other of SMAG or NSEH (the "**Defaulting Party**") fails to comply with the Claim more than 90 days from the receipt of (a) its written declaration of consent to the Claim or (b) the final judgment over the Claim.
- (iii) Pursuant to (i) and (ii) above, each of SMAG or NSEH (i.e. the Demanding Party as well as the Defaulting Party) may request the sale and transfer of such number of shares in NewCo held by the Defaulting Party as corresponding to the value of the Claim. Each share

⁵ "**Material Adverse Change**" means any event or circumstance which has, or would reasonably be expected to have, individually or as a whole, a material adverse effect (i) on the net assets, financial position or results of operations of (a) NSE or the Transferred Subsidiaries or (b) NewCo or the NewCo Subsidiaries (as the case may be) or (ii) on their ability to continue to conduct their business as currently conducted, except for: (I) general market or price developments not disproportionately affecting NSE and the Transferred Subsidiaries, as compared to other businesses engaged in the same line of business; (II) changes in laws or regulations or the application thereof; and (III) events for which NewCo is responsible.

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in NewCo shall have a value corresponding to its proportionate share in the net asset book value of NewCo. Such net asset book value shall be deemed to be EUR 45,000,000 from the Closing Date (i.e. including the value of the shareholding in NSE) until the financial statements of NewCo for the business year 2014/2015 have been approved by NewCo's shareholder meeting. Thereafter, NewCo's net asset book value shall be based on the respective last audited and approved financial statements of NewCo.

- (iv) The option must be exercised in writing (the "**Exercise Note**"). Within four weeks after the receipt of the Exercise Note, SMAG and NSEH shall conclude a notarial deed for the sale and transfer of the shares in NewCo in accordance with the terms of the Contribution Agreement. Unless SMAG and NSEH agree otherwise, the shares will be transferred to the Demanding Party within 90 days after the receipt of the Exercise Note. The costs of the notarial deed shall be borne by the Defaulting Party.
- (v) Following the transfer of the NewCo shares, the Claim shall be settled to the extent covered by the value of the transferred shares (according to the valuation method provided for above).
- (vi) The Parties agree that the completion of any disposal or acquisition of NewCo shares by NSEH shall be subject to (if applicable), compliance by NSEH and the Company with any laws or stock exchange rules to which the Company is subject or an enforceable court, government authority or other official decision, including but not limited to, the approval of the Shareholders for such disposal or acquisition. Notwithstanding the foregoing, in the event that NSEH is the Defaulting Party, and NSEH is unable to complete the disposal of NewCo shares to SMAG within the time period set out in the Contribution Agreement, NSEH has agreed that until such time as NSEH is able to complete the disposal of NewCo shares (including but not limited to having obtained the approval of the Shareholders) (such period referred to as the "**Relevant Period**"), (i) all of NSEH's rights as a shareholder in NewCo (to the extent permissible by law) shall be suspended and (ii) NSEH shall irrevocably waive its rights to receive any distributions, payments or dividends from NewCo attributable to the Relevant Period, and such amounts shall instead be paid to SMAG.

4. PRINCIPAL TERMS OF THE SHAREHOLDERS' AGREEMENT

The Shareholders' Agreement entered into between the Company, NSEH and SMAG stipulates the rights and obligations of the Parties as future direct and indirect shareholders in NewCo. The terms of the Shareholders' Agreement provide, *inter alia*:

- 4.1 Business of the NewCo.** The Parties intend to merge their businesses of grabs and spreaders through the Proposed SMAG Disposal, to form a joint manufacturer of bulk and container lifting accessories. NewCo shall engage in the grabber and spreader business, by itself or through subsidiaries. NewCo and its subsidiaries shall not be active in any other business segments that SMAG, NSEH or the Company or their respective affiliates currently have. SMAG, NSEH and the Company and their subsidiaries shall not be active in the business segments of NewCo except through NewCo.
- 4.2 Liabilities vis-à-vis NewCo and NSE.** In case the competent tax authorities require that any assets which were transferred to NewCo according to the Hive-Down should not have been transferred to NewCo for the tax neutrality of the Hive-Down, and the re-transfer of those assets has any operational effects on NewCo, SMAG shall make the necessary business arrangements to ensure that the re-transfer has no adverse profit impact for NewCo. In addition, in the event that such re-transfer results in a reduction of the net book value of NewCo's assets in excess of EUR 225,000, SMAG shall compensate NewCo for such reduction of book value in the corresponding amount.

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In case the competent tax authorities require that any assets which were not transferred to NewCo according to the Hive-Down should have been transferred to NewCo for the tax neutrality of the Hive-Down, SMAG shall procure that those assets are transferred to NewCo. In the event that such transfer results in an increase of the net book value of NewCo's assets in excess of EUR 225,000, the Parties shall cause NewCo to compensate to SMAG or any other transferor, as the case may be, such increase of book value in the corresponding amount.

As at the date of this Circular, to the best of the knowledge of the directors of the Company for the time being (the “**Directors**”), NewCo has not sought any clarification on such tax matters from the competent tax authorities.

4.3 Reserved Matters. NewCo resolutions in relation to, *inter alia*, the matters set out immediately below as well as other matters of NewCo requiring by law a majority of at least 75 per cent. of the votes cast may only be adopted with the unanimous consent of all shareholders of NewCo:

- (i) approval of the annual accounts;
- (ii) dividends or other distributions or equivalent payments or other provisions of value by NewCo to shareholders or companies affiliated with shareholders within the meaning of Section 15 of the German Stock Corporation Act (“**AktG**”), including from capital reductions;
- (iii) changes to accounting policies;
- (iv) any change to the registered capital of NewCo, including issuance of any new shares, preference shares or convertible instruments;
- (v) conclusion, amendment or termination of enterprise agreements within the meaning of Sections 291 and 292 of the AktG other than with wholly-owned subsidiaries of NewCo;
- (vi) any capital restructuring of any sort affecting NewCo's statutory capital and any reorganisations of the corporate structure in accordance with the German Reorganization Act;
- (vii) entering into new lines of business not covered by NewCo's objects and closing existing ones;
- (viii) any disposition regarding the shares in NewCo (in particular transfers and the creation of encumbrances);
- (ix) amendments of the articles of association – including, but not limited to – capital increases, capital reductions, mergers and the dissolution of NewCo;
- (x) the termination of any management employee of the NSE Group listed in the Shareholders' Agreement within two years from the completion of the Proposed SMAG Disposal other than in the ordinary course of business; and
- (xi) certain other transactions of the management of NewCo.

4.4 Management

- (i) **Management Board.** The new group of companies formed by the Proposed SMAG Disposal shall have a management board at the level of NewCo (the “**Management Board**”). The Management Board is a body set up by the shareholders of NewCo, whose rights and functions are those stated in the Shareholders' Agreement, namely, to (a) work out the strategy of the group's lifting accessories business; (b) report to the shareholders on a monthly basis; and (c) issue the business plan for the next financial year, and business plan forecasts for the ensuing two financial years. The duties and obligations of the Management

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Board are also set out in the Shareholders' Agreement. There is no formal protocol for the conduct of affairs of the Management Board and the chairman of the Management Board shall be able to determine the internal organisation of the Management Board. The Management Board shall have three members. SMAG shall be entitled to nominate two members of the Management Board, one of whom shall be the chairman of the Management Board. NSEH shall be entitled to nominate the third member, provided, however, that only members of the executive boards of NewCo on the one hand and NSE on the other hand (NSE's directors) can be nominated as members of the Management Board. Resolutions of the Management Board shall be adopted by simple majority of the votes cast. Every member of the Management Board shall have one vote.

- (ii) **Statutory Body of Managing Directors.** The day-to-day general representation and management of NewCo is managed by NewCo's statutory body of managing directors appointed under the articles of association of NewCo (the "**Statutory Body of Managing Directors**"). The Statutory Body of Managing Directors is the equivalent of the board of directors of a Singapore company, is a statutory body and is distinct from the members of the Management Board. Ultimate authority within NewCo rests with its shareholders. The Statutory Body of Managing Directors owes duties to NewCo, NewCo's shareholders and to third parties such as the tax authorities. These duties and obligations can arise under law (specifically, the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung – GmbHG*)), from the articles of association of NewCo and/or any service agreement with NewCo. There is a general obligation of diligent management imposed on the Statutory Body of Managing Directors which would include (without limitation) obligations: (a) to use best efforts to promote the purpose of NewCo; (b) to comply with all statutory and legal obligations; (c) to ensure proper books and records are kept; (d) not to accept or make improper payments; and (e) not to disclose trade or business secrets or other confidential information of NewCo.

- 4.5 Shareholders' Committee.** NewCo's shareholders' meeting shall set up a shareholders' committee which shall be responsible for advising NewCo's management. The shareholders' committee shall be informed of various matters in relation to NewCo and all its direct and indirect subsidiaries by NewCo's management, including but not limited to, intended business policy, profitability, the development of business and transactions of major significance to profitability or liquidity. The shareholders' committee is entitled to inform itself about all affairs and matters of NewCo or its direct or indirect subsidiaries in which NewCo has a controlling influence.

The shareholders' committee consists of six members. SMAG is entitled to delegate four members to the shareholders' committee. NSEH is entitled to delegate two members to the shareholders' committee.

- 4.6 Non-Compete.** For the term of the Shareholders' Agreement, SMAG, NSEH and NSL shall, internationally within NewCo's and its subsidiaries' geographical business range, refrain from any and all competitive activity in the business areas described below and, in particular, will in such business areas not solicit customers of NewCo or its subsidiaries or induce them to breach existing contractual agreements. The covenant applies to activity in the following business areas of NewCo and its subsidiaries: production, trading and provision of services regarding (i) grabbers and other lifting equipment for loading and unloading bulk cargo, (ii) spreaders for lifting containers and bulk cargos as well as (iii) special swing gear for rotating cargos. This includes competitive activity by companies in which SMAG, NSEH or NSL (as applicable) hold a controlling direct or indirect equity interest, i.e. holding directly or indirectly 50 per cent. plus one share or one vote of the shares or voting rights in the relevant entity.

- 4.7 Further Funding.** In the event NSEH and SMAG both agree that the business, financial and investment plan for NewCo for the upcoming financial year (as issued by NewCo's Management Board) should provide for additional financing, and in the event that NewCo (or its direct or indirect subsidiaries in which NewCo has a controlling influence) on their own are unable to secure external financing, despite having used their best efforts to secure financing from third parties, NSEH and SMAG have agreed that they intend to contribute to NewCo's financing *pro rata* to their respective

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shareholdings in NewCo either by shareholder contributions, shareholder loans or the granting of securities to enable NewCo to receive bank financing (“**NewCo Financing**”). No party is obligated to provide NewCo Financing if the other party does not provide NewCo Financing corresponding to its shareholding in NewCo.

- 4.8 Assignment and Encumbrance of Shares.** The Shareholders’ Agreement sets out various restrictions and mechanisms in relation to the transfer or encumbrance of NewCo shares, including a lock-in period, put options exercisable by NSEH, rights of first refusal, tag-along rights and options in case of defaults and deadlocks. Further details on such restrictions and mechanisms are set out in **paragraphs 4.9 to 4.13** below and **paragraph 1** of the **Schedule**. The Parties have also agreed that the completion of any disposal or acquisition of NewCo shares by NSEH pursuant to the Shareholders’ Agreement shall be subject to, if applicable, compliance by NSEH and the Company with any laws or stock exchange rules to which the Company is subject or an enforceable court, government authority or other official decision, including but not limited to, the approval of the Shareholders for such disposal or acquisition.
- 4.9 Lock-in Period.** From the period commencing on the date of completion of the Proposed SMAG Disposal and ending on 30 September 2019 (the “**Lock-in Period**”), no shareholder of NewCo shall assign, transfer, pledge, encumber or otherwise dispose of its shares in NewCo or establish trustee or sub-participation relationships.
- 4.10 Put Option NSEH I.** SMAG has committed itself to purchase and accept transfer of all NewCo shares held by NSEH (the “**NSEH NewCo Shares**”) at the request of NSEH (the “**Put Option NSEH I**”) if the cumulative consolidated EBITDA of NewCo and its subsidiaries (including NSE and the Transferred Subsidiaries) in the business years 2014/15, 2015/16 and 2016/17 (each business year running from 1st October until 30th September of the following year) is less than EUR 21,000,000. The Put Option NSEH I may only be exercised within 30 days after the approval of the 2016/2017 annual accounts of NewCo. The purchase price to be paid for the shares to be transferred under the Put Option NSEH I shall amount to S\$30,000,000 on the basis that the consolidated NAV of NSE and its direct and indirect subsidiaries as at the SMAG Closing is no less than S\$30,000,000.

The Put Option NSEH I is further described in **paragraph 1(ii)** of the **Schedule**.

- 4.11 Put Option NSEH II.** SMAG has granted NSEH a put option exercisable only at the expiry of the Lock-in Period to allow NSEH to exit NewCo through the sale of all NSEH NewCo Shares at the request of NSEH (the “**Put Option NSEH II**”). NSEH may only exercise the Put Option NSEH II within 30 days after the end of the Lock-in Period. The consideration for the shares to be acquired shall correspond to the proportionate fair market equity value of NewCo. The relevant date for determining NewCo’s fair market equity value shall be the date on which SMAG receives the notice served by NSEH to exercise the Put Option NSEH II. The fair market equity value shall be determined in accordance with the Shareholders’ Agreement.

The Put Option NSEH II is further described in **paragraph 1(iii)** of the **Schedule**.

- 4.12 Call Option SMAG and Put Option NSEH III.** Without prejudicing the other remedies available under applicable law and regardless of whether the Lock-in Period has already expired, within 60 days of any event listed in **paragraphs 1(vi)(a) to (f)** of the **Schedule** taking place and coming to the knowledge of the other shareholder, SMAG may require the sale and transfer of all shares in NewCo held by NSEH (the “**Call Option SMAG**”) and NSEH may require SMAG to purchase and acquire all the shares held by NSEH (the “**Put Option NSEH III**”), provided, however, that with regard to the events listed in **paragraphs 1(vi)(b) to (g)** of the **Schedule** such option may only be exercisable by the shareholder that does not cause such event to take place.

The Call Option SMAG and Put Option NSEH III are further described in **paragraph 1(vi)** of the **Schedule**.

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- 4.13 Tag-Along Right.** The non-disposing shareholder may at its discretion, instead of exercising its rights under the Shareholders' Agreement in relation to the transfer of NewCo shares, within a period of 30 days following the receipt of the Notice (as defined in the Shareholders' Agreement), require the disposing shareholder to ensure that all (but not less than all) shares held by the non-disposing shareholder are purchased by the third-party buyer along with the shares held by the disposing shareholder on the same terms and conditions as offered to the disposing shareholder (the "**Tag-Along Right**") by delivering a written notice (the "**Tag-Along Notice**") to the disposing shareholder of its intent to co-sell its shares to the third-party buyer. In the event the non-disposing shareholder exercises its Tag-Along Right, the sale of shares held by the disposing shareholder must not be consummated unless the third-party buyer also purchases the shares held by the non-disposing shareholder (the "**Co-Selling Shareholder**") for the same conditions in a legally binding form (the "**Tag-Along Sale**").

The Tag-Along Right is further described in **paragraph 1(v)** of the **Schedule**.

5. PRINCIPAL TERMS OF THE SPA

- 5.1 Proposed PL Disposal.** Pursuant to the SPA, NSEH has agreed to sell and transfer, and PL has agreed to purchase, the NSE PL Sale Shares free from any claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind and together with all rights and advantages attaching to them as at the PL Closing.
- 5.2 Consideration.** The aggregate consideration for the purchase of the NSE PL Sale Shares is approximately S\$1.4 million (the "**PL Consideration**"), which shall be paid by PL on the PL Closing. The PL Consideration was arrived at on a willing buyer willing seller basis after taking into account the historical EBITDA of the NSE Group and the net cash balance of the NSE Group as at the date of completion.
- 5.3 Conditions.** The PL Closing shall occur contemporaneously with the SMAG Closing. For the avoidance of doubt, if the SMAG Closing does not occur for any reason whatsoever, there shall be no PL Closing.
- 5.4 Use of Proceeds.** The Proposed PL Disposal will generate gross cash proceeds of S\$1.4 million based on the PL Consideration. The excess of the gross cash proceeds of S\$1.4 million to be received by NSEH pursuant to the Proposed PL Disposal over the attributable NAV of the NSE PL Sale Shares as set out in **paragraph 2.4(i)** of this Circular is S\$0.5 million.

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

6. RISK FACTORS

Shareholders should evaluate carefully the information in this Circular, in particular the risk factors set out below, before deciding on the Proposed Disposal and how to cast their votes at the EGM. The Enlarged Group could be affected by a number of risks that may relate to the industry and countries in which the Enlarged Group operates as well as those that may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive.

The risk factors below are not the only risks which the Enlarged Group face. Some risks are not yet known to the Company, the Group, NewCo and/or the Enlarged Group, and there may be others which they currently believe are not material but may subsequently turn out to be so. Factors that affect the price of the Shares may change and the risk factors set out below

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should not be construed as a comprehensive listing of all the risk factors and the listing is not set out in any particular order. If any of the considerations, risks and uncertainties set out below develop into actual events, the financial position, results, cash flow, performance, business operations and prospects of the Enlarged Group could be, directly or indirectly, materially and adversely affected. In the event that any of the foregoing occurs, the trading price of the Shares could fluctuate and/or decline and Shareholders may lose all or part of their investment in such securities.

To the best of the Directors' knowledge and belief, all the risk factors that are material to the Shareholders in making an informed judgment on the Enlarged Group's businesses are set out below.

6.1 Risks relating to the Proposed Disposal and Joint Venture

(i) *Non-completion of the Closing*

The SMAG Closing is subject to and conditional upon the fulfilment of the Closing Conditions detailed in **paragraph 3.3** above. The PL Closing shall occur contemporaneously with the SMAG Closing and shall not occur if the SMAG Closing does not occur for any reason whatsoever. There is no certainty that such Closing Conditions will be fulfilled. In the event the Closing Conditions are not fulfilled, satisfied or waived on or before 30 April 2015, neither the SMAG Closing nor the PL Closing will occur and the Proposed Disposal and the joint venture will not proceed.

(ii) *Inability to cooperate between NSEH and SMAG*

If the Proposed SMAG Disposal is completed, potential differences in management style, culture, work practices and systems between NSEH and SMAG may lead to difficulties and challenges in the operation of NewCo. Such difficulties and challenges may have an adverse impact on NewCo's operations because of the negative impression this could convey to the stakeholders of NewCo, such as their customers, suppliers, lenders and the relevant local authorities.

6.2 Risks relating to NewCo's Grabs Business

(i) *Inability to attract, recruit and retain skilled personnel could adversely affect NewCo's business and results of operations*

NewCo's ability to meet future business challenges depends on NewCo's ability to attract, recruit and retain talented and skilled personnel. NewCo is highly dependent on its senior management, its directors and other key personnel, including skilled project management personnel. A significant number of NewCo's employees are skilled engineers and NewCo faces strong competition to recruit and retain skilled and professionally qualified staff. Due to the limited pool of available skilled personnel, competition for senior management and skilled engineers in NewCo's industry is intense. NewCo may experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for NewCo's business needs. NewCo may also need to increase its pay structures to attract and retain such personnel. NewCo's future performance will depend upon the continued services of these persons. The loss of any of NewCo's senior management, its directors or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact NewCo's business and results of operations.

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(ii) *General economic and business conditions that affect NewCo*

The performance of NewCo is highly dependent upon the growth of the bulk cargo (shipping, port, steel mill, scrap yard, wood handling) industry, waste incineration industry and crane OEMs, which generates the demand for the products that NewCo manufactures. Any economic downturn resulting in a downturn of the bulk cargo industry may negatively impact the operating results of NewCo.

(iii) *NewCo's ability to implement its strategy and its growth and expansion plans successfully*

The success of NewCo's business depends greatly on its ability to effectively implement its business and growth strategies. NewCo's growth strategy is expected to place significant demands on its management, financial and other resources. Any inability by NewCo to implement its business and growth strategies effectively would have a significant negative impact on its business, financial conditions and profitability.

(iv) *Effects from the outbreak of communicable diseases*

An outbreak of infectious diseases in Germany where the operations of NewCo are based may have an adverse impact on its operations and financial performance. Market sentiment and consumer confidence could be affected and may lead to a deterioration of economic conditions. Further, in the event that its employees, contractors or sub-contractors are infected or suspected of being infected with any communicable disease, NewCo may be required by health authorities to temporarily shut down the affected project sites and quarantine the affected workers to prevent the spread of the disease. This will result in project delay and have an adverse impact on its business and financial performance.

(v) *Risks arising from terrorism*

Terrorist acts may occur in the future. Terrorist acts could destabilise Germany and increase internal divisions within the German government as it evaluates responses to the instability and unrest. Violent acts arising from, and leading to, instability and unrest may have a material adverse effect on investment and confidence in, and the performance of, the German and the global economies. This could have a material adverse effect on NewCo's businesses, financial condition, results of operations and prospects.

(vi) *Risks arising from fire and natural disasters*

As a company involved in the grabs business, NewCo is subject to the risk of physical damage caused by fire, acts of God such as natural disasters or other causes. Physical damage to the equipment and properties of NewCo may lead to significant disruption to its business and operations. Further, the consequences of any armed conflicts or acts of war are unpredictable. Any material disruption may adversely affect NewCo's reputation and could have a material adverse effect on its business, financial condition, results of operations and prospects.

6.3 Risks relating to Ownership of NewCo's shares

(i) *NewCo is not subject to the same corporate disclosure requirements that the Company has been subjected to*

As a stock corporation organised under the laws of the Federal Republic of Germany, NewCo is required to comply with the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung – GmbHG*) and its articles of association, and the interests of NewCo's shareholders will be protected to the extent provided for under the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung – GmbHG*) as well as NewCo's articles of association.

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However, as NewCo is not listed on the SGX-ST or any other securities exchange, it is not subject to the disclosure requirements of the SGX-ST or any other securities exchange. NewCo is not obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 and Appendices 7.1 to 7.6 of the Listing Manual.

As such, NewCo may not have obligations to keep NewCo's shareholders fully informed of material information concerning NewCo in the manner and to the extent that the Company has, and NewCo's shareholders may not receive information on NewCo that they may consider relevant to their investment in NewCo in the manner and to the extent that they are accustomed to expect from the Company.

- (ii) *Control of NewCo by SMAG may limit NSEH's ability to influence the outcome of decisions requiring the approval of shareholders*

Upon the completion of the Proposed SMAG Disposal, it is anticipated that SMAG will own two thirds of the Enlarged Issued Share Capital of NewCo. As a result, SMAG will be able to exercise significant influence over all matters requiring NewCo's shareholders' approval, save for, *inter alia*, the matters set out in **paragraph 4.3** above. SMAG will also have veto power with respect to any NewCo's shareholders' action or approval requiring a majority vote.

Please refer to **paragraph 4.3** for matters that typically require the approval of shareholders.

- (iii) *NewCo or its subsidiaries may have conflicts of interest with their affiliates which may not be resolved in their favour*

NewCo and its subsidiaries may engage in material transactions with the companies within the NSL Group. Circumstances may arise in which the interests of NewCo's affiliates may conflict with the interests of NewCo's other shareholders. In addition, the Company and its affiliates make investments in various companies. They have invested in the past, and may invest in the future, in entities that compete with NewCo and its subsidiaries. In the context of negotiating commercial arrangements with affiliates, conflicts of interest may arise, in this or other contexts, in the future. There is no assurance that any such conflicts of interest will be resolved in NewCo's or its subsidiaries' favour.

- (iv) *Foreign Currency Exposure*

NewCo's business and operations are located primarily in Germany and accordingly its financial performance and position is denominated in EUR. As a consequence, the Proposed SMAG Disposal and joint venture will expose the Company to risks associated with exchange rate fluctuations between the Singapore Dollar and EUR (in relation to the value of its investment in NewCo and future distributions, if any, from NewCo) as well as changes in foreign exchange regulations. As the Company and NewCo maintain their respective books and accounts in their respective functional currencies, the Company is subject to transaction and translation exposures resulting from currency exchange rate fluctuations between the Singapore Dollar and EUR. As a result, volatility between the Singapore Dollar and EUR can cause translation fluctuations in the results of operations of the Company. In order to minimise the impact of such fluctuations, the Company may enter into arrangements to hedge and/or minimise such foreign exchange risks.

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7. RATIONALE FOR THE PROPOSED DISPOSAL AND JOINT VENTURE

The Board of Directors and management of NSL are continuously evaluating the long-term growth strategy for each of its portfolio businesses. This process includes assessing organic growth opportunities and optimising shareholder's value.

NSL's RAM engineering spreader business is one of the world's frontrunners in container lifting device while SMAG's NewCo grabs business is also a global leader in bulk cargo lifting device. The merger will lead to the formation of one of the world's largest independent lifting device groups in both bulk cargo and container handling in terms of turnover. The merged NewCo will have a diversified portfolio of products leveraging on a strong platform for further future organic growth as well as significant synergies in market networking, technology development, after sales support and economics of scale in production. The merged NewCo will also have access to a market potential significantly larger than just the port equipment sector, including bulk cargo vessels, waste to energy incineration plants, scrap metal yards, steel mills, marine dredging and mining businesses.

Further, the Proposed PL Disposal is aimed at further aligning the interests of PL, being the Chief Executive Officer of NSE, with those of NewCo and encourages the growth of NSE's business.

Based on the NSL Group's carrying value in the RAM engineering spreader business as of 31 December 2014, the Proposed Disposal will result in an estimated accounting gain of S\$14.4 million for NSL.

8. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

8.1 Bases and Assumptions. The pro forma financial effects of the Proposed Disposal have been prepared based on the audited consolidated financial statements of the NSL Group for FY2014 and are purely **for illustration purposes only and do not reflect the future actual financial position of the NSL Group following Closing**. The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

- (i) the Proposed Disposal had been effected on 31 December 2014, being the end of the most recently completed financial year of the NSL Group, for illustrating the financial effects on the consolidated NTA of the NSL Group;
- (ii) the Proposed Disposal had been effected on 1 January 2014, being the beginning of the most recently completed financial year of the NSL Group, for illustrating the financial effects on the consolidated earnings of the NSL Group; and
- (iii) the associated transaction costs are assumed to be S\$1.2 million.

8.2 NTA. For illustrative purposes only and assuming the Proposed Disposal had been completed on 31 December 2014, the pro forma financial effects on the consolidated NTA of the NSL Group for FY2014 are set out below. The NTA is determined by the consolidated NAV of the NSL Group less the intangible assets of the NSL Group.

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$ million)	517.2	530.7 ⁽¹⁾
No. of issued Shares (million)	373.6	373.6
NTA per Share (S\$)	1.38	1.42

Note:

- (1) NTA after the Proposed Disposal was derived assuming the Proposed Disposal had been completed on 31 December 2014. The NTA was determined by the consolidated NAV of the NSL Group less the intangible assets of the NSL Group. Essentially, NTA after the Proposed Disposal is equal to NTA before the Proposed Disposal of S\$517.2 million plus an estimated gain of S\$14.4 million and less S\$0.9 million of other adjustments.

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- 8.3 EPS.** For illustrative purposes only and assuming the Proposed Disposal had been completed on 1 January 2014, the pro forma financial effects on the consolidated earnings of the NSL Group for FY2014 are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net profit attributable to Shareholders (S\$ million)	24.9	38.9 ⁽¹⁾
No. of issued Shares (million)	373.6	373.6
Basic earnings per share (“EPS”) (Singapore cents)	6.7	10.4

Note:

- (1) Net profit attributable to shareholders after the Proposed Disposal was derived assuming the Proposed Disposal had been completed on 1 January 2014. Essentially, net profit after the Proposed Disposal is equal to the net attributable profit of the NSL Group of S\$24.9 million in FY2014 plus the estimated gain of S\$14.4 million from the Proposed Disposal, add the NSL Group’s one-third share of the pro forma consolidated profit after tax of NewCo for FY2014 of S\$4.7 million, and less net attributable profits of the NSE Group of S\$5.1 million in FY2014.

- 8.4 Share Capital.** The Proposed Disposal will not have any impact on the issued and paid-up share capital of the Company.

9. MATERIAL LITIGATION

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

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed below, none of the Directors, the Controlling Shareholders and the associates of such Directors and Controlling Shareholders have any interest, direct or indirect, in the Proposed Disposal.

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

Director	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Prof Cham Tao Soon ⁽²⁾	-	-	10,000	n.m. ⁽³⁾

Notes:

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

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10.2 Controlling Shareholders. The interests of the Controlling Shareholders in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Controlling Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
98 Holdings Pte. Ltd.	303,484,453	81.24	-	-
Mr Ong Beng Seng ⁽²⁾	-	-	303,484,453	81.24
Excel Partners Pte. Ltd. ⁽²⁾	-	-	303,484,453	81.24
Excelfin Pte Ltd ⁽²⁾	-	-	303,484,453	81.24
Y.S. Fu Holdings (2002) Pte. Ltd. ⁽³⁾	-	-	303,484,453	81.24
Reef Holdings Pte Ltd ⁽²⁾	-	-	303,484,453	81.24
Reef Investments Pte Ltd ⁽²⁾	-	-	303,484,453	81.24

Notes:

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

11. DIRECTORS' RECOMMENDATION

11.1 Recommendation. The Directors, having considered, *inter alia*, the terms, financial effects and rationale for the Proposed Disposal, and after discussions with the management of the Company, are of the view that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Disposal (set out in the notice of EGM on pages 34 and 35 of this Circular) to be proposed at the EGM to be held on 28 April 2015 at 2.30 p.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. (Singapore time) on the same day and at the same place).

11.2 No Regard to Specific Objectives. In giving the above recommendation, the Directors have not had regard to the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment portfolios and objectives, the Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

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12. EXTRAORDINARY GENERAL MEETING

The EGM, notice (the “**Notice of EGM**”) of which is set out on pages 34 and 35 of this Circular, will be held at Bridge Rooms 1, 2 and 3, Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 28 April 2015 at 2.30 p.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. (Singapore time) on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution set out in the Notice of EGM.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited (“**CDP**”) as at 48 hours before the EGM.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders will find enclosed with this Circular, the Notice of EGM and a Proxy Form. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 77 Robinson Road, #27-00 Robinson 77, Singapore 068896, not later than 2.30 p.m. (Singapore time) on 26 April 2015. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes.

14. DIRECTORS’ SERVICE CONTRACTS

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

15. DIRECTORS’ RESPONSIBILITY STATEMENT

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

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

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16. DOCUMENTS FOR INSPECTION

Copies of the Contribution Agreement, the Amendment Letter, the Shareholders' Agreement and the SPA are available for inspection during normal business hours at the registered office of NSL at 77 Robinson Road, #27-00 Robinson 77, Singapore 068896, for a period of three months commencing from the date of this Circular.

Yours faithfully
For and on behalf of
the Board of Directors of
NSL LTD.

Prof Cham Tao Soon
Chairman

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Key Terms of the Shareholders' Agreement

1. Transfer and Encumbrance of Shares

- (i) **Lock-in Period.** During the Lock-in Period, no shareholder shall assign, transfer, pledge, encumber or otherwise dispose of its shares in NewCo or establish trustee or sub-participation relationships.
- (ii) **Put Option NSEH I.** SMAG has committed itself to purchase and accept transfer of the NSEH NewCo Shares when NSEH exercises the Put Option NSEH I if the cumulative consolidated EBITDA of NewCo and its subsidiaries (including NSE and the Transferred Subsidiaries) in the business years 2014/15, 2015/16 and 2016/17 (each business year running from 1 October until 30 September of the following year) is less than EUR 21,000,000 in the following manner:
 - (a) The Put Option NSEH I may only be exercised within 30 days after the approval of the 2016/2017 annual accounts of NewCo (the "**Exercise Period I**").
 - (b) The parties shall determine the cumulative consolidated EBITDA of NewCo and its subsidiaries for the relevant business years 2014/15, 2015/16 and 2016/17 on the basis of the audited annual accounts of NewCo and its subsidiaries within 10 days after the approval of the annual accounts for each of the relevant business years.
 - (c) The Put Option NSEH I must be exercised in writing (the "**Exercise Note I**") and be received by the recipient within the Exercise Period I. The day of exercise of the option (the "**Exercise Day I**") is the day of receipt of the respective Exercise Note I.
 - (d) The purchase price to be paid for the shares to be transferred under the Put Option NSEH I shall amount to S\$30,000,000 on the basis that the consolidated NAV of NSE and its direct and indirect subsidiaries as at the SMAG Closing is no less than S\$30,000,000 which otherwise shall be decisive.
 - (e) Within four weeks after the receipt of the Exercise Note I, SMAG and NSEH shall conclude a notarial deed for the sale and transfer of the shares in accordance with the Shareholders' Agreement.
 - (f) Unless SMAG and NSEH agree otherwise, the shares shall pass to SMAG within 90 days after the receipt of the Exercise Note I. The purchase price shall be paid performance upon counter-performance against the transfer of the shares.
- (iii) **Put Option NSEH II.** SMAG has granted NSEH the Put Option NSEH II exercisable only at the expiry of the Lock-in Period to allow NSEH to exit NewCo through the sale of all NSEH NewCo Shares at the request of NSEH if:
 - (a) SMAG has received a written request from NSEH for the issue of the statement mentioned in (b) below not later than three months prior to the end of the Lock-in Period;
 - (b) despite the request mentioned in (a) above, SMAG has not declared in writing prior to the end of the Lock-in Period that SMAG is prepared to resolve upon any and all shareholder resolutions necessary to list NewCo on a German stock exchange; and
 - (c) no binding notarial agreement on a trade sale of the shares of NSEH to a third party has been concluded prior to the end of the Lock-in Period.

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NSEH may only exercise the Put Option NSEH II within 30 days after the end of the Lock-in Period (the “**Exercise Period II**”). The Put Option NSEH II shall be exercised in writing vis-à-vis SMAG (the “**Exercise Note II**”) and shall be received by SMAG within the Exercise Period II. The day of exercise of the Put Option NSEH II (the “**Exercise Day II**”) is the day on which SMAG receives the Exercise Note II.

The consideration for the shares to be acquired shall correspond to the proportionate fair market equity value of NewCo. The relevant date for determining NewCo’s fair market equity value shall be the Exercise Day II. If SMAG and NSEH fail to agree on a fair market equity value of NewCo within the time stipulated in the Shareholders’ Agreement, the parties shall engage an international certified public accountant group to determine the said equity value based on the formula set out in and in accordance with the Shareholders’ Agreement.

Within two weeks after the determination of NewCo’s fair market equity value but not earlier than two weeks after the Exercise Day II, SMAG and NSEH shall conclude a notarial deed for the sale and transfer of the shares in accordance with the Shareholders’ Agreement.

Unless SMAG and NSEH agree otherwise, the shares shall pass to SMAG within 90 days after the receipt of the Exercise Note II. The purchase price shall be paid performance upon counter-performance against the transfer of the shares.

If SMAG or a direct or indirect parent company of SMAG (the “**Public Company**”) undertakes a listing at a stock exchange (the “**Listing**”), then NSEH shall be entitled to swap its shares in NewCo into a participation in the Public Company prior to the Listing. NSEH shall receive shares in the Public Company based on the valuation of NSEH’s shares in NewCo as mutually agreed between SMAG and NSEH based on an independent valuation for Listing purposes commissioned by SMAG. The exact number of the shares in the Public Company shall be calculated by dividing the NewCo Share Valuation by the price of the shares of the Public Company at the Listing. If the exact number is not a whole number it shall be rounded upwards to the next whole number.

If NewCo is listed at a German stock exchange within one year following the Exercise Day II, then (I) SMAG shall refrain from selling and buying shares on the first day of such listing and (II) SMAG shall pay to NSEH – per share – any excess of the average stock exchange price of the first day of such listing above the consideration SMAG has paid for each share acquired under the Put Option NSEH II.

- (iv) **After the Lock-in Period: Approval and Right of First Refusal.** After the expiration of the Lock-in Period:
- (a) Each shareholder shall have the right to sell all - but not less than all - of its shares in NewCo in a transaction negotiated in *bona fide* to a third party. In such a case, the shareholder wishing to sell shall promptly give the other shareholder written notice of such intent (the “**Disposal Notice**”). The Disposal Notice shall contain the terms and conditions, the price offered by the third party, the identity of the third party as well as the essentials of the transaction structure (including all documents drafted for purposes of the transaction). Such sale requires prior written consent by the other shareholder.
 - (b) The other shareholder shall have, within a one month period following the receipt of the Disposal Notice, the right to acquire all (but not less than all) of the shares to be disposed of by the disposing shareholder, which right it may exercise by registered letter. The one month period will not start to run unless the Disposal Notice does contain all the information required under the Shareholders’ Agreement. If the right of first refusal is exercised, the non-disposing shareholder may acquire the shares of the disposing shareholder either at the price equivalent to the price offered by the third party or, at the sole discretion of the non-disposing shareholder, at the fair market value to be determined in accordance with the Shareholders’ Agreement. If

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the non-disposing shareholder does not exercise its right of first refusal in a timely manner, then with the expiration of the time period for the exercise of the right the non-disposing shareholder is deemed to have consented to the transfer to the third party, provided, however, that the transfer is made at the price and terms included in the Disposal Notice. At any other terms the transfer to the third party may only take place if the other shareholder expressly consents thereto. The disposing shareholder shall furnish any evidence of the completion and time of completion of such transfer and the terms thereof as may be reasonably requested by the shareholder not exercising its right of first refusal.

- (c) The restrictions above do not apply to a disposition of shares by a shareholder to a company which is directly or indirectly wholly owned by it, provided that the acquirer executes a deed of adherence to the obligations of the Shareholders' Agreement and remains, directly or indirectly, a company wholly owned by the disposing shareholder.

(v) **Tag-Along Right**

- (a) The non-disposing shareholder may at its discretion, instead of exercising its rights under the Shareholders' Agreement in relation to the transfer of NewCo shares, within a period of 30 days following the receipt of the Notice, exercise its Tag-Along Right by delivering the Tag-Along Notice to the disposing shareholder of its intent to co-sell its shares to the third-party buyer. In the event the non-disposing shareholder exercises its Tag-Along Right, the sale of shares held by the disposing shareholder must not be consummated unless the third-party buyer also purchases the shares held by the Co-Selling Shareholder for the same conditions in a legally binding form.
- (b) The Co-Selling Shareholder shall take any actions and make and receive any declarations required under applicable law or, in the reasonable view of a prudent business person, appropriate and customarily made or received in similar transactions in connection with the transfer of the Co-Selling Shareholder's shares as provided for in the definitive sale and purchase agreement and the Co-Selling Shareholder shall provide reasonable cooperation and assistance in effecting such transfer, including, but not limited to, in respect of any regulatory filings that may be required in connection therewith.
- (c) In the event the third-party buyer only offers to purchase less than 100 per cent. of the shares (including the Co-Selling Shareholder's shares), then no shares shall be transferred at all.
- (d) The disposing shareholder shall have a period of 30 days from the receipt of the Tag-Along Notice in order to consummate the Tag-Along Sale on the terms and conditions set forth in the Tag-Along Notice. If such Tag-Along Sale is subject to regulatory approval, such period shall be extended until the expiration of 15 days after all such approvals have been received, but in no event later than 90 days following the receipt of the Tag-Along Notice. If the Tag-Along Sale has not been consummated during such period, the disposing shareholder shall return to the Co-Selling Shareholder all documents in the possession of the disposing shareholder which were executed by the Co-Selling Shareholder in connection with such proposed transfer. All restrictions on transfer contained in the Shareholders' Agreement or otherwise applicable at such time with respect to the shares shall again be in effect.
- (e) Concurrently with the consummation of the transfer of the shares pursuant to the foregoing, the disposing shareholder shall give written notice thereof to the Co-Selling Shareholder and shall remit to the Co-Selling Shareholder the total consideration (the cash portion of which is to be paid by wire transfer in accordance with the Co-Selling Shareholder's wire transfer instructions to be timely provided to the disposing shareholder) for the shares transferred in such Tag-Along Sale, unless under the terms of the transfer agreement performance shall be rendered directly to the Co-

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Selling Shareholder, which the disposing shareholder shall strive to be stipulated. The disposing shareholder shall furnish any other evidence of the completion and time of completion of such transfer and the terms thereof as may be reasonably requested by the Co-Selling Shareholder.

- (f) Except in the case of a disregard of the Tag-Along Right by the disposing shareholder, there shall be no liability on the part of any of the shareholders to the respective other shareholder if the implementation of the Tag-Along Right pursuant to the above is not consummated for whatever reason.
- (vi) **Options in Case of Defaults and Deadlocks.** Without prejudicing other remedies available under applicable law and regardless of whether the Lock-in Period has already expired, within 60 days of any of the events listed under (a) to (f) below taking place and coming to the knowledge of the other shareholder, SMAG may exercise the Call Option SMAG and NSEH may exercise the Put Option NSEH III, provided, however, that with regard to the events listed under (b) to (g) below such option may only be exercised by the shareholder that does not cause such event to take place (the “**Non-Defaulting Shareholder**”):
- (a) If the shareholders do not agree or do not come to a sufficient majority decision on one or several matters which are listed in section 6.5 of the Shareholders’ Agreement in three consecutive shareholders’ meetings that have been duly convened.
 - (b) In the event that the other shareholder commits a breach of its obligations under the Shareholders’ Agreement, and such breach continues uncured for 60 days after receipt of a written notice of default from the Non-Defaulting Shareholder.
 - (c) If execution is levied against the shares of one shareholder or one of the shareholders becomes insolvent or unable to pay its debts when due, or commits or permits any act of bankruptcy, or becomes the subject of any bankruptcy, reorganisation, winding-up or liquidation proceeding, or other proceeding analogous in purpose or effect, including the appointment of a receiver, trustee or liquidator for any such purpose.
 - (d) In the event that one of the shareholders enters into an agreement breaching the non-competition or non-solicitation rules under the Shareholders’ Agreement.
 - (e) Any Change of Control (as defined in the Shareholders’ Agreement) occurs in the shareholdings of a shareholder, which means in relation to this shareholder the acquisition directly or indirectly (for clarity, this Change of Control provision applies only to NSEH and SMAG respectively only) - as the case may be via a merger - by any person of shares conferring more than 50 per cent. of the voting rights in this shareholder or the right to appoint the majority of the members of the statutory representatives or board of directors (as applicable) of this shareholder (in such case the respective other shareholder being deemed as the Non-Defaulting Shareholder).
 - (f) In the event that a resolution has been passed for the winding up of a shareholder.
 - (g) In the event that a shareholder ceases or threatens to cease to carry on its business or any governmental authority expropriates or threatens to expropriate all of its business and assets.

The consideration for the shares to be acquired must correspond to their proportionate share in the fair market equity value of NewCo as determined by the Shareholders’ Agreement. The relevant date for determining NewCo’s fair market equity value shall be the day the Put Option NSEH III or the Call Option SMAG, respectively, are exercised.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NSL LTD.

(Incorporated in Singapore)
Company Registration No. 196100107C

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of NSL Ltd. (the “**Company**”) will be held at Bridge Rooms 1, 2 and 3, Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 28 April 2015 at 2.30 p.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. (Singapore time) on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without amendment, the following resolution:

Ordinary Resolution

Approval of Joint Venture with Salzgitter Maschinenbau AG and Proposed Disposal of the Company’s RAM Engineering Spreader Business

That:

- (a) approval be and is hereby given for the entry by the Company into the joint venture with Salzgitter Maschinenbau AG (“**SMAG**”) and the proposed disposal (the “**Proposed Disposal**”) of the Company’s RAM engineering spreader business on the terms and conditions set out in the following agreements:
- (i) a Contribution Agreement (the “**Contribution Agreement**”) dated 4 December 2014, as amended by an Amendment Letter dated 6 March 2015, entered into between the Company, the Company’s direct wholly-owned subsidiary, NSL Engineering Holdings Pte. Ltd. (“**NSEH**”), Peiner SMAG Lifting Technologies GmbH (“**NewCo**”) and SMAG, pursuant to which NSEH has agreed to contribute 5,335,000 ordinary shares in the capital of NSL Engineering Pte. Ltd. (“**NSE**”) (comprising 97 per cent. of the issued share capital of NSE) to NewCo in consideration for the issue of 500,000 new shares in the capital of NewCo (the “**NewCo Consideration Shares**”), representing one third of the enlarged issued share capital of NewCo¹;
 - (ii) a Shareholders’ Agreement (the “**Shareholders’ Agreement**”) dated 4 December 2014 between the Company, NSEH and SMAG which sets out, *inter alia*, the various rights and duties of the Company, NSEH and SMAG as future direct and indirect shareholders in NewCo; and
 - (iii) a Sale and Purchase Agreement (the “**SPA**”) dated 3 December 2014 between NSEH and Philip Lee Tze Yong in relation to the proposed purchase of 165,000 ordinary shares in the capital of NSE, comprising three per cent. of the issued share capital of NSE, by Philip Lee Tze Yong from NSEH for a consideration of approximately S\$1.4 million; and

¹ For the purposes of this Notice, the “**enlarged issued share capital of NewCo**” refers to the issued share capital of NewCo immediately following the issue of the NewCo Consideration Shares.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required in connection with this Ordinary Resolution, the Proposed Disposal, the Contribution Agreement, the Shareholders' Agreement and the SPA) as they or he may consider desirable, necessary or expedient in the interests of the Company to give full effect to this Ordinary Resolution and the Proposed Disposal.

By Order of the Board

Lim Su-Ling (Ms)
Company Secretary

Singapore
6 April 2015

Notes:

1. A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint not more than two proxies to attend and vote in his stead.
2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy must be lodged at the registered office of the Company at 77 Robinson Road, #27-00 Robinson 77, Singapore 068896 not less than forty-eight (48) hours before the time appointed for the Meeting.

Personal Data Privacy:

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

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NSL LTD.

(Incorporated in Singapore)

Company Registration No. 196100107C

PROXY FORM**EXTRAORDINARY GENERAL MEETING****IMPORTANT:**CPF Investors

1. For investors who have used their Central Provident Fund ("CPF") monies to buy NSL Ltd. shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to their CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 6 April 2015.

I/We _____ (Name)

of _____ (Address)

being a member/members of **NSL LTD.** (the "**Company**"), hereby appoint the Chairman of the Meeting (Note 2):

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company (the "**Meeting**") to be held at Bridge Rooms 1, 2 and 3, Raffles Marina, 10 Tuas West Drive, Singapore 638404, on 28 April 2015 at 2.30 p.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. (Singapore time) on the same day and at the same place) and at any adjournment thereof.

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

	For	Against
Ordinary Resolution Approval of Joint Venture with Salzgitter Maschinenbau AG and Proposed Disposal of NSL Ltd.'s RAM Engineering Spreader Business		

Dated this _____ day of _____ 2015.

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 (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote on his behalf. Such proxy need not be a member of the Company. If any other proxy is to be appointed, please strike out "Chairman of the Meeting" and insert the name(s) and particulars of the proxy or proxies to be appointed in the box provided.
3. If the Chairman of the Meeting is appointed as proxy, this instrument appointing a proxy or proxies shall be deemed to confer on him the right to nominate a person to vote on his behalf on a show of hands.
4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at **77 Robinson Road, #27-00 Robinson 77, Singapore 068896** not less than 48 hours before the time set for holding the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

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

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