

# NSL LTD.

(Incorporated in Singapore)  
Company Registration No. 196100107C

## ANNOUNCEMENT

### PROPOSED DISPOSAL OF NSL LTD.'S LIME BUSINESS IN MALAYSIA AND SINGAPORE AND LIMESTONE BUSINESS IN MALAYSIA – ENTRY INTO OF DEFINITIVE AGREEMENTS

#### 1. INTRODUCTION

1.1 **Proposed Transaction.** The Board of Directors (the “**Board**”) of NSL Ltd. (the “**Company**” or “**NSL**”) refers to the announcement by the Company on 21 August 2014 (the “**21 August Announcement**”) in relation to the entry into of binding conditional termsheets (the “**Termsheets**”) by NSL Chemicals Ltd. (“**NSC**”), the Company’s wholly-owned subsidiary, with Lhoist Singapore Private Limited (“**Lhoist Singapore**”) for the proposed disposal of the Company’s lime business in Malaysia and Singapore and limestone business in Malaysia (the “**Proposed Disposal**”). As stated in the 21 August Announcement, completion of the Proposed Disposal is subject to, *inter alia*, the entry into of definitive agreements between the relevant parties. The Board of the Company wishes to announce that NSC has entered into the following definitive agreements (the “**Definitive Agreements**”) in relation to the Proposed Disposal:

- (i) A share purchase agreement (the “**Malaysia SPA**”) dated 11 February 2015 between NSC, Hwang Enterprises Sdn Bhd (“**Hwang Enterprises**”) and Lhoist (Malaysia) Sdn Bhd (“**Lhoist Malaysia**”) in relation to:
  - (a) the sale and purchase of 20,000,000 ordinary shares of par value Ringgit Malaysia (“**RM**”) 1 each (the “**NSL Chemicals (M) Sale Shares**”) comprising the whole of the issued share capital of NSL Chemicals (M) Sdn Bhd (“**NSL Chemicals (M)**”) (hereafter called the “**NSL Malaysian Lime Assets Disposal**”). NSL Chemicals (M) holds all of NSC’s lime business and assets in Malaysia (the “**NSL Malaysian Lime Assets**”); and
  - (b) the parties’ agreement to execute an agreement (the “**Call Option Agreement**”) whereby NSC and Hwang Enterprises will grant a call option (the “**NSL Malaysian Limestone Assets Call Option**”) to Lhoist Malaysia to, *inter alia*, acquire all of NSC’s limestone business and assets in Malaysia (the “**NSL Malaysian Limestone Assets**”) through the acquisition of the Limetreat Trading Sale Shares (as defined below) from NSC and Hwang Enterprises (the “**NSL Malaysian Limestone Assets Disposal**”).
- (ii) A share purchase agreement (the “**Singapore SPA**”) dated 11 February 2015 between NSC and Lhoist Singapore in relation to the sale and purchase of 900,449 ordinary shares (the “**NSL Lime Sale Shares**”), comprising the whole of the issued share capital of NSL Lime Pte. Ltd. (“**NSL Lime**”) (hereafter called the “**NSL Singapore Lime Assets Disposal**”). Following an internal restructuring, NSC had

transferred the whole of NSC's lime business and assets located in Singapore (the "**NSL Singapore Lime Assets**", and together with the NSL Malaysian Lime Assets, the "**NSL Lime Assets**") to NSL Lime.

The Definitive Agreements provide that they supersede any previous written or oral agreement between the relevant parties in relation to the Proposed Disposal. As such, the Definitive Agreements supersede the Termsheets and they contain the whole agreement of the relevant parties relating to the Proposed Disposal.

- 1.2 **Information on Lhoist.** As stated in the 21 August Announcement, the Lhoist Group, comprising Lhoist SA and its subsidiaries, is a global leader in Lime, Dolime and related minerals. A private business with its headquarters in Belgium, it is present in 25 countries with more than 90 operations globally.
- 1.3 **Completion.** Completion of the NSL Malaysian Lime Assets Disposal, the NSL Singapore Lime Assets Disposal and the grant of the NSL Malaysian Limestone Assets Call Option (collectively, the "**Proposed Transaction**"), is subject to the satisfaction of certain conditions precedent.

## 2. **INFORMATION ON THE NSL LIME ASSETS AND THE NSL MALAYSIAN LIMESTONE ASSETS**

- 2.1 **NSL Lime Assets.** As stated in the 21 August Announcement, the NSL Malaysian Lime Assets comprise NSL Chemicals (M), an investment holding company incorporated in Malaysia, with an issued share capital of RM20,000,000 comprising 20,000,000 ordinary shares of par value RM1 each ("**NSL Chemicals (M) Shares**"), and NSL Chemicals (M)'s wholly-owned subsidiary, Limetreat Malaysia Sdn Bhd ("**Limetreat Malaysia**"). The principal business of Limetreat Malaysia includes manufacturing and trading of lime products. As at the date of this Announcement, NSC holds 16,000,000 NSL Chemicals (M) Shares, representing 80 per cent. of the NSL Chemicals (M) Shares in issue. Hwang Enterprises, an investment holding company which is not related to the Company and/or its controlling shareholder, holds 4,000,000 NSL Chemicals (M) Shares, representing 20 per cent. of the NSL Chemicals (M) Shares in issue.

The NSL Singapore Lime Assets comprise assets, plant and equipment and the working capital of the Singapore lime business. To facilitate the NSL Singapore Lime Assets Disposal, NSC has undertaken an internal restructuring of the NSL Singapore Lime Assets. Following such restructuring and as at the date of this Announcement, all the NSL Singapore Lime Assets are held by NSL Lime, a newly incorporated wholly-owned subsidiary of NSC.

- 2.2 **NSL Malaysian Limestone Assets.** As at the date of this Announcement, the NSL Malaysian Limestone Assets comprise:

- (i) Limetreat Trading Co. Sdn. Bhd. ("**Limetreat Trading**"), a private limited company incorporated in Malaysia with an issued share capital of RM7,600,000, comprising 7,600,000 ordinary shares of par value RM1 each (each a "**Limetreat Trading Share**" and collectively, the "**Limetreat Trading Sale Shares**"). As at the date of this Announcement, NSC holds 6,080,000 Limetreat Trading Shares, representing 80 per cent. of the Limetreat Trading Shares in issue, and Hwang Enterprises holds the remaining 1,520,000 Limetreat Trading Shares, representing 20 per cent. of the

Limetreat Trading Shares in issue. The principal business of Limetreat Trading includes the extracting and trading of limestone;

- (ii) Bold Hill Trading Sdn. Bhd. (“**Bold Hill**”), a private limited company incorporated in Malaysia with an issued share capital of RM250,000, comprising 250,000 ordinary shares of par value RM1 each (“**Bold Hill Shares**”). As at the date of this Announcement, Limetreat Trading holds 175,000 Bold Hill Shares, representing 70 per cent. of the Bold Hill Shares in issue. The principal business of Bold Hill includes leasing the right and licence to extract rock materials;
- (iii) Kemboja Sejahtera Sdn. Bhd. (“**Kemboja Sejahtera**”), a private limited company incorporated in Malaysia with an issued share capital of RM1,000,000, comprising 1,000,000 ordinary shares of par value RM1 each. As at the date of this Announcement, Kemboja Sejahtera is a wholly-owned subsidiary of Limetreat Trading and its only asset comprises a limestone hill; and
- (iv) Kuari Atrah Sdn. Bhd. (“**Kuari Atrah**”), a private limited company incorporated in Malaysia with an issued share capital of RM125,000, comprising 125,000 ordinary shares of par value RM1 each (“**Kuari Atrah Shares**”). As at the date of this Announcement, Limetreat Trading holds 87,500 Kuari Atrah Shares, representing 70 per cent. of the Kuari Atrah Shares in issue, and its principal business includes leasing the right and licence to extract rock materials.

2.3 **Asset Value.** Based on the unaudited consolidated financial statements of the Company and its subsidiaries (collectively, the “**NSL Group**”) for the nine month period ended 30 September 2014 (“**9M2014**”), the attributable net tangible asset (“**NTA**”) value of the NSL Lime Assets and the NSL Malaysian Limestone Assets as at 30 September 2014 is approximately S\$16.9 million.

2.4 **Net Profit.** Based on the unaudited consolidated financial statements of the NSL Group for 9M2014, the net profit before income tax, minority interests and exceptional items for the NSL Lime Assets and the NSL Malaysian Limestone Assets is approximately S\$1.6 million. The gain on disposal pursuant to the Proposed Transaction is approximately S\$27.3 million (assuming the NSL Malaysian Limestone Assets Call Option is exercised and the NSL Malaysian Limestone Assets Disposal is completed). If the NSL Malaysian Limestone Assets Call Option is not exercised and the NSL Malaysian Limestone Assets Disposal is not completed, the gain from disposal would be approximately S\$25.5 million.

### 3. **PRINCIPAL TERMS OF THE PROPOSED TRANSACTION**

3.1 **Proposed Transaction.** Pursuant to the Definitive Agreements:

- (i) in respect of the NSL Malaysian Lime Assets Disposal and pursuant to the Malaysia SPA, Lhoist Malaysia will purchase from NSC and Hwang Enterprises, and NSC and Hwang Enterprises will sell to Lhoist Malaysia, the NSL Chemicals (M) Sale Shares;
- (ii) in respect of the NSL Singapore Lime Assets Disposal and pursuant to the Singapore SPA, Lhoist Singapore will purchase from NSC, and NSC will sell to Lhoist Singapore, the NSL Lime Sale Shares; and

- (iii) in respect of the NSL Malaysian Limestone Assets Disposal, NSC and Hwang Enterprises will, on completion of the NSL Malaysian Lime Assets Disposal, enter into the Call Option Agreement with Lhoist Malaysia in relation to the grant of the NSL Malaysian Limestone Assets Call Option, which will be exercisable by Lhoist Malaysia at any time during the period commencing on the date of the Call Option Agreement and expiring at 11.59 p.m. (Singapore time) on 30 June 2015 (or such other date as NSC, Hwang Enterprises and Lhoist Malaysia may agree in writing).

**The Board would clarify that, as at the date of this Announcement, the Call Option Agreement has not been entered into by NSC.** The same will only be entered into on completion of the NSL Malaysian Lime Assets Disposal.

3.2 **Consideration.** The total consideration to be paid by Lhoist Malaysia and Lhoist Singapore to NSC for the NSL Malaysian Lime Assets Disposal, NSL Singapore Lime Assets Disposal and NSL Malaysian Limestone Assets Disposal (the **“Total Consideration”**) is estimated to be approximately S\$46.4 million, which will be an aggregate of:

- (i) NSC’s pro-rata share of the aggregate consideration payable by Lhoist Malaysia for the NSL Chemicals (M) Sale Shares (the **“NSL Malaysian Lime Assets Consideration”**) in connection with the NSL Malaysian Lime Assets Disposal pursuant to the Malaysia SPA. As NSC currently holds 80 per cent. of the NSL Chemicals (M) Sale Shares, its pro-rata share of the NSL Malaysian Lime Assets Consideration will be 80 per cent. The NSL Malaysian Lime Assets Consideration shall be equal to:

- (a) the Initial Consideration (as defined in the Malaysia SPA) for the NSL Malaysian Lime Assets Disposal of RM100,853,000 (the **“NSL Malaysian Lime Initial Consideration”**);

plus (if a positive amount) or minus (if a negative amount):

- (b) the NSL Malaysian Lime Adjustment Payment Amount;<sup>1</sup>

- (ii) the aggregate consideration payable by Lhoist Singapore to NSC for the NSL Lime Sale Shares (the **“NSL Singapore Lime Assets Consideration”**) in connection with the NSL Singapore Lime Assets Disposal pursuant to the Singapore SPA, which shall be equal to:

- (a) the Initial Consideration (as defined in the Singapore SPA) for the NSL Singapore Lime Assets Disposal of S\$11,900,000 (the **“NSL Singapore Lime Initial Consideration”**);

plus (if a positive amount) or minus (if a negative amount):

- (b) the NSL Singapore Lime Adjustment Payment Amount;<sup>2</sup> and

- (iii) NSC’s pro-rata share of the aggregate consideration payable by Lhoist Malaysia for

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<sup>1</sup> As defined in paragraph 1 of Schedule 1.

<sup>2</sup> As defined in paragraph 3 of Schedule 1.

all the Limetreat Trading Sale Shares (the “**NSL Malaysian Limestone Assets Consideration**”) in connection with the NSL Malaysian Limestone Assets Disposal pursuant to the Call Option Agreement. As NSC currently holds 80 per cent. of Limetreat Trading, its pro-rata share of the NSL Malaysian Limestone Assets Consideration will be 80 per cent. The NSL Malaysian Limestone Assets Consideration shall be equal to:

- (a) the Initial Consideration (as defined in the Call Option Agreement) for the NSL Malaysian Limestone Assets Disposal of S\$5,000,000 (the “**NSL Malaysian Limestone Initial Consideration**”);

plus (if a positive amount) or minus (if a negative amount):

- (b) the NSL Malaysian Limestone Adjustment Payment Amount.<sup>3</sup>

The Total Consideration was arrived at on a willing buyer willing seller basis after taking into account, *inter alia*, the historical earnings track record of the NSL Lime Assets and the NSL Malaysian Limestone Assets, and their respective net working capital and net cash level as at the date of completion.

### 3.3 **Conditions.** Completion of:

- (i) the NSL Malaysian Lime Assets Disposal will be subject to and conditional upon the Singapore SPA not having been rescinded for any reason whatsoever on or before completion of the Malaysia SPA, and completion under the Singapore SPA taking place contemporaneously with completion of the Malaysia SPA;
- (ii) the NSL Singapore Lime Assets Disposal will be subject to the JTC Approval In-Principle (as defined in the Singapore SPA) remaining in full force and effect at completion of the NSL Singapore Lime Assets Disposal; and
- (iii) the NSL Malaysian Limestone Assets Disposal (assuming the Call Option Agreement has been entered into by the relevant parties following completion of the NSL Malaysian Lime Assets Disposal) will be subject to, *inter alia*, written confirmation being obtained in a form satisfactory to Lhoist Malaysia from each of the counterparties to the contracts described in the Call Option Agreement, that they have no objection to the sale of the Limetreat Trading Sale Shares to Lhoist Malaysia or that they waive all restrictions or prohibitions thereunder in respect of the transactions contemplated under the Call Option Agreement or their right to terminate such contracts as a result of such transactions.

### 3.4 **Payment of Consideration**

- (i) In respect of the NSL Malaysian Lime Assets Disposal:
  - (a) on completion of the NSL Malaysian Lime Assets Disposal, the NSL Malaysian Lime Initial Consideration will be paid by Lhoist Malaysia to NSC

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<sup>3</sup> As defined in paragraph 2 of Schedule 1.

and Hwang Enterprises in proportion with their respective current shareholding percentages in NSL Chemicals (M) and in accordance with the Malaysia SPA; and

- (b) on the Adjustment Payment Date (as defined in the Malaysia SPA and which will occur after completion of the NSL Malaysian Lime Assets Disposal):
  - (I) where the NSL Malaysian Lime Adjustment Payment Amount (as determined under the Malaysia SPA) is positive, Lhoist Malaysia shall pay the same amount to NSC and Hwang Enterprises in proportion with their respective current shareholding percentages in NSL Chemicals (M);
  - (II) where the NSL Malaysian Lime Adjustment Payment Amount (as determined under the Malaysia SPA) is negative, NSC and Hwang Enterprises shall pay the same amount to Lhoist Malaysia, in proportion with their respective current shareholding percentages in NSL Chemicals (M); and
  - (III) where the NSL Malaysian Lime Adjustment Payment Amount (as determined under the Malaysia SPA) is zero, no adjustment payment amount shall be payable by any of Lhoist Malaysia, NSC and Hwang Enterprises to each other.
- (ii) In respect of the NSL Singapore Lime Assets Disposal:
  - (a) on completion of the NSL Singapore Lime Assets Disposal, an amount equal to the NSL Singapore Lime Initial Consideration minus the Escrow Amount<sup>4</sup> will be paid by Lhoist Singapore to NSC in accordance with the Singapore SPA and the Escrow Amount will be paid to an escrow agent in accordance with the Singapore SPA;
  - (b) in the event the escrow agent fails or refuses to comply with or is in breach of its obligations under the Escrow Agreement (as defined in the Singapore SPA) as to the release of the Escrow Amount to NSC pursuant to the terms of the Escrow Agreement, Lhoist Singapore (I) will not be liable to NSC for all or any part of the Escrow Amount and (II) will not be obliged to make any further or additional payments to NSC in respect of the Escrow Amount;
  - (c) the Escrow Amount will be released by the escrow agent to NSC after the JTC Final Approval (as defined in the Singapore SPA) has been obtained; and
  - (d) on the Adjustment Payment Date (as defined in the Singapore SPA and which will occur after completion of the NSL Singapore Lime Assets Disposal):
    - (I) where the NSL Singapore Lime Adjustment Payment Amount (as

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<sup>4</sup> Pursuant to the terms of the Singapore SPA, the Escrow Amount is S\$4,657,000.

determined under the Singapore SPA) is positive, Lhoist Singapore shall pay the same amount to NSC;

- (II) where the NSL Singapore Lime Adjustment Payment Amount (as determined under the Singapore SPA) is negative, NSC shall pay the same amount to Lhoist Singapore; and
  - (III) where the NSL Singapore Lime Adjustment Payment Amount (as determined under the Singapore SPA) is zero, no adjustment payment amount shall be payable by either Lhoist Singapore or NSC to each other.
- (iii) In respect of the NSL Malaysian Limestone Assets Disposal (assuming the Call Option Agreement has been entered into):
- (a) on completion of the NSL Malaysian Limestone Assets Disposal, the NSL Malaysian Limestone Initial Consideration will be paid by Lhoist Malaysia to NSC and Hwang Enterprises in proportion with their respective current shareholding percentages in Limetreat Trading and in accordance with the Call Option Agreement; and
  - (b) on the Adjustment Payment Date (as defined in the Call Option Agreement and which will occur after completion of the NSL Malaysian Limestone Assets Disposal):
    - (I) where the NSL Malaysian Limestone Adjustment Payment Amount (as determined under the Call Option Agreement) is positive, Lhoist Malaysia shall pay the same amount to NSC and Hwang Enterprises in proportion with their respective current shareholding percentages in Limetreat Trading;
    - (II) where the NSL Malaysian Limestone Adjustment Payment Amount (as determined under the Call Option Agreement) is negative, NSC and Hwang Enterprises shall pay the same amount to Lhoist Malaysia, in proportion with their respective current shareholding percentages in Limetreat Trading; and
    - (III) where the NSL Malaysian Limestone Adjustment Payment Amount (as determined under the Call Option Agreement) is zero, no adjustment payment amount shall be payable by any of Lhoist Malaysia, NSC and Hwang Enterprises to each other.

### 3.5 NSL Guarantees

- (i) On completion of the NSL Malaysian Lime Assets Disposal, NSL will provide a guarantee in favour of Lhoist Malaysia, NSL Chemicals (M) and Limetreat (M) Sdn Bhd. Under the terms of such guarantee, NSL has undertaken to pay the other parties or party to the guarantee, upon demand, all monies due and owing by NSC to such parties or party under or pursuant to any claim by Lhoist Malaysia against NSC for breach of any warranties, representations, indemnities, undertakings or other

obligations of or given by NSC under the Malaysia SPA or any claim by NSL Chemicals (M) or Limetreat (M) Sdn Bhd against NSC for breach of the indemnity in Clause 7.11.2 of the Malaysia SPA, provided that the total amount recoverable from NSL under the guarantee will not in any event exceed an amount equal to RM19,170,000.

- (ii) On completion of the NSL Singapore Lime Assets Disposal, NSL will provide a guarantee in favour of Lhoist Singapore and NSL Lime. Under the terms of such guarantee, NSL has undertaken to pay the other parties or party to the guarantee, upon demand, all monies due and owing by NSC to such parties or party under or pursuant to any claim by Lhoist Singapore against NSC for breach of any warranties, representations, indemnities, undertakings or other obligations of or given by NSC under the Singapore SPA or any claim by NSL Lime against NSC for breach of the indemnity in Clause 8.11.1 of the Singapore SPA, provided that the total amount recoverable from NSL under the guarantee will not in any event exceed an amount equal to S\$1,746,600, unless and until the Escrow Amount has been paid to NSC, in which case, the total amount recoverable from NSL under the guarantee will not in any event exceed an amount equal to S\$2,911,000.
- (iii) On completion of the NSL Malaysian Limestone Assets Disposal, NSL will provide a guarantee in favour of Lhoist Malaysia, Limetreat Trading, Bold Hill, Kemboja Sejahtera and Kuari Atrah. Under the terms of such guarantee, NSL has undertaken to pay the other parties or party to the guarantee, upon demand, all monies due and owing by NSC to such parties or party under or pursuant to any claim by Lhoist Malaysia against NSC for breach of any warranties, representations, indemnities, undertakings or other obligations of or given by NSC under the Call Option Agreement or any claim by Limetreat Trading, Bold Hill, Kemboja Sejahtera or Kuari Atrah against NSC for breach of the indemnity in Clause 8.10.2 of the Call Option Agreement, provided that the total amount recoverable from NSL under the guarantee will not in any event exceed an amount equal to S\$1,000,000.

#### **4. RATIONALE FOR THE PROPOSED TRANSACTION**

- 4.1 **Rationale.** As stated in the 21 August Announcement, the Board 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 optimizing shareholder's value.

The lime business was previously set up to be an integral part of the supply chain for the former Steel Division. Following the divestment of the Steel Division, the lime business has been fairly successful operating as an independent lime supplier in the competitive regional markets. After much due consideration, it is deemed opportune to divest this business and focus on growing its other core businesses and seeking new businesses.

The Proposed Transaction will generate gross cash proceeds of approximately S\$46.3 million. Based on the NSL Group's carrying value in the Lime Division as of 30 September 2014, the Proposed Transaction will result in an estimated accounting gain of S\$27.3 million to NSL.



4.2 **Use of Proceeds.** NSL will continue to evaluate opportunities to use the proceeds received from the Proposed Transaction to maximise returns for its shareholders.

## 5. FINANCIAL EFFECTS

5.1 **Bases and Assumptions.** The pro forma financial effects for the Proposed Transaction have been prepared based on the audited consolidated financial statements of the NSL Group for the financial year ended 31 December 2013 (“**FY2013**”) and are purely **for illustration purposes only and do not reflect the future actual financial position of the NSL Group following completion of the entire Proposed Transaction.** The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

- (i) the Proposed Transaction had been effected on 31 December 2013, 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 Transaction had been effected on 1 January 2013, 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;
- (iii) the Total Consideration is illustrated based on the amounts as disclosed in **paragraph 3.2**; and
- (iv) the associated transaction costs are assumed to be S\$0.5 million.

5.2 **NTA.** For illustrative purposes only and assuming the Proposed Transaction had been completed on 31 December 2013, the pro forma financial effects on the consolidated NTA of the NSL Group for FY2013 are set out below. The NTA is determined by the consolidated net asset value (“**NAV**”) of the NSL Group less the intangible assets of the NSL Group.

	<b>Before the Proposed Transaction</b>	<b>After the Proposed Transaction and before exercise of Call Option<sup>5</sup></b>	<b>After the Proposed Transaction and exercise of Call Option</b>
NTA (S\$ million)	680	707.3	708.8
No. of issued shares (million)	373.6	373.6	373.6
NTA per share (S\$)	1.82	1.89	1.90

5.3 **EPS.** For illustrative purposes only and assuming the Proposed Transaction had been completed on 1 January 2013, the pro forma financial effects on the consolidated earnings of the NSL Group for FY2013 are as follows:

<sup>5</sup> For the purposes of paragraphs 5.2 and 5.3, “Call Option” shall have same meaning as “NSL Malaysian Limestone Assets Call Option”.

	Before the Proposed Transaction	After the Proposed Transaction and before exercise of Call Option	After the Proposed Transaction and exercise of Call Option
Net profit attributable to ordinary shareholders of NSL (S\$ million)	148.6	170.7	172.4
No. of issued shares (million)	373.6	373.6	373.6
Basic earnings per share ("EPS") (Singapore cents)	39.8	45.7	46.2

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

## 6. DISCLOSEABLE TRANSACTION

6.1 **Rule 1006.** The relative figures in relation to the Proposed Transaction computed on the applicable bases set out in Rule 1006 ("**Rule 1006**") of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") are as follows:

Rule 1006	Bases	Proposed Transaction (S\$ million)	NSL Group (S\$ million)	Relative Figures (%)
(a)	NAV of the NSL Lime Assets and the NSL Malaysian Limestone Assets compared with the NSL Group's NAV <sup>(1)</sup>	21.3	536.7	4.0
(b)	Net profit attributable to the NSL Lime Assets and the NSL Malaysian Limestone Assets compared with the NSL Group's net profit <sup>(1)(2)</sup>	1.6	15.3	10.3
(c)	Total Consideration compared with NSL's market capitalisation <sup>(3)</sup>	46.3	607.0	7.6

### Notes:

- (1) Based on the unaudited consolidated financial statements of the NSL Group for 9M2014.
- (2) Net profit is defined as profit before income tax, minority interests and exceptional items.
- (3) NSL's market capitalisation is based upon 373,558,237 ordinary shares in issue (excluding treasury shares) in the capital of the Company ("**NSL Shares**") as at 13 February 2015 at a volume weighted average price of S\$1.6248 for NSL Share.

As each of the relative figures under Rules 1006(b) and 1006(c) above exceeds five per cent. but is not more than 20 per cent., the Proposed Transaction constitutes a discloseable transaction for the Company as defined in Chapter 10 of the Listing Manual.

**7. FURTHER INFORMATION**

- 7.1 **Directors' Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 7.2 **Interests of Directors and Controlling Shareholders of the Company.** None of the directors or controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Transaction.
- 7.3 **Documents for Inspection.** Copies of the Definitive Agreements 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 Announcement.

BY ORDER OF THE BOARD

Lim Su-Ling  
Company Secretary  
Singapore, 13 February 2015

**Schedule 1**  
**Definitions**

1. **“NSL Malaysian Lime Adjustment Payment Amount”** means an amount equal to:
- (i) the amount payable by Lhoist Malaysia to NSC and Hwang Enterprises, if it is determined pursuant to the adjustment mechanism set out in the Malaysia SPA that the working capital and/or cash balance of the NSL Chemicals (M) group of companies as at completion is higher than as at the relevant pre-completion accounts date (as determined by the Malaysia SPA);

minus:

- (ii) the amount payable by NSC and Hwang Enterprises to Lhoist Malaysia, if it is determined pursuant to the adjustment mechanism set out in the Malaysia SPA that the working capital and/or cash balance of the NSL Chemicals (M) group of companies as at completion is lower than as at the relevant pre-completion accounts date (as determined by the Malaysia SPA),

which amount may be a positive or negative amount.

2. **“NSL Malaysian Limestone Adjustment Payment Amount”** means an amount equal to:

- (i) the amount payable by Lhoist Malaysia to NSC and Hwang Enterprises, if it is determined pursuant to the adjustment mechanism set out in the Call Option Agreement that the working capital and/or cash balance of the Limetreat Trading group of companies as at completion is higher than as at the relevant pre-completion accounts date (as determined by the Call Option Agreement);

minus:

- (ii) the amount payable by NSC and Hwang Enterprises to Lhoist Malaysia, if it is determined pursuant to the adjustment mechanism set out in the Call Option Agreement that the working capital and/or cash balance of the Limetreat Trading group of companies as at completion is lower than as at the relevant pre-completion accounts date (as determined by the Call Option Agreement),

which amount may be a positive or negative amount.

3. **“NSL Singapore Lime Adjustment Payment Amount”** means an amount equal to:

- (i) the amount payable by Lhoist Singapore to NSC, if it is determined pursuant to the adjustment mechanism set out in the Singapore SPA that the working capital and/or cash balance of the NSL Lime group of companies as at completion is higher than as at the relevant pre-completion accounts date (as determined by the Singapore SPA);

minus:

- (ii) the amount payable by NSC to Lhoist Singapore, if it is determined pursuant to the adjustment mechanism set out in the Singapore SPA that the working capital and/or

cash balance of the NSL Lime group of companies as at completion is lower than as at the relevant pre-completion accounts date (as determined by the Singapore SPA),

which amount may be a positive or negative amount.