

**Issuer:** NSL Ltd.

**Security:** NSL Ltd.

**Meeting details:**

Date: 11 April 2017

Time: 14:00H

Venue: Bridge Rooms 1, 2 and 3, Raffles Marina, 10 Tuas West Drive, Singapore 638404

**Company Description**

NSL Ltd., through its subsidiaries, engages in precast and prefabricated bathroom unit (PBU), dry mix, environmental services, and others businesses in Singapore, Malaysia, China and Hong Kong, and internationally. The company's Precast & PBU division manufactures and sells precast concrete components for building and infrastructure projects; and prefabricated bathroom unit/cabins for ships and buildings, as well as marine fire doors. Its Dry Mix division produces and sells drymix plaster and mortar. The company's Environmental Services division collects, manages, recovers, and disposes marine, oily/toxic, and industrial waste. It also offers other oil-and-chemical services, such as cleaning and maintenance of oil interceptors, grease traps, and storage tanks; waste management consultancy; tank rental; and other waste recovery and environmental pollution control projects, as well as markets and distributes fuels, lubricants, and greases. The company manufactures and sells lime products, refractory materials, and road stones; designs, manufactures, and sells container and bulk handling equipment; trades in oil products; and owns and manages raffles marina club. NSL Ltd. was incorporated in 1961 and is headquartered in Singapore. NSL Ltd. is a subsidiary of 98 Holdings Pte. Ltd.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=N02](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=N02))

**Q1.** The group's operations have been streamlined in recent years, with the disposal of divisions and businesses. For instance, the Dry Mix business was divested in December 2016, the engineering division (container spreaders and bulk handling equipment) was restructured and the Chemicals division was disposed of in December 2013. The group currently has two remaining core businesses - Precast & Prefabricated Bathroom Unit (PBU) and Environmental Services.

- a) **Could management update shareholders on the strategic direction of the group following the disposals?**
- b) **What are some of the growth opportunities for the remaining Precast & PBU and Environmental Services divisions?**

**Q2.** NSL and its group of companies is a leading industrial group in Asia Pacific but the group also has a majority control of a marina club. It was disclosed that "the operations of a marina club contributes to 22% of the Group's total property, plant and equipment" (page 34 - Impairment of property, plant and equipment). Arising from the impairment assessment based on value-in-use calculations, impairment charges of S\$2.7 million were recognised for the operation of a marina club.

- a) The subsidiary, Raffles Marina Ltd, reported a loss after tax of \$(3.9) million. **Can management elaborate further on the challenges of running the marina in 2016?**
- b) The proportion of ordinary shares held by the group in Raffles Marina Ltd has increased from 50.1% to 72.1% (page 121). **What is the rationale behind the increase in shareholding? What is the consideration/price paid for the additional shares?**
- c) **What is the strategic value of the marina club to the group?**

**Q3.** As disclosed in the Statement of Corporate Governance (page 32), the three independent directors were first appointed to the board in May 1988, February 1993 and January 2003 (page 32) and thus all three independent directors have served on the board for more than nine years from the date of their first appointments.

Notwithstanding the fact that the Nominating committee has concluded that "*these non-executive directors i.e. Prof Cham Tao Soon, Mr John Koh Tiong Lu and Dr Tan Tat Wai remained independent from Management and provided a strong independent element on the Board, being free from any business or other relationship which could materially interfere with the exercise of their judgement*", Guideline 2.4 of the Code of Corporate Governance issued by the Monetary Authority of Singapore calls for the board to "also take into account the need for progressive refreshing of the Board".

- a) **Can the board provide more detail on its plans to ensure the progressive refreshing of the board?**
- b) **Please also disclose the company's search and nomination process for new directors.**