



NSL LTD

(Reg. no.: 196100107C)

Third Quarter Financial Statements Announcement

The figures have not been audited

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	THE GROUP					
		Quarter ended 30 September			9 months ended 30 September		
		2016	2015	Change	2016	2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
		(restated)		(restated)			
Continuing Operations							
Sales		102,797	120,882	(15)	321,541	331,131	(3)
Cost of sales		(82,504)	(93,076)	(11)	(255,774)	(264,170)	(3)
Gross profit	(2)	20,293	27,806	(27)	65,767	66,961	(2)
Other income	(3)	2,342	1,508	55	7,148	4,516	58
Other gains and losses	(4)	(554)	(838)	(34)	(89)	(751)	(88)
Distribution costs	(5)	(4,698)	(5,280)	(11)	(15,186)	(14,822)	2
Administrative expenses		(9,791)	(10,106)	(3)	(29,369)	(29,760)	(1)
Finance costs	(6)	(410)	(373)	10	(1,290)	(1,072)	20
Share of results of associated companies, net of tax	(7)	(2,061)	450	n/m	(1,994)	429	n/m
Profit before income tax	(1)	5,121	13,167	(61)	24,987	25,501	(2)
Income tax expense	(8)	(1,647)	(1,862)	(12)	(5,780)	(4,267)	35
Profit from continuing operations		3,474	11,305	(69)	19,207	21,234	(10)
Discontinued Operations							
Profit from discontinued operations	(9)	-	267	n/m	8	40,649	(100)
Total profit for the financial period		3,474	11,572	(70)	19,215	61,883	(69)
Profit attributable to equity holders of the Company:							
- from continuing operations		2,837	10,929	(74)	17,564	20,139	(13)
- from discontinued operations		-	277	n/m	8	40,581	(100)
		2,837	11,206	(75)	17,572	60,720	(71)
Profit attributable to non-controlling interest:							
- from continuing operations		637	376	69	1,643	1,095	50
- from discontinued operations		-	(10)	n/m	-	68	n/m
		637	366	74	1,643	1,163	41
Basic and fully diluted earnings per share (cents)							
- from continuing operations - basic and fully diluted		0.76	2.93	(74)	4.70	5.39	(13)
- from discontinued operations - basic and fully diluted		-	0.07	n/m	-	10.87	n/m

n/m: not meaningful

Notes to the Group's Income Statement

- (1) Profit before taxation from Continuing Operations is arrived at after crediting / (charging) the following items:

	<u>THE GROUP</u>			
	Quarter ended		9 months ended	
	30 September		30 September	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
	(restated)		(restated)	
Dividend income	1	-	1,482	758
Interest income	1,089	904	3,303	2,494
Amortisation of intangible assets	(70)	(49)	(165)	(143)
Depreciation of property, plant and equipment and investment properties	(3,447)	(3,634)	(10,119)	(10,915)
Allowance for stocks obsolescence	(119)	(11)	(242)	(243)
Write down of inventories to net realisable value, net	(84)	(21)	(183)	(457)
Allowance for impairment of trade receivables, write back of allowance and bad debts (written off), net	94	(156)	55	(427)
Amortisation of deferred income	48	46	144	139

- (2) Gross profit

Gross profit decreased 27% in third quarter of 2016 ("3Q-2016") due mainly to lower revenue and gross profit margins from our Precast and Dry Mix divisions.

- (3) Other income

The increase in other income in 3Q-2016 was due to income from insurance claim by the Precast operation in Malaysia. For nine months ended 30 September 2016 ("9M-2016"), the increase was also contributed by higher interest income and dividend from an available-for-sale financial asset.

- (4) Other gains and losses

	<u>THE GROUP</u>			
	Quarter ended		9 months ended	
	30 September		30 September	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
	(restated)		(restated)	
Fair value losses on derivative financial instruments	(31)	(284)	(66)	(279)
Currency exchange losses	(517)	(433)	(702)	(445)
Property, plant and equipment -Gains on disposal and write-off, net	60	(29)	831	(20)
Others	(66)	(92)	(152)	(7)
	(554)	(838)	(89)	(751)



NSL LTD

(Reg. no.: 196100107C)

Notes to the Group's Income Statement (continued)

(5) Distribution costs

The decrease in distribution costs in 3Q-2016 was due mainly to lower staff costs by the Precast operation in Singapore.

(6) Finance costs

The increase in finance costs in 3Q-2016 and 9M-2016 were attributable to increased borrowings of the Environmental Services division to finance the acquisition of leasehold land.

(7) Share of results of associated companies, net of tax

The negative swing in share of results of associated companies in 3Q-2016 was due mainly to losses incurred by PEINER SMAG Lifting Technologies GmbH ("PSLT"), of which the Company owns 33.33% non-controlling equity stake.

(8) Income tax expense

	Note	<u>THE GROUP</u>			
		Quarter ended		9 months ended	
		30 September		30 September	
<u>Continuing Operations</u>		2016	2015	2016	2015
		S\$'000	S\$'000	S\$'000	S\$'000
		(restated)		(restated)	
Taxation charge for the financial period comprises:					
- Current period taxation	(i)	1,690	1,727	5,195	4,132
- (Over) / under-provision in respect of prior years	(ii)	(43)	135	585	135
		<u>1,647</u>	<u>1,862</u>	<u>5,780</u>	<u>4,267</u>

(i) The effective tax rate of the Group increased in 3Q-2016 and 9M-2016 compared to corresponding periods last year due to utilisation of tax losses by a Singapore subsidiary last year and higher pre-tax contributions from certain foreign subsidiaries in countries with higher corporate tax rates in the current periods.

(ii) Higher under-provision in respect of prior years in 9M-2016 was due mainly to an adjustment to the tax provision of our Malaysian Precast operation.

Notes to the Group's Income Statement (continued)

(9) Profit from discontinued operations

An analysis of the results of discontinued operations is as follows:

	<u>THE GROUP</u>			
	Quarter ended		9 months ended	
	30 September		30 September	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
	<u>(restated)</u>		<u>(restated)</u>	
Sales	-	16	-	10,601
Net expenses	-	(10)	-	(10,936)
Gain / (loss) before tax from discontinued operations	-	6	-	(335)
Income tax expense	-	-	-	(158)
Gain / (loss) after tax from discontinued operations	-	6	-	(493)
Exceptional gain on disposal of subsidiaries	-	261	8	41,142
Profit after tax from discontinued operations	-	267	8	40,649

***Breakdown of profit from discontinued operations**

	<u>THE GROUP</u>			
	Quarter ended		9 months ended	
	30 September		30 September	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
	<u>(restated)</u>		<u>(restated)</u>	
Engineering operations	-	-	-	(1,066)
Lime and limestones operations	-	6	-	573
Exceptional gain on disposal				
- Lime business	-	261	8	27,185
- Engineering business	-	-	-	13,957
	-	267	8	40,649

Notes to the Group's Income Statement (continued)

- a) On 5 December 2014, the Company and its direct wholly-owned subsidiary, NSL Engineering Holdings Pte. Ltd. ("NSEH") entered into agreement with Salzgitter Maschinenbau AG ("SMAG") in relation to the merger of NSL Engineering Pte Ltd ("NSE")'s RAM container spreader business with SMAG's grab business as the world's leading independent lifting device group in both bulk cargo and container handling. Under the agreement, NSEH will inject NSE into SMAG's wholly-owned subsidiary, PEINER SMAG Lifting Technologies GmbH ("PSLT") in exchange for 33.33% equity stake in PSLT, the new holding company of NSE Group, with SMAG holding the remaining 66.67% equity stake (the "Merger").

The NSE Group was a separate major line of business and was responsible for trading and management of spreader business. In accordance with FRS 105, *Non-current Assets Held for Sale and Discontinued Operations*, results of the NSE Group were disclosed as part of discontinued operations in FY 2015.

Following the completion of the Merger on 29 April 2015, the 33.33% non-controlling equity stake in PSLT has been accounted for as an investment in associated company as the Group has significant influence over PSLT and the share of financial results of PSLT has been accounted for based on the equity method under FRS 28 *Investments in Associates and Joint Ventures*.

- b) The divestment of lime business in Singapore and Malaysia was completed on 17 February 2015 for a cash consideration of approximately S\$42.9 mil. The gain on divestment of lime business in Singapore and Malaysia recognised in FY2015 was approximately S\$26.8 mil. An final gain of S\$8,000 was recognised upon finalisation of the completion account adjustments in 9M-2016.

Pursuant to the completion of divestment of lime business, the Group's wholly-owned subsidiary, NSL Chemicals Ltd ("NSC"), granted a call option to the acquirer of the lime business, Lhoist Singapore Pte Ltd ("Lhoist") or its subsidiary ("Lhoist Acquirer"), to acquire NSC's limestone business in Malaysia for an agreed consideration of S\$4 million. The call option was exercisable by Lhoist Acquirer at any time before 30 June 2015 ("Call Option"). The Call Option has since expired without Lhoist Acquirer exercising its rights under the option.

Following the lapse of the Call Option, management continued to explore alternatives to realise the Group's carrying value in the limestone business via a disposal. Accordingly, the carrying value of the assets and liabilities of the limestone business were classified as held for sale as at 31 December 2015 and disclosed as a discontinued operation.

However, in 9M-2016, as the limestone business had yet to be disposed of and there was no firm purchase commitment, its operating results and the carrying value of its assets and liabilities had to be restated as business under continuing operation in accordance with accounting standards and not as a separate line item in the consolidated income statement and statement of financial position for the period ended 30 September 2016. Comparative operating results for the period ended 30 September 2015 ("9M-2015") have been restated accordingly. Net loss after tax related to the limestone business was S\$102,000 in 9M-2016 (9M-2015: S\$186,000).

- c) The details of assets and liabilities of the disposal group classified as held for sale for the Group are as follows:

	THE GROUP	
	30.09.16	31.12.15
	S\$'000	S\$'000
Assets		
Inventories	-	9
Cash and cash equivalents	-	97
Receivables and prepayments	-	97
Property, plant and equipment	-	4,026
Total assets	-	4,229
Liabilities		
Trade and other payables	-	517
Deferred tax liabilities	-	490
Total liabilities	-	1,007



NSL LTD
(Reg. no.: 196100107C)

Statement of Comprehensive Income for Financial Period ended 30 September 2016

	<u>THE GROUP</u>			
	Quarter ended 30 September		9 months ended 30 September	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Total profit for the period	3,474	11,572	19,215	61,883
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Exchange differences on translating foreign operations				
- Gains / (losses) arising during the period	572	(1,903)	(1,724)	(5,352)
Available-for-sale financial assets				
- Gains arising during the period	908	262	357	304
Share of other comprehensive income / (losses) of associated companies	380	1,939	(1,360)	1,766
Income tax relating to components of other comprehensive income	5	(1)	6	10
Other comprehensive income / (losses) for the period, net of tax	1,865	297	(2,721)	(3,272)
Total comprehensive income for the period	5,339	11,869	16,494	58,611
Total comprehensive income attributable to:				
Equity holders of the Company	4,699	11,607	14,810	57,691
Non-controlling interests	640	262	1,684	920
	5,339	11,869	16,494	58,611



NSL LTD

(Reg. no.: 196100107C)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	THE GROUP		THE COMPANY	
	30.09.16 S\$'000	31.12.15 S\$'000	30.09.16 S\$'000	31.12.15 S\$'000
Equity				
Share capital	193,839	193,839	193,839	193,839
Reserves	365,207	366,598	257,911	267,715
Shareholders' equity	559,046	560,437	451,750	461,554
Non-controlling interests	12,220	11,007	-	-
Total equity	571,266	571,444	451,750	461,554
Current Assets				
Inventories	47,321	48,138	-	-
Receivables and prepayments	121,687	116,387	15,221	36,846
Tax recoverable	1,584	1,124	-	-
Cash and cash equivalents	329,812	334,448	242,712	227,033
	500,404	500,097	257,933	263,879
Assets of disposal group classified as held-for-sale (Note 9)	-	4,229	-	-
	500,404	504,326	257,933	263,879
Non-Current Assets				
Property, plant and equipment	144,813	136,751	185	144
Investment properties	8,245	8,376	-	-
Investments in subsidiaries	-	-	85,232	85,232
Investments in associated companies	49,393	52,692	-	-
Long term receivables and prepayments	5,125	822	121,104	121,354
Available-for-sale financial assets	9,675	9,318	9,229	8,836
Intangible assets	10,389	9,306	-	-
Deferred tax assets	3,153	5,290	-	-
Other non-current assets	142	140	-	-
	230,935	222,695	215,750	215,566
Total Assets	731,339	727,021	473,683	479,445
Current Liabilities				
Borrowings	(15,294)	(18,407)	-	-
Trade and other payables	(114,957)	(116,058)	(21,721)	(17,803)
Current income tax liabilities	(3,182)	(2,429)	(212)	(88)
Deferred income	(268)	(282)	-	-
	(133,701)	(137,176)	(21,933)	(17,891)
Liabilities directly associated with disposal group classified as held-for-sale (Note 9)	-	(1,007)	-	-
	(133,701)	(138,183)	(21,933)	(17,891)
Non-Current Liabilities				
Provision for retirement benefits	(2,730)	(2,519)	-	-
Deferred tax liabilities	(4,597)	(3,864)	-	-
Borrowings	(17,904)	(9,842)	-	-
Deferred income	(1,141)	(1,169)	-	-
	(26,372)	(17,394)	-	-
Total Liabilities	(160,073)	(155,577)	(21,933)	(17,891)
Net Assets	571,266	571,444	451,750	461,554



NSL LTD

(Reg. no.: 196100107C)

Explanatory notes on consolidated statement of financial position

- a) Long term receivables and prepayments
The increase was due mainly to higher long term receivables recorded by the Group's Precast operations in Singapore and Dubai.
- b) Intangible assets
The increase was due mainly to acquisition of a subsidiary by the Environmental Services division.
- c) Deferred tax assets
The decrease was due mainly to utilisation of previously unabsorbed capital allowances by the Group's Malaysia Precast operation.
- d) Borrowings
The reduction in current borrowings was due mainly to reclassification of a term loan from current to non-current. Overall, total borrowings increased by S\$4.9 mil due mainly to a bank loan by the Environmental Services division to finance the acquisition of a leasehold land.
- e) Assets of disposal group classified as held-for-sale
Liabilities directly associated with disposal group classified as held-for-sale
Amounts as at 31 December 2015 relate to assets and liabilities of the Group's Malaysia limestone business, as disclosed in notes 9(b) and 9(c).

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2016		As at 31 December 2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
14,658	636	17,941	466

Amount repayable after one year

As at 30 September 2016		As at 31 December 2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
17,904	-	9,842	-

Details of any collateral

Included in the Group's property, plant and equipment are property, plant and equipment of subsidiaries of net book value of S\$19,654,000 (31 December 2015: S\$20,716,000) charged by way of debentures to banks for overdraft and term loan facilities granted.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Note	The Group			
	Quarter ended		9 months ended	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
		(restated)		(restated)
Cash Flows from Operating Activities				
Profit from continuing operations	3,474	11,305	19,207	21,234
Profit from discontinued operations	-	267	8	40,649
Profit for the financial period	<u>3,474</u>	<u>11,572</u>	<u>19,215</u>	<u>61,883</u>
<i>Adjustments for:</i>				
Taxation	1,647	1,862	5,780	4,425
Amortisation of intangible assets	70	49	165	199
Amortisation of deferred income	(48)	(46)	(144)	(139)
Depreciation of properties, plant and equipment and investment properties	3,447	3,634	10,119	11,604
Property, plant and equipment written off	2	28	10	29
Interest expense	410	373	1,290	1,106
Interest income	(1,089)	(904)	(3,303)	(2,498)
Dividend income from available-for-sale financial assets	(1)	-	(1,482)	(758)
Gain on disposal of property, plant and equipment (net)	(62)	-	(841)	(10)
Provision for retirement benefits (net)	159	108	431	399
Share of results of associated companies, net of tax	2,061	(450)	1,994	(429)
Gain on disposal of subsidiaries	-	(261)	(8)	(41,142)
Exchange differences and other adjustments	885	716	44	1,057
<i>Operating cash flows before working capital changes</i>	<u>10,955</u>	<u>16,681</u>	<u>33,270</u>	<u>35,726</u>
<i>Changes in working capital, net of effects from disposal of subsidiaries:</i>				
Inventories	(133)	(2,760)	964	5,991
Receivables and prepayments	4,847	(14,939)	4,305	(15,916)
Deferred income	(2)	-	3	116
Trade and other payables	<u>(3,277)</u>	<u>13,308</u>	<u>(9,953)</u>	<u>2,418</u>
<i>Cash generated from operations</i>	<u>12,390</u>	<u>12,290</u>	<u>28,589</u>	<u>28,335</u>
Income tax paid	(1,314)	(1,036)	(3,393)	(3,775)
Retirement benefits paid	(109)	(33)	(134)	(106)
<i>Net cash generated from operating activities</i>	<u>10,967</u>	<u>11,221</u>	<u>25,062</u>	<u>24,454</u>
Cash Flows from Investing Activities				
Cash acquired on acquisition of a subsidiary	(1) 1,570	-	1,570	-
Proceeds from disposal of property, plant and equipment	1,327	1,025	1,963	1,162
Net cash inflow from disposal of subsidiaries	(2) -	482	8	34,178
Purchases of property, plant and equipment	(3,851)	(14,257)	(20,681)	(21,643)
Purchases of intangible assets	(268)	(7)	(343)	(113)
Interest received	205	1,088	2,491	2,301
Dividends received from available-for-sale financial assets	1	-	1,482	758
<i>Net cash (used in) / generated from investing activities</i>	<u>(1,016)</u>	<u>(11,669)</u>	<u>(13,510)</u>	<u>16,643</u>



NSL LTD

(Reg. no.: 196100107C)

	The Group			
	Quarter ended		9 months ended	
	30 September		30 September	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
	(restated)		(restated)	
Cash Flows from Financing Activities				
Proceeds from borrowings	4,550	11,776	18,369	23,889
Repayment of borrowings	(3,261)	(8,121)	(13,165)	(18,820)
Finance leases and hire purchases	(343)	(117)	(871)	(282)
Interest paid	(402)	(381)	(1,374)	(1,248)
Bank deposits pledged	(8)	2,022	651	1,991
Dividends paid to shareholders	-	-	(18,678)	(29,885)
Dividends paid to non-controlling interests	-	-	-	(739)
<i>Net cash generated from / (used in) financing activities</i>	<u>536</u>	<u>5,179</u>	<u>(15,068)</u>	<u>(25,094)</u>
Net increase / (decrease) in cash and cash equivalents	10,487	4,731	(3,516)	16,003
Cash and cash equivalents at beginning of the period	316,574	305,203	331,271	295,038
Effects of exchange rate changes on cash and cash equivalents	128	(89)	(566)	(1,196)
Cash and cash equivalents at end of the period	<u>327,189</u>	<u>309,845</u>	<u>327,189</u>	<u>309,845</u>
Cash and cash equivalents at end of the period comprise:				
- Cash and bank balances	329,812	310,702	329,812	310,702
- Cash classified as disposal group asset held for sale	-	55	-	55
- Less: bank deposits pledged	(2,623)	(912)	(2,623)	(912)
	<u>327,189</u>	<u>309,845</u>	<u>327,189</u>	<u>309,845</u>

Notes to the Group's Cash Flow statement

(1) Acquisition of a subsidiary

On 5 August 2016, the Company's subsidiary, NSL OilChem Trading Pte. Ltd. ("NOCT") entered into an agreement with the shareholders of CNC Petroleum Pte. Ltd. ("CNC"). Under the agreement, the shareholders of CNC ("the Vendors") will sell 100% of their equity stake comprising 1,000,000 ordinary shares in exchange for 17.25% equity stake in NOCT, comprising 1,251,184 new shares to be issued by NOCT. The transaction was completed on 17 August 2016.

The consideration is subject to upward adjustment in FY2019 if two material sales contracts entered by CNC are profitable ("Contingent Consideration"), in accordance with an agreed formula. The contingent consideration shall be satisfied by allotment of additional NOCT shares to the Vendors.

Details of the consideration, assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

Effect on cash flows of the Group

Consideration for the business	2,349
Less: Non-cash consideration	<u>(2,349)</u>
Consideration settled in cash	-
Add: Cash and cash equivalents acquired	<u>1,570</u>
Cash inflow on acquisition	<u><u>1,570</u></u>



NSL LTD

(Reg. no.: 196100107C)

(1) Acquisition of a subsidiary (continued)

	<u>At fair value</u>
<u>Identifiable assets acquired and liabilities assumed</u>	
Cash and cash equivalents	1,570
Property, plant and equipment	1,738
Intangible assets	811
Inventories	138
Receivables and Prepayments	6,889
Total assets	<u>11,146</u>
Trade and Other Payables	(7,610)
Taxation	(12)
Deferred Tax Liabilities	(191)
Borrowings	(616)
Total liabilities	<u>(8,429)</u>
Total identifiable net assets	2,717
Less: Non-controlling interest at fair value	(469)
Add: Goodwill	101
Consideration transferred for the business	<u>2,349</u>

(2) Disposal of subsidiaries

	<u>THE GROUP</u>			
	<u>Quarter ended</u>		<u>9 months ended</u>	
	<u>30 September</u>		<u>30 September</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Carrying amounts of assets and liabilities disposed of</u>				
Cash and cash equivalents	-	2	-	8,237
Trade and other receivables	-	432	-	16,603
Other current asset	-	-	-	22,285
Property, plant and equipment	-	123	-	23,188
Other non-current assets	-	-	-	770
Total assets	<u>-</u>	<u>557</u>	<u>-</u>	<u>71,083</u>
Trade and other payables	-	(355)	-	(21,357)
Deferred income tax liabilities	-	-	-	(794)
Other non-current liabilities	-	-	-	(7)
Total liabilities	<u>-</u>	<u>(355)</u>	<u>-</u>	<u>(22,158)</u>
Net assets derecognised	-	202	-	48,925
Less: Non-controlling interests	-	-	-	(3,059)
Net assets disposed of	<u>-</u>	<u>202</u>	<u>-</u>	<u>45,866</u>
The aggregate cash inflow arising from the disposal of subsidiaries were:				
Net assets disposed of	-	202	-	45,866
- Reclassification of currency translation reserve	-	(23)	-	1,292
- Reclassification of revaluation reserve	-	-	-	(220)
	<u>-</u>	<u>179</u>	<u>-</u>	<u>46,938</u>
Gain on disposal	-	261	8	41,142
Total sale consideration, net of transaction costs	-	440	8	88,080
Less: Investment in associate	-	-	-	(45,338)
Less: Cash and cash equivalents in subsidiary disposed of	-	(2)	-	(8,237)
Less: Sale consideration received, net	-	-	-	(486)
Add: Professional fees payable, net	-	44	-	159
Net cash inflow on disposal of subsidiaries	<u>-</u>	<u>482</u>	<u>8</u>	<u>34,178</u>



NSL LTD

(Reg. no.: 196100107C)

Analysis of consolidated statement of cash flows

3Q-2016

The Group generated S\$11.0 mil of operating cash flow in 3Q-2016 as compared to S\$11.2 mil in 3Q-2015. The decrease in operating cash flow was due mainly to lower profit for the period.

Net cash used in investing activities in 3Q-2016 was significantly lower at S\$1.0 mil compared to S\$11.7m in 3Q-2015 attributable mainly to lower capital expenditures.

A total of S\$0.5 mil (3Q-2015: S\$5.2 mil) was generated from financing activities in 3Q-2016. The decrease compared to the corresponding period last year was due largely to lower proceeds from borrowings.

Overall, the Group recorded a net cash inflow of S\$10.5 mil for 3Q-2016, against S\$4.7 mil in 3Q-2015. Group cash and cash equivalent stood at S\$327.2 mil as of 30 September 2016.

9M-2016

The Group generated a positive operating cash flow of S\$25.1 mil in 9M-2016 as compared to S\$24.5 mil in 9M-2015. The increase in operating cash flow was attributable mainly to lower cash outflow from working capital changes.

Net cash used in investing activities in 9M-2016 was S\$13.5 mil against a net cash inflow of S\$16.6m in 9M-2015, as a result of net proceeds from disposal of the lime business received last year.

A total of S\$15.1 mil (9M-2015: S\$25.1 mil) was used in financing activities in 9M-2016. The decrease was due mainly to lower dividends paid to shareholders of the Company.

Overall, the Group recorded a net cash outflow of S\$3.5 mil for 9M-2016 as compared to net cash inflow of S\$16.0 mil in 9M-2015. Group cash and cash equivalent stood at S\$327.2 mil as of 30 September 2016.



NSL LTD

(Reg. no.: 196100107C)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Attributable to owners of the Company						Non-controlling interests S\$'000	Total Equity S\$'000	
	Share Capital S\$'000	Revenue Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Fair Value Reserve S\$'000	Other Reserves S\$'000			Total S\$'000
THE GROUP									
Balance as at 1 January 2016	193,839	378,535	(15,166)	-	2,929	300	560,437	11,007	571,444
Profit for the period	-	14,735	-	-	-	-	14,735	1,006	15,741
Other comprehensive (losses) / income for the period	-	-	(4,074)	-	(550)	-	(4,624)	38	(4,586)
Total comprehensive income / (losses) for the period	-	14,735	(4,074)	-	(550)	-	10,111	1,044	11,155
Dividends paid	-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
Total transactions with owners, recognised directly in equity	-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
Conversion of preference shares	-	2,477	-	-	-	-	2,477	(2,477)	-
Balance as at 30 June 2016	193,839	377,069	(19,240)	-	2,379	300	554,347	9,574	563,921
Profit for the period	-	2,837	-	-	-	-	2,837	637	3,474
Other comprehensive income for the period	-	-	949	-	913	-	1,862	3	1,865
Total comprehensive income for the period	-	2,837	949	-	913	-	4,699	640	5,339
Acquisition of a subsidiary	-	-	-	-	-	-	-	2,006	2,006
Balance as at 30 September 2016	193,839	379,906	(18,291)	-	3,292	300	559,046	12,220	571,266



NSL LTD

(Reg. no.: 196100107C)

	Attributable to owners of the Company							Non-controlling interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Revenue Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Fair Value Reserve S\$'000	Other Reserves S\$'000	Total S\$'000		
THE GROUP									
Balance as at 1 January 2015	193,839	341,486	(11,853)	220	2,479	479	526,650	13,817	540,467
Profit for the period	-	49,514	-	-	-	-	49,514	797	50,311
Other comprehensive (losses) / income for the period	-	-	(3,484)	-	54	-	(3,430)	(139)	(3,569)
Total comprehensive income / (losses) for the period	-	49,514	(3,484)	-	54	-	46,084	658	46,742
Transfer of reserves	-	179	-	-	-	(179)	-	-	-
Dividends paid	-	(29,885)	-	-	-	-	(29,885)	-	(29,885)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(739)	(739)
Total transactions with owners, recognised directly in equity	-	(29,885)	-	-	-	-	(29,885)	(739)	(30,624)
Disposal of subsidiary	-	-	1,315	(220)	-	-	1,095	(3,059)	(1,964)
Balance as at 30 June 2015	193,839	361,294	(14,022)	-	2,533	300	543,944	10,677	554,621
Profit for the period	-	11,206	-	-	-	-	11,206	366	11,572
Other comprehensive income / (losses) for the period	-	-	141	-	260	-	401	(104)	297
Total comprehensive income for the period	-	11,206	141	-	260	-	11,607	262	11,869
Disposal of subsidiary	-	-	(23)	-	-	-	(23)	-	(23)
Balance as at 30 September 2015	193,839	372,500	(13,904)	-	2,793	300	555,528	10,939	566,467

	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
THE COMPANY				
Balance as at 1 January 2016	193,839	265,107	2,608	461,554
Total comprehensive income / (losses) for the period	-	9,520	(543)	8,977
Dividends paid	-	(18,678)	-	(18,678)
Balance as at 30 June 2016	193,839	255,949	2,065	451,853
Total comprehensive (losses) / income for the period	-	(1,039)	936	(103)
Balance as at 30 September 2016	193,839	254,910	3,001	451,750
Balance as at 1 January 2015	193,839	223,696	2,089	419,624
Total comprehensive income for the period	-	20,078	107	20,185
Dividends paid	-	(29,885)	-	(29,885)
Balance as at 30 June 2015	193,839	213,889	2,196	409,924
Total comprehensive income for the period	-	228	257	485
Balance as at 30 September 2015	193,839	214,117	2,453	410,409

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There have been no changes to the issued share capital of the Company since 31 December 2015. There were no outstanding options as at 30 September 2016 (30 September 2015: Nil). The Company did not hold any treasury shares as at 30 September 2016 (30 September 2015: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year:-

	30 September 2016	31 December 2015
Number of issued shares excluding treasury shares	373,558,237	373,558,237

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2016 (30 September 2015: Nil).

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Group's external auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements, except for those disclosed under paragraph 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with the audited financial statements for the year ended 31 December 2015.

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2016.

- FRS 110 Consolidated financial statements and FRS 28 Investments in associates and joint ventures (effective for annual periods beginning on or after 1 January 2016).

These amendments address an inconsistency between FRS 110 and FRS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

- FRS 1 Presentation of financial statements (effective for annual periods beginning on or after 1 January 2016).

This amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

The adoption of the above revised FRS did not have significant impact on the financial statements of the Group for the current financial period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

THE GROUP (Aggregate)	Quarter ended 30 September		9 months ended 30 September	
	2016	2015	2016	2015
	(restated)		(restated)	
(a) Based on the weighted average number of ordinary shares in issue (cents)				
- from continuing operations	0.76	2.93	4.70	5.39
- from discontinued operations	-	0.07	-	10.87
Total (including discontinued operations)	<u>0.76</u>	<u>3.00</u>	<u>4.70</u>	<u>16.26</u>
(b) On fully diluted basis (cents)				
- from continuing operations	0.76	2.93	4.70	5.39
- from discontinued operations	-	0.07	-	10.87
Total (including discontinued operations)	<u>0.76</u>	<u>3.00</u>	<u>4.70</u>	<u>16.26</u>

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	THE GROUP		THE COMPANY	
	30.09.16	31.12.15	30.09.16	31.12.15
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	1.50	1.50	1.21	1.24

The Company does not have any treasury shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Group Overview

	THE GROUP					
	Quarter ended 30 September			9 months ended 30 September		
	2016 S\$'000	2015 S\$'000	Change %	2016 S\$'000	2015 S\$'000	Change %
<u>Continuing Operations</u>						
	(restated)			(restated)		
Group Turnover	102,797	120,882	(15)	321,541	331,131	(3)
Group Profit Before Tax	5,121	13,167	(61)	24,987	25,501	(2)
Group Profit attributable to equity holders of the Company	2,837	10,929	(74)	17,564	20,139	(13)

3Q-2016 vs 3Q-2015

Group turnover in 3Q-2016 was lower compared to the corresponding period last year due to lower contribution from the Precast & PBU and Dry Mix divisions.

Group profit before tax decreased to S\$5.1 mil in 3Q-2016 from S\$13.2 mil previously. Both the Precast & PBU and Dry Mix divisions reported lower profit as a result of the slowdown in construction activities in Singapore. Associate PSLT slipped into an operating loss in this quarter owing to a one-off restructuring cost.

After taking into account income tax and non-controlling interests, the Group reported a profit attributable to equity holders of S\$2.8 mil in 3Q-2016 compared to S\$10.9 mil in 3Q-2015.

9M-2016 vs 9M-2015

Group turnover in 9M-2016 was S\$321.5 mil, 3% lower than the S\$331.1 mil achieved in the previous corresponding period 9M-2015. Lower revenue was reported by the Dry Mix and Environmental Services divisions.

Group Profit before tax decreased 2% to S\$25.0 mil in 9M-2016 as a result of lower performance by Environmental Services and Dry Mix Divisions, as well as operating loss incurred by associate PSLT. This was mitigated by higher contribution reported by Precast & PBU division.

After taking into account income tax and non-controlling interests, the Group reported a profit attributable to equity holders of S\$17.6 mil in 9M-2016 compared to S\$20.1 mil in 9M-2015.

Turnover

Turnover (S\$'mil)	THE GROUP					
	Quarter ended 30 September			9 months ended 30 September		
	2016	2015 (restated)	Change (%)	2016	2015 (restated)	Change (%)
<u>Continuing Operations</u>						
Precast & PBU	54.0	70.0	(23)	181.4	179.0	1
Dry Mix	24.1	28.1	(14)	75.0	81.3	(8)
Environmental Services	19.5	17.3	13	47.6	52.2	(9)
Others	5.2	5.5	(5)	17.5	18.6	(6)
	102.8	120.9	(15)	321.5	331.1	(3)

Turnover of the Precast & PBU division in 3Q-2016 declined by 23% due to lower project volume from its Singapore operation and against an exceptionally strong quarter in 2015 underpinned by a large precast project. Both its operations in Dubai and Finland reported healthy growth.

Sales of the Dry Mix division in 3Q-2016 and 9M-2016 were lower by 14% and 8% respectively, largely due to its operation in Singapore and Hong Kong.

Turnover of the Environmental Services division improved by 13% in 3Q-2016 mainly as a result of the consolidation of a newly acquired subsidiary, CNC. For 9M-2016, it reported a 9% decline year-on-year on the back of a significant drop in average selling prices and sales volume for Recycled Fuel Oil ("RFO").

Attributable profit / (loss) before tax

Attributable profit / (loss) before tax (S\$'mil)	THE GROUP					
	Quarter ended 30 September			9 months ended 30 September		
	2016	2015 (restated)	Change (%)	2016	2015 (restated)	Change (%)
<u>Continuing Operations</u>						
Precast & PBU	5.3	7.8	(32)	17.5	11.5	52
Dry Mix	4.6	6.8	(32)	14.1	16.8	(16)
Environmental Services	(0.5)	(0.5)	-	(2.2)	0.6	n/m
Share of PSLT results	(1.8)	0.7	n/m	(1.6)	0.9	n/m
Others (including unallocated corporate expenses)	(2.5)	(1.6)	56	(2.8)	(4.3)	(35)
	5.1	13.2	(61)	25.0	25.5	(2)

n/m: not meaningful

Precast & PBU

Pre-tax profit declined 32% to S\$5.3 mil in 3Q-2016 due mainly to lower profit from the Singapore Precast operations, and against a strong quarter in 3Q-2015. However, for 9M-2016 it reported a 52% growth in pre-tax profit to S\$17.5m driven by strong profit contribution from its division's overseas operations, on the back of higher revenue and improved operating margins.

Dry Mix

Pre-tax profit of the division decreased by 32% and 16% in 3Q-2016 and 9M-2016 respectively, attributable mainly to lower pre-tax profit by the Singapore operation.

Environmental Services

The division recorded losses of S\$0.5 mil in 3Q-2016 which is comparable with the corresponding period in previous year. For 9M-2016, it suffered a loss of S\$2.2 mil amidst weak RFO demand and depressed RFO price. The operating performance was also adversely impacted by lower contribution from waste management services.



NSL LTD

(Reg. no.: 196100107C)

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 month

The outlook of the precast business in Singapore remains difficult with downward pressure on project margins. However, the overall performance of the Precast & PBU division for the current financial year is expected to remain satisfactory underpinned by healthy order book of its overseas units.

In the Environmental Services division, both the RFO and waste management services businesses are expected to remain weak in line with difficult market conditions. The newly acquired subsidiary, CNC Petroleum, is expected to contribute positively to growth of the division's distribution business.

PSLT is in a better position to weather the challenging market conditions following the restructuring of its operations.

As announced on 5 November 2016, the Group has entered into a sale and purchase agreement to divest its entire equity interest in the Dry Mix business for a cash consideration of approximately S\$159.8 mil ("Divestment"). The Divestment is expected to be completed in the first quarter of 2017 and would result in a one-off divestment gain of approximately S\$107.6 mil.

The Dry Mix division was a significant profit contributor to the Group and had contributed approximately 75% and 56% of the Group Pre-tax profit in FY2015 and 9M-2016 respectively.



NSL LTD

(Reg. no.: 196100107C)

11. Dividend

(a) Current Financial Period Reported On

Any interim / final dividend declared / recommended for the current financial period reported on?
None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the three months ended 30 September 2016.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920.

14. Negative confirmation pursuant to Rule 705(5)

Please see confirmation below on page 22.

15. Confirmation that issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).



NSL LTD

(Reg. no.: 196100107C)

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable.

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

- 18. A breakdown of sales**

Not applicable.

- 19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable.

- 20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

Not applicable.

CONFIRMATION BY THE BOARD

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results for the nine months ended 30 September 2016 to be false or misleading.

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
11 November 2016



NSL LTD

(Reg. no.: 196100107C)

This release may contain forward-looking statements which may be identified by phrases that the Company or Management or Directors “expects”, “believes” “anticipates” “foresees” or “forecasts”. These forward-looking statements, if any, are based on current expectations and assumptions that are subject to risks and uncertainties. Actual performance, outcome or financial results post the date of this release may differ materially from those expressed in this release. Some factors that may affect the actual performance of the NSL Ltd and its group of companies may include, without limitation, political, economic, geographical, climatic and social conditions in the countries where the NSL Ltd and its group of companies, its customers or its suppliers operate; armed conflict or the effects of terrorist activities or war, acts of God, tsunami, earthquake, natural disasters, floods, effects of global climatic change in any part of the world which may cause disruption in manufacture, supply (availability and costs) of raw or intermediate materials, power, water, fuel, crude oil, import, export, transportation network necessary for the acquisition and supply of goods and services or financial markets; currency fluctuations; fluctuations in the price of raw materials, power, water, fuel, crude oil or demand for natural rubber; volatility of financial markets; general industry conditions, interest rate trends, cost of borrowings and capital availability, intense competition from other companies and venues for the production, sale/distribution of goods and services of the NSL Ltd and its group of companies, changes in industry or market capacity or demands; obsolete inventory, market acceptance or rejection of new goods and services, continued market acceptance of existing goods and services of the NSL Ltd and its group of companies; risk of unanticipated increased costs of power, oil, fuel, crude oil or utilities to operate its various plants; continued ability of NSL Ltd and its group of companies to retain market size and competitiveness for its goods and services; the effect of changes to policies /regulations whether or not resulting in imposition or lifting of anti-dumping duties in countries which the NSL Ltd and its group of companies operate, industrial accident(s) in any facility(ies) of NSL Ltd and its group of companies and their effects; unavailability of insurance, adverse results on litigation or debt recovery, implementation of operating cost structure that is aligned with revenue growth; SARS, bird flu, killer pig disease and their effects; coup d’etat, civil unrest, civil uprisings, revolutions, demonstrations, protests in any part of the world where NSL Ltd and its group of companies operate; any factor which may cause revenues and income to fall short of anticipated levels; ability to develop manufacture and market products and services in a rapidly changing environment; management retention and succession; changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. This statement only relates to information available as at the date of release and you are cautioned to seek professional advice from your stock broker, solicitor, accountant or other professional adviser if you are in any doubt as to the meaning of anything herein.