



NSL LTD

(Reg. no.: 196100107C)

Second 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

	Notes	THE GROUP					
		Quarter ended 30 June			6 months ended 30 June		
		2014	2013	Change	2014	2013	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales		129,905	126,262	3	253,654	239,231	6
Cost of sales		(108,795)	(104,529)	4	(211,806)	(198,703)	7
Gross profit		21,110	21,733	(3)	41,848	40,528	3
Other income		1,278	1,333	(4)	3,159	2,836	11
Distribution costs		(5,590)	(5,358)	4	(10,776)	(10,496)	3
Administrative expenses		(10,930)	(9,992)	9	(22,910)	(20,246)	13
Other expenses		(586)	(490)	20	(1,346)	(1,082)	24
Finance costs		(469)	(391)	20	(888)	(770)	15
Share of results of associated companies, net of tax		(205)	2,013	n/m	(317)	13,048	n/m
Profit before taxation and exceptional items	1	4,608	8,848	(48)	8,770	23,818	(63)
Exceptional items	2	-	(2,315)	n/m	9,957	(600)	n/m
Profit before taxation		4,608	6,533	(29)	18,727	23,218	(19)
Taxation	3	(1,109)	(2,257)	(51)	(2,478)	(4,559)	(46)
Total profit for the period		3,499	4,276	(18)	16,249	18,659	(13)
Profit / (loss) attributable to:							
Equity holders of the Company		3,263	4,421	(26)	16,097	18,942	(15)
Non-controlling interests		236	(145)	n/m	152	(283)	n/m
		3,499	4,276	(18)	16,249	18,659	(13)
Earnings per ordinary share attributable to the equity holders of the Company:							
- Basic and fully diluted (cents)		0.87	1.18	(26)	4.31	5.07	(15)

n/m: not meaningful

Comments on Income Statement

- a) Other income
The increase in other income in 1H-2014 was due mainly to an increase in interest income due to higher Group bank balances and higher fair value gain of derivative financial instruments recorded in 1H-2014 as compared to 1H-2013.
- b) Administrative expenses
The increase in administrative expense in 1H-2014 was mainly due to higher staff costs and higher allowance for impairment of trade receivables.
- c) Other expenses
The increase in other expenses was due mainly to higher foreign exchange loss recorded in 1H-2014 as compared to 1H-2013.
- d) Share of results of associated companies
The decrease in share of results of associated companies in 2Q-2014 and 1H-2014 was due to the absence of share of profit contribution from Bangkok Synthetics Co. Ltd ("BST"). The Group's interest in BST was divested in December 2013.
- e) Taxation
Tax expense for 2Q-2014 and 1H-2014 were lower as compared to the corresponding periods in the previous year due mainly to lower profits before tax. The effective tax rate of the Group in 2Q-2014 was higher than the Singapore corporate tax rate due mainly to losses incurred by certain subsidiaries which could not be set off against the profits earned by other subsidiaries in the Group. For 1H-2014, the effective tax rate of the Group was lower than the Singapore corporate tax rate due mainly to the exceptional gain recorded during the period being not subject to tax.

Notes to the Income Statement

Note 1 – Profit before taxation and exceptional items is arrived at after (charging) / crediting the following items:

	THE GROUP			
	Quarter ended		6 months ended	
	30 June		30 June	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Dividend income	-	2	-	2
Interest income	617	154	1,372	358
Amortisation of intangible assets	(105)	(100)	(186)	(192)
Depreciation of property, plant and equipment and investment properties	(5,080)	(4,763)	(9,588)	(9,347)
Foreign exchange (loss) / gain, net	(451)	801	(1,158)	1,300
Fair value gain / (loss) of derivative financial instruments	222	(509)	652	(975)
(Write down) / reversal of write-down of inventories, net	(1,602)	156	(2,019)	(410)
(Allowance) / write back of allowance for impairment of trade receivables and bad debts written off, net	(71)	41	(1,277)	(289)
Gain / (loss) on disposal of property, plant and equipment, net	133	(18)	146	428
Amortisation of deferred income	45	52	92	97

Note 2 – Exceptional items

	THE GROUP			
	Quarter ended		6 months ended	
	30 June		30 June	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Translation loss released to profit or loss upon liquidation of a subsidiary and repayment of quasi-equity loans from a subsidiary	-	(2,594)	-	(2,594)
Gain on disposal of property, plant and equipment following business cessation of a subsidiary	-	146	-	1,842
Gain on disposal of available-for-sale financial assets and other assets	-	133	-	152
Gain on disposal of a subsidiary holding an associated company*	-	-	9,957	-
Net (loss) / gain	-	(2,315)	9,957	(600)

*Gain on disposal of a subsidiary holding an associated company

In FY2013, the Group, through its wholly-owned subsidiary, NSL Chemicals Ltd ("NSC"), entered into a conditional share purchase agreement (the "Agreement") to dispose of the entire issued and paid-up share capital of NSL Chemicals (Thailand) Pte Ltd ("NSCT"), which holds a 22.83% shareholding in Bangkok Synthetics Co., Ltd ("BST") to SCG Chemicals Co., Ltd, ("SCG Chemicals") for an initial cash consideration of S\$311.2 mil and Contingent Consideration (as defined below).

In accordance with the Agreement, SCG Chemicals is obliged to pay NSC the insurance compensation (net of tax) received by BST and its subsidiaries during the period between 1 October 2013 and 31 December 2017 ("Insurance Claim Proceeds"), pursuant to insurance claims made in relation to the fire incident on 5 May 2012. SCG Chemicals shall pay NSC an amount equivalent to NSCT's previous proportionate share of BST ("Contingent Consideration"). Contingent Consideration totalling S\$17.4 mil was received and recognised in FY2013 upon completion of the sale.

Additional Contingent Consideration of about S\$10.0 mil recognised in the first quarter of 2014 ("1Q-2014") based on the Group's share of insurance compensation (net of tax) received by BST and its subsidiaries in 1Q-2014. The amount was received during 2Q-2014 and constituted the final settlement of the Contingent Consideration under the Agreement.

Note 3 – Taxation

	THE GROUP			
	Quarter ended		6 months ended	
	30 June		30 June	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Taxation charge for the financial period comprises:				
- current period taxation	1,050	1,903	2,446	4,292
- under provision of prior years	59	354	32	267
	1,109	2,257	2,478	4,559

Statement of Comprehensive Income for First Quarter ended 30 June 2014

	THE GROUP			
	Quarter ended		6 months ended	
	30 June		30 June	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Total profit for the period	3,499	4,276	16,249	18,659
Other comprehensive income:				
Exchange differences on translating foreign operations				
- (Losses) / gains arising during the period	(94)	(4,250)	(851)	7,898
- Reclassification	-	2,594	-	2,594
Available-for-sale financial assets				
- Gains arising during the period	180	528	610	1,424
- Reclassification	-	(133)	-	(133)
Share of other comprehensive income of associate	-	(312)	-	(1,027)
Income tax relating to components of other comprehensive income	3	86	3	(15)
Other comprehensive income for the period, net of tax	89	(1,487)	(238)	10,741
Total comprehensive income for the period	3,588	2,789	16,011	29,400
Total comprehensive income attributable to:				
Equity holders of the Company	3,312	2,975	15,841	29,696
Non-controlling interests	276	(186)	170	(296)
	3,588	2,789	16,011	29,400

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

	THE GROUP		THE COMPANY	
	30.06.14	31.12.13	30.06.14	31.12.13
	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	193,839	193,839	193,839	193,839
Reserves	324,933	495,871	194,223	376,302
Shareholders' equity	518,772	689,710	388,062	570,141
Non-controlling interests	12,577	12,932	-	-
Total equity	531,349	702,642	388,062	570,141
Current Assets				
Inventories	91,077	92,840	-	-
Receivables and prepayments	150,411	141,571	31,720	34,740
Tax recoverable	1,993	1,643	-	-
Cash and bank balances	288,135	459,401	182,706	354,003
	531,616	695,455	214,426	388,743
Non-Current Assets				
Property, plant and equipment	162,645	163,500	286	269
Investment properties	8,334	8,420	-	-
Subsidiaries	-	-	70,390	70,390
Associated companies	5,509	5,795	-	-
Long term receivables and prepayments	1,579	1,907	118,842	120,200
Available-for-sale financial assets	10,074	9,465	9,542	8,925
Intangible assets	9,952	9,672	-	-
Deferred tax assets	2,115	1,515	-	-
Other non-current assets	116	119	-	-
	200,324	200,393	199,060	199,784
Total Assets	731,940	895,848	413,486	588,527
Current Liabilities				
Short term borrowings	(25,886)	(28,049)	-	-
Trade and other payables	(146,268)	(135,722)	(25,255)	(18,287)
Provision for other liabilities and charges	(2,151)	(2,349)	-	-
Taxation	(3,728)	(3,257)	(72)	-
Deferred income	(213)	(258)	-	-
	(178,246)	(169,635)	(25,327)	(18,287)
Non-Current Liabilities				
Provision for retirement benefits	(1,804)	(1,691)	-	-
Deferred tax liabilities	(5,642)	(5,520)	(97)	(99)
Long term borrowings	(13,259)	(14,686)	-	-
Deferred income	(1,640)	(1,674)	-	-
	(22,345)	(23,571)	(97)	(99)
Total Liabilities	(200,591)	(193,206)	(25,424)	(18,386)
Net Assets	531,349	702,642	388,062	570,141

Explanatory notes on consolidated balance sheet

- a) Receivables and prepayments
The increase in receivables and prepayment was due mainly to higher trade and other receivables from increased project volume from the Construction Products division's Malaysian Precast operation during the quarter.
- b) Cash and bank balances
The decrease in cash and bank balances was mainly due to the payment of FY2013 final and special dividend of S\$186.8m in May 2014.
- c) Borrowings
The decrease in amount was due to repayment of borrowings, mainly by the Construction Products division.
- d) Trade and other payables
The increase in trade and other payables was due mainly to higher project accruals as a result of increased project volume and higher advanced billing for materials of the Construction Products division's Malaysian Precast operation during the quarter.

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 June 2014		As at 31 December 2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
22,688	3,198	24,141	3,908

Amount repayable after one year

As at 30 June 2014		As at 31 December 2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
13,259	-	14,686	-

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\$27,473,000 (31 December 2013: S\$29,132,000) 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

	THE GROUP			
	Quarter ended		6 months ended	
	30 June		30 June	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit for the financial period	3,499	4,276	16,249	18,659
<i>Adjustments for:</i>				
Taxation	1,109	2,257	2,478	4,559
Depreciation and amortisation	5,140	4,811	9,682	9,442
Interest expense	469	391	888	770
Interest income	(617)	(154)	(1,372)	(358)
Dividend income	-	(2)	-	(2)
Provision for retirement benefits (net)	123	69	204	159
Share of results of associated companies, net of tax	205	(2,013)	317	(13,048)
Exceptional items	-	2,315	(9,957)	600
Exchange differences and other adjustments	55	(25)	85	(736)
<i>Operating cash flows before working capital changes</i>	<u>9,983</u>	<u>11,925</u>	<u>18,574</u>	<u>20,045</u>
<i>Changes in working capital</i>				
Inventories	946	(16,098)	1,763	(32,744)
Receivables and prepayments	(5,156)	(10,883)	(8,898)	(17,890)
Deferred income	8	39	13	53
Trade and other payables	<u>9,299</u>	<u>14,164</u>	<u>10,013</u>	<u>26,411</u>
<i>Cash generated from / (used in) operations</i>	<u>15,080</u>	<u>(853)</u>	<u>21,465</u>	<u>(4,125)</u>
Income taxes paid	(1,669)	(1,614)	(2,735)	(3,058)
Retirement benefits paid	<u>(22)</u>	<u>(66)</u>	<u>(77)</u>	<u>(77)</u>
Net cash generated from / (used in) operating activities	<u>13,389</u>	<u>(2,533)</u>	<u>18,653</u>	<u>(7,260)</u>
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	226	1,977	297	2,678
Proceeds from sale of available-for-sale financial assets and other assets	5	133	5	211
Net cash inflow from disposal of a subsidiary	9,895	-	9,895	-
Purchases of property, plant and equipment	(5,886)	(6,975)	(9,425)	(12,719)
Purchases of intangible assets	(275)	(138)	(482)	(294)
Interest received	1,052	299	1,397	478
Dividends received from associated companies	-	-	-	11,207
Dividends received from available-for-sale financial assets	-	2	-	2
Proceeds from repayment of loan from an associated company	<u>370</u>	<u>-</u>	<u>370</u>	<u>-</u>
Net cash generated from / (used in) investing activities	<u>5,387</u>	<u>(4,702)</u>	<u>2,057</u>	<u>1,563</u>

	THE GROUP			
	Quarter ended		6 months ended	
	30 June		30 June	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Proceeds from borrowings	6,708	10,452	13,345	19,460
Repayments of borrowings	(8,184)	(4,271)	(17,249)	(5,087)
Finance leases and hire purchases	(346)	21	(594)	91
Interest paid	(448)	(329)	(890)	(705)
Deposits pledged	-	12	-	12
Dividends paid to shareholders	(186,779)	(37,356)	(186,779)	(37,356)
Dividends paid to non-controlling interests	(525)	(518)	(525)	(518)
Net cash used in financing activities	(189,574)	(31,989)	(192,692)	(24,103)
Net decrease in cash and cash equivalents	(170,798)	(39,224)	(171,982)	(29,800)
Cash and cash equivalents at beginning of period	454,397	141,338	455,666	131,860
Effects of exchange rate changes on cash and cash equivalents	(107)	408	(192)	462
Cash and cash equivalents at end of period	283,492	102,522	283,492	102,522
Cash and cash equivalents at end of period comprise:				
- Cash and bank balances	288,135	106,218	288,135	106,218
- Less: bank deposits pledged	(2,355)	(2,458)	(2,355)	(2,458)
- Less: bank overdrafts	(2,288)	(1,238)	(2,288)	(1,238)
	283,492	102,522	283,492	102,522



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Analysis of consolidated statement of cash flows

2Q-2014

The Group generated a positive operating cash flow of S\$13.4 mil in 2Q-2014 as compared to cash outflow of S\$2.5 mil in the corresponding period last year. The higher operating cash flow was mainly attributable to lower cash outflows from working capital changes as compared to 2Q-2013.

Net cash inflow from investing activities in 2Q-2014 was S\$5.4 mil, mainly from final proceeds of S\$9.9 mil received from disposal of a subsidiary holding an associated company (Group's share of insurance compensation received by BST and its subsidiaries), partially offset by purchases of property, plant and equipment.

The Group recorded a cash outflow of S\$190.0 mil from financing activities in 2Q-2014 due mainly to payments of FY2013 final and special dividends to shareholders.

Overall, the Group recorded a net cash outflow of S\$170.8 mil in 2Q-2014 as compared to S\$39.2 mil in the same period last year. Group cash and cash equivalent stood at S\$283.5 mil as of 30 June 2014.

1H-2014

The Group generated S\$18.7 mil of operating cash flow in 1H-2014 as compared to cash outflow of S\$7.3 mil in 1H-2013. The higher operating cash flow was mainly attributable to higher cash inflow from working capital improvement in 1H-2014 as compared to 1H-2013.

Net cash inflow generated from investing activities in 1H-2014 was S\$2.1 mil mainly from final proceeds of S\$9.9 mil received from disposal of a subsidiary holding an associated company (Group's share of insurance compensation received by BST and its subsidiaries), partially offset by purchases of property, plant and equipment.

A total of S\$192.7 mil (1H-2013: S\$24.1 mil) was used in financing activities in 1H-2014, mainly for the payment of FY2013 final and special dividends to shareholders.

Overall, the Group recorded a net cash outflow of S\$172.0 mil for 6 months ended 30 June 2014 as compared to S\$29.8 mil in the same period last year.



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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	Total Equity
	Share Capital	Revenue Reserve	Translation Reserve	Revaluation Reserve	Fair Value Reserve	Other Reserves	Total	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
THE GROUP								
Balance as at 1 January 2014	193,839	501,658	(11,191)	1,946	3,024	434	689,710	702,642
Total comprehensive income for the period	-	12,834	(735)	-	430	-	12,529	12,423
Balance as at 31 March 2014	193,839	514,492	(11,926)	1,946	3,454	434	702,239	715,065
Dividends paid	-	(186,779)	-	-	-	-	(186,779)	(186,779)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	(525)	(525)
Total comprehensive income for the period	-	3,263	(134)	-	183	-	3,312	3,588
Balance as at 30 June 2014	193,839	330,976	(12,060)	1,946	3,637	434	518,772	531,349
Balance as at 1 January 2013	193,839	390,484	(30,720)	1,946	19,527	330	575,406	589,036
Total comprehensive income for the period	-	14,521	12,120	-	80	-	26,721	26,611
Balance as at 31 March 2013	193,839	405,005	(18,600)	1,946	19,607	330	602,127	615,647
Dividends paid	-	(37,356)	-	-	-	-	(37,356)	(37,356)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	(518)	(518)
Total comprehensive income for the period	-	4,421	(1,615)	-	169	-	2,975	2,789
Balance as at 30 June 2013	193,839	372,070	(20,215)	1,946	19,776	330	567,746	580,562

	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
THE COMPANY				
Balance as at 1 January 2014	193,839	373,646	2,656	570,141
Total comprehensive income for the period	-	389	420	809
Balance as at 31 March 2014	193,839	374,035	3,076	570,950
Dividends paid	-	(186,779)	-	(186,779)
Total comprehensive income for the period	-	3,692	199	3,891
Balance as at 30 June 2014	193,839	190,948	3,275	388,062
Balance as at 1 January 2013	193,839	66,184	3,346	263,369
Total comprehensive income for the period	-	10,071	843	10,914
Balance as at 31 March 2013	193,839	76,255	4,189	274,283
Dividends paid	-	(37,356)	-	(37,356)
Total comprehensive income for the period	-	498	364	862
Balance as at 30 June 2013	193,839	39,397	4,553	237,789

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 March 2014.
There were no outstanding options as at 30 June 2014 (30 June 2013: Nil).
The Company did not hold any treasury shares.

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 June 2014	31 December 2013
Number of issued shares excluding treasury shares	373,558,237	373,558,237



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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 June 2014 (31 December 2013: Nil).

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

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 2013, except for the adoption of new and revised Singapore Financial Reporting Standards (FRS) applicable for the financial period beginning 1 January 2014 as disclosed below.

FRS 110 – Consolidated Financial Statements

FRS 111 – Joint Arrangements

FRS 112 – Disclosures of Interest in Other Entities

Amendments to FRS 107 Disclosures and FRS 32 – Offsetting of Financial Assets and Financial Liabilities

Amendments to FRS 36 – Recoverable Amount Disclosures for Non- Financial Asset

The adoption of the above new and 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 June		6 months ended 30 June	
	2014	2013	2014	2013
Based on the weighted average number of ordinary shares in issue (cents)				
- Excluding exceptional items	0.87	1.80	1.64	5.23
- Including exceptional items	0.87	1.18	4.31	5.07
(b) On fully diluted basis (cents)				
- Excluding exceptional items	0.87	1.80	1.64	5.23
- Including exceptional items	0.87	1.18	4.31	5.07

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	
	30.06.14	31.12.13	30.06.14	31.12.13
	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	1.39	1.85	1.04	1.53

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 June			6 months ended 30 June		
	2014 S\$'000	2013 S\$'000	Change %	2014 S\$'000	2013 S\$'000	Change %
Group Turnover	129,905	126,262	3	253,654	239,231	6
Group Profit Before Tax (excluding BST and exceptional items)	4,608	6,260	(26)	8,770	10,071	(13)
Share of BST results	-	2,588	n/m	-	13,747	n/m
Group Profit Before Tax (excluding exceptional items)	4,608	8,848	(48)	8,770	23,818	(63)
Exceptional Items	-	(2,315)	n/m	9,957	(600)	n/m
Group Profit attributable to equity holders of the Company	3,263	4,421	(26)	16,097	18,942	(15)

n/m: not meaningful

2Q-2014 vs 2Q-2013

Group turnover in 2Q-2014 was S\$129.9 mil compared to S\$126.3 mil in the previous corresponding period 2Q-2013. The 3% increase in turnover was achieved from increases in revenue from the Environmental Services and Engineering divisions.

The Group recorded a profit before tax of S\$4.6 mil in 2Q-2014 compared to S\$8.8 mil in 2Q-2013. The decline was largely due to the absence of share of profits from BST in 2Q-2014 as against a profit contribution of S\$2.6 mil in 2Q-2013. BST was disposed of in December last year.

Excluding BST, Group pre-tax profit was 26% lower in 2Q-2014 at S\$4.6 mil compared to S\$6.3 mil 2Q-2013, due to lower contribution from the Construction Products division, mitigated by a stronger performance by the Engineering division.

After taking into account income tax and exceptional items, the Group reported a profit attributable to equity holders of S\$3.3 mil in 2Q-2014 compared to S\$4.4 mil in 2Q-2013 (refer to Note 2 to the Income Statement for breakdown of exceptional items).

1H-2014 vs 1H-2013

Group turnover in 1H-2014 was S\$253.7 mil compared to S\$239.2 mil in the previous corresponding period 1H-2013. The 6% increase in turnover was attributable to increases in revenue from the Engineering, Environmental Services and Construction Products divisions.

Similar to Q2-2014, Group PBT was 63% lower in 1H-2014 as compared to 1H-2013 due to the absence of profit contribution from BST. Excluding BST, Group pre-tax profit was 13% lower in 1H-2014 at S\$8.8 mil compared to S\$10.1 mil 1H-2013, due to lower contribution from the Construction Products division, mitigated by a stronger performance by the Engineering division.

After taking into account income tax and exceptional items, the Group reported a profit attributable to equity holders of S\$16.1 mil in 1H-2014 compared to S\$18.9 mil in 1H-2013 (refer to Note 2 to the Income Statement for breakdown of exceptional items).

Turnover

Turnover (S\$'mil)	Quarter ended 30 June			6 months ended 30 June		
	2014	2013	Change (%)	2014	2013	Change (%)
Construction Products Division	79.4	80.0	(1)	152.4	150.0	2
Environmental Services Division	23.1	20.3	14	45.6	40.9	11
Engineering Division	14.0	11.7	20	27.2	19.1	42
Chemicals Division	9.6	10.5	(9)	20.5	21.2	(3)
Others	3.8	3.8	-	8.0	8.0	-
	129.9	126.3	3	253.7	239.2	6

Construction Products

Turnover of the Construction Products division in 2Q-2014 was flat as compared to 2Q-2013 and increased 2% in 1H-2014. Higher revenue was reported by the dry mix business across the region, its pre-fabricated bathroom operation in Finland, as well as the precast operations in Malaysia and Dubai on the back of higher project volume. However, the precast operation in Singapore reported significantly lower revenue due to lower project volume.

Environmental Services

Turnover of the Environmental Services division increased by 14% and 11% in 2Q-2014 and 1H-2014 respectively, driven primarily by sales volume growth of its automotive diesel oil ("ADO") business. The revenue increase for 2Q-2014 was partly contributed by healthy volume growth of the division's recycled fuel oil ("RFO") operation compared to the same period last year.

Engineering

Turnover of the Engineering division rose by 20% and 42% in 2Q-2014 and 1H-2014 respectively, on the back of higher spreader deliveries.

Chemicals

Turnover of the Chemicals division decreased by 9% and 3% in 2Q-2014 and 1H-2014 respectively, due to lower sales from Lime and Refractory operations, partially compensated by higher sales from its Road stone business.

Attributable profit / (loss) before tax and exceptional items

Attributable profit / (loss) before tax and exceptional items (S\$'mil)	Quarter ended 30 June			6 months ended 30 June		
	2014	2013	Change (%)	2014	2013	Change (%)
Profit / (loss) before tax and exceptional items						
Construction Products Division	1.3	4.3	(70)	1.5	6.1	(75)
Environmental Services Division	2.0	2.0	-	4.4	4.4	-
Engineering Division	2.4	1.5	60	3.9	1.6	144
Chemicals Division excluding BST	0.4	0.6	(33)	1.5	1.9	(21)
Chemicals Division - BST	-	2.6	n/m	-	13.7	n/m
Others (including unallocated corporate expenses)	(1.5)	(2.2)	(32)	(2.5)	(3.9)	(36)
	4.6	8.8	(48)	8.8	23.8	(63)

n/m: not meaningful

Construction Products

The division's dry mix operations reported improved pre-tax performance on the back of higher sales volume. However, for the overall Construction Products division, pre-tax profit decreased by 70% and 75% in 2Q-2014 and 1H-2014 respectively, due primarily to lower pre-tax performances from the division's precast operations in Singapore and Malaysia. The performance of the Singapore operation was lower due to lower sales and higher production costs. In Malaysia, the performance of the precast operation was adversely impacted due to higher cost associated with project delays.

Environmental Services

Pre-tax profits for 2Q-2014 and 1H-2014 were comparable to the corresponding periods in the previous year. Higher gross profits, mainly contributed by the division's ADO business on the back of volume and revenue growth, were offset by increased operating costs.

Engineering

Riding on the back of higher turnover from increased sales volume of spreaders, pre-tax profit of the Engineering division rose by 60% and 144% in 2Q-2014 and 1H-2014 respectively.

Chemicals excluding BST

Pre-tax profit for the division decreased by 33% and 21% in 2Q-2014 and 1H-2014 respectively. Performance of the division's Malaysian Lime operation was affected by a fire incident at one of its kilns in May'14. Production disruption at the affected kiln resulted in lower lime production and impacted operating margins in 2Q-2014. Repair and maintenance work for the affected kiln was completed in mid-Jul'14 and production has resumed since early Aug'14. Discussions with insurers for insurance compensation are ongoing.

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

In the Construction products division, the performances of the dry mix business (E-MIX) and prefabricated unit bathroom operation in Finland (Parmarine) are expected to remain satisfactory underpinned by healthy demand. The division expanded its dry mix production capacities by investing in two additional production lines in its Seelong plant in Malaysia and the newly added facilities are expected to commence production in 3Q2014. Efforts have been stepped-up to promote the prefabricated unit bathroom business in Singapore and in the region.

However, the division's precast business across the region will continue to face challenging operating conditions due to risks associated with project execution as well as higher operating costs.

In the Environmental Services division, demand for automotive diesel oil and logistic services is expected to remain firm. However, the fluctuating oil price would have a significant impact on the operating margins of its recycled fuel oil business.

Engineering division's turnover is expected to remain satisfactory. The division will continue its marketing efforts on the new range of products such as RAM revolvers to broaden its customer base.

In the Chemicals division, business conditions in our key markets are expected to remain competitive. Performance of the division in the third quarter would be affected by lower production volume as one of its lime kilns was shut down for repair and maintenance work since May'14. Kiln production has only resumed in early August 14.



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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

Name of Dividend

Dividend Type

Dividend amount per share

Tax Rate

Date paid

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

Name of Dividend

Dividend Type

Dividend amount per share

Tax Rate

Date paid

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the three months ended 30 June 2014.

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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. 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.



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15. 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.

16. A breakdown of sales

Not applicable.

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

Not applicable.

	Latest Full Year (2014) S\$'000	Previous Full Year (2013) S\$'000
Ordinary		
Preference		
Total:		

18. 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 three months ended 30 June 2014 to be false or misleading.

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
12 August 2014



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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.