



NSL LTD

(Reg. no.: 196100107C)

Half Year Financial Statements Announcement

The Company announces the condensed interim consolidated financial statements for the 6 months ended 30 June 2022.

A(i) Condensed Interim Consolidated Income Statement for the 6 months ended 30 June 2022

<u>THE GROUP</u>				
6 months ended 30 June				
Note	2022 S\$'000	2021 S\$'000	Change %	
Sales	4	174,914	125,778	39
Cost of sales		(152,493)	(109,827)	39
Gross profit	(i)	22,421	15,951	41
Other income				
- Interest	(ii)	697	952	(27)
- Others	(ii)	1,591	1,876	(15)
Other gains and losses	5.2	733	(954)	n/m
Distribution costs		(3,662)	(3,749)	(2)
Administrative expenses		(13,582)	(13,139)	3
(Loss)/Write-back of allowance on trade receivables, net		(825)	262	n/m
Finance costs	6.2	(711)	(743)	(4)
Share of results of associated companies, net of tax	(iii)	1,300	(3,496)	n/m
Profit/(loss) before income tax	6	7,962	(3,040)	(362)
Income tax expense	(iv)	(2,078)	(1,055)	97
Total profit/(loss) for the financial period		5,884	(4,095)	(244)
Profit/(loss) attributable to:				
Equity holders of the Company		5,846	(3,651)	n/m
Profit/(loss) attributable to non-controlling interest:		38	(444)	n/m
		5,884	(4,095)	n/m
 Basic and fully diluted earnings per share (cents)				
		1.56	(0.98)	n/m

n/m: not meaningful

A(ii) Condensed Interim Consolidated Statement of Comprehensive Income for the 6 months ended 30 June 2022

	THE GROUP		
	6 months ended 30 June		
	2022	2021	Change
	S\$'000	S\$'000	%
Total profit/(loss) for the financial period	5,884	(4,095)	n/m
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Exchange differences on translating foreign operations			
- Losses arising during the period	(3,492)	(999)	250
Share of other comprehensive (loss)/income of associated companies	(351)	384	n/m
	(3,843)	(615)	525
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Fair value (loss)/gain arising from financial assets at FVOCI*	(277)	100	n/m
Exchange differences on translating foreign operations			
- Losses arising during the period	(92)	(64)	44
Other comprehensive loss for the period, net of tax	(4,212)	(579)	627
Total comprehensive income/(loss) for the period, net of tax	1,672	(4,674)	(136)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	1,726	(4,166)	n/m
Non-controlling interests	(54)	(508)	(89)
	1,672	(4,674)	(136)

*Financial assets measured at fair value through other comprehensive income

Notes to the Group's Income Statement:**(i) Gross profit**

The increase in gross profit was mainly attributed to higher sales and improved gross profit margin from the precast operations in Malaysia and Dubai.

(ii) Other income

The decrease in interest income was due to smaller average bank deposit balances in 1H-2022. The decrease in other income ("Others") was mainly due to government support grants received by the Singapore entities in 1H-2021. There was no such grant received in 1H-2022.

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

The improved performance was mainly attributable to associate company, Salzgitter Maschinenbau AG ("SMAG"), of which the Group owns 25.5% non-controlling equity stake.

(iv) Income tax expense

The Group incurred a higher net tax charge in 1H-2022 due mainly to higher profit earned by the Group as compared to 1H-2021.

B Condensed Interim Statements of Financial Position as at 30 June 2022

	Note	THE GROUP		THE COMPANY	
		As at	As at	As at	As at
		30.06.22	31.12.21	30.06.22	31.12.21
		S\$'000	S\$'000	S\$'000	S\$'000
Equity					
Share capital	15	193,839	193,839	193,839	193,839
Reserves		270,180	287,203	111,514	131,166
Shareholders' equity		464,019	481,042	305,353	325,005
Non-controlling interests		(4,575)	(4,357)	-	-
Total equity		459,444	476,685	305,353	325,005
Current Assets					
Inventories	(i)	61,155	52,978	-	-
Receivables, prepayments and other current assets	(ii)	110,403	76,001	32,392	12,836
Tax recoverable		943	961	-	-
Cash and bank balances	(iii)	239,339	274,511	169,308	209,581
		411,840	404,451	201,700	222,417
Assets of disposal group classified as held-for-sale		-	1,269	-	-
		411,840	405,720	201,700	222,417
Non-Current Assets					
Property, plant and equipment	11	106,470	108,460	250	270
Right-of-use assets		32,728	32,032	697	845
Investments in subsidiaries		-	-	85,232	85,232
Investments in associated companies		45,602	46,320	-	-
Long term receivables and prepayments		478	467	63,973	64,365
Financial assets, at FVOCI*	10, (iv)	1,361	1,639	1,070	1,348
Other investments at amortised cost	(v)	1,755	517	1,755	517
Intangible assets	12	9,578	9,503	-	-
Deferred tax assets		2,516	2,607	-	-
Other non-current assets		237	239	-	-
		200,725	201,784	152,977	152,577
Total Assets		612,565	607,504	354,677	374,994
Current Liabilities					
Borrowings	13, (vi)	(11,294)	(16,365)	-	-
Trade, other payables and other current liabilities	(vii)	(100,647)	(71,515)	(38,857)	(39,480)
Lease liabilities	(viii)	(2,498)	(2,943)	(281)	(277)
Current income tax liabilities	(ix)	(1,319)	(136)	(79)	-
Deferred income		(41)	(29)	-	-
		(115,799)	(90,988)	(39,217)	(39,757)
Liabilities directly associated with disposal group classified as held-for-sale		-	(87)	-	-
		(115,799)	(91,075)	(39,217)	(39,757)
Non-Current Liabilities					
Provision for retirement benefits		(3,821)	(3,420)	-	-
Deferred tax liabilities		(1,975)	(2,012)	(37)	(20)
Borrowings	13, (vi)	(16,620)	(18,120)	-	-
Deferred income		(430)	(427)	-	-
Other non-current liabilities		(2,578)	(2,578)	(9,678)	(9,678)
Lease liabilities	(viii)	(11,898)	(13,187)	(392)	(534)
		(37,322)	(39,744)	(10,107)	(10,232)
Total Liabilities		(153,121)	(130,819)	(49,324)	(49,989)
Net Assets		459,444	476,685	305,353	325,005

*Financial assets measured at fair value through other comprehensive income

Explanatory notes on consolidated statement of financial position**(i) Inventories**

The increase in inventories was mainly due to build-up of finished goods in the precast division in Malaysia in line with increased project volume.

(ii) Receivables, prepayments and other current assets

The increase was mainly due to higher trade receivables in the precast division in Malaysia and Dubai, in line with higher sales. At the Company level, the increase was due to intercompany bridging loans to the precast division.

(iii) Cash and bank balances

The decrease in cash and bank balances was mainly due to dividends paid to shareholders and repayment of bank borrowings.

(iv) Financial assets, at FVOCI*

The decrease was due to the fair value losses from financial assets held by the Company.

(v) Other investments at amortised cost

The increase was due to investment in corporate bonds held by the Company.

(vi) Borrowings

The decrease was mainly due to repayment of bank borrowings in 1H-2022.

(vii) Trade, other payables and other current liabilities

The increase was mainly contributed by precast division in Malaysia and Dubai, in line with increased business volume.

(viii) Lease liabilities

The decrease in lease liabilities was attributable to lease payments in 1H-2022.

(ix) Current income tax liabilities

The increase in current income tax liabilities was mainly due to estimated tax provision based on operating performance of the group in 1H-2022.

*Financial assets measured at fair value through other comprehensive income



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C Condensed Interim Statement of Changes in Equity

	Attributable to Equity Holders 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	Fair Value Reserve S\$'000	General and other Reserves S\$'000	Total S\$'000		
THE GROUP								
<u>6 months ended 30 June 2022</u>								
Balance as at 1 January 2022	193,839	283,304	(1,715)	5,703	(89)	481,042	(4,357)	476,685
Profit for the period	-	5,846	-	-	-	5,846	38	5,884
Other comprehensive losses for the period	-	-	(3,843)	(277)	-	(4,120)	(92)	(4,212)
Total comprehensive income/(losses) for the period	-	5,846	(3,843)	(277)	-	1,726	(54)	1,672
Dividends paid	-	(18,678)	-	-	-	(18,678)	-	(18,678)
Total transactions with owners, recognised directly in equity	-	(18,678)	-	-	-	(18,678)	-	(18,678)
Disposal of subsidiaries	-	(71)	-	-	-	(71)	(164)	(235)
Balance as at 30 June 2022	193,839	270,401	(5,558)	5,426	(89)	464,019	(4,575)	459,444



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	Attributable to Equity Holders 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	Fair Value Reserve S\$'000	General and other Reserves S\$'000	Total S\$'000		
THE GROUP								
<u>6 months ended 30 June 2021</u>								
Balance as at 1 January 2021	193,839	296,795	28	5,526	(732)	495,456	(3,682)	491,774
Loss for the period	-	(3,651)	-	-	-	(3,651)	(444)	(4,095)
Other comprehensive (losses) / income for the period	-	-	(615)	100	-	(515)	(64)	(579)
Total comprehensive (losses) / income for the period	-	(3,651)	(615)	100	-	(4,166)	(508)	(4,674)
Dividends paid	-	(18,678)	-	-	-	(18,678)	-	(18,678)
Write-back of long outstanding dividend payables	-	291	-	-	-	291	-	291
Total transactions with owners, recognised directly in equity	-	(18,387)	-	-	-	(18,387)	-	(18,387)
Balance as at 30 June 2021	193,839	274,757	(587)	5,626	(732)	472,903	(4,190)	468,713


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THE COMPANY	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
<u>6 months ended 30 June 2022</u>				
Balance as at 1 January 2022	193,839	129,829	1,337	325,005
Total comprehensive losses for the period	-	(697)	(277)	(974)
Dividends paid	-	(18,678)	-	(18,678)
Balance as at 30 June 2022	193,839	110,454	1,060	305,353
<u>6 months ended 30 June 2021</u>				
Balance as at 1 January 2021	193,839	148,990	885	343,714
Total comprehensive (losses)/income for the period	-	(462)	100	(362)
Dividends paid	-	(18,678)	-	(18,678)
Write-back of long outstanding dividend payables	-	291	-	291
Balance as at 30 June 2021	193,839	130,141	985	324,965

D Condensed Interim Consolidated Statement of Cash Flows

	The Group	
	6 months ended	
	30 June	
	2022	2021
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit/(loss) for the financial period	5,884	(4,095)
<i>Adjustments for:</i>		
Taxation	2,078	1,055
Amortisation of intangible assets	164	305
Amortisation of deferred income	(13)	(10)
Depreciation of properties, plant and equipment	6,649	6,120
Depreciation of right-of-use assets	1,410	1,704
Interest expense	711	743
Interest income	(697)	(952)
Dividend income from financial assets, at FVOCI	(12)	-
Gain on disposal of property, plant and equipment (net)	(62)	(45)
Gain on disposal of subsidiary companies	(1,380)	-
Restructuring costs paid	-	659
Provision for retirement benefits (net)	228	167
Share of results of associated companies, net of tax	(1,300)	3,496
Exchange differences and other adjustments	(1,687)	(264)
<i>Operating cash flows before working capital changes</i>	<u>11,973</u>	<u>8,883</u>
<i>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</i>		
Inventories	(8,177)	275
Receivables and prepayments	(34,390)	(5,176)
Deferred income	28	9
Trade and other payables	31,967	(7,322)
<i>Cash generated from/(used in) operations</i>	<u>1,401</u>	<u>(3,331)</u>
Income tax paid	(863)	(1,495)
Restructuring costs paid	-	(659)
Retirement benefits paid	(125)	(347)
<i>Net cash generated from/(used in) operating activities</i>	<u>413</u>	<u>(5,832)</u>
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	117	124
Net cash inflow from disposal of subsidiaries	2,457	-
Purchases of property, plant and equipment	(7,856)	(3,173)
Purchases of right-of-use assets	(163)	-
Purchases of intangible assets	(143)	(15)
Purchases of financial assets, held-to-maturity	(1,238)	-
Interest received	665	922
Dividends received from financial assets, at FVOCI	12	-
Proceeds from maturity of investments at amortised cost	-	2,000
<i>Net cash used in investing activities</i>	<u>(6,149)</u>	<u>(142)</u>

	The Group	
	6 months ended	
	30 June	
	2022	2021
	S\$'000	S\$'000
Cash Flows from Financing Activities		
Proceeds from borrowings	4,434	128
Repayment of borrowings	(10,752)	(2,210)
Principal payment of lease liabilities	(3,142)	(2,583)
Interest paid	(711)	(743)
Bank deposits pledged	(8,100)	(4)
Dividends paid to shareholders	(18,678)	(18,678)
<i>Net cash used in financing activities</i>	<u>(36,949)</u>	<u>(24,090)</u>
Net decrease in cash and cash equivalents	(42,685)	(30,064)
Cash and cash equivalents at beginning of the period	257,111	282,803
Effects of exchange rate changes on cash and cash equivalents	(587)	(279)
Cash and cash equivalents at end of the period	<u>213,839</u>	<u>252,460</u>
Cash and cash equivalents at end of the financial period comprise:		
- Cash and bank balances	239,339	269,871
- Less: bank deposits pledged	<u>(25,500)</u>	<u>(17,411)</u>
	<u>213,839</u>	<u>252,460</u>

Analysis of consolidated statement of cash flows

The Group recorded a positive operating cash flow of S\$0.4 mil in 1H-2022 compared to negative operating cash flow of S\$5.8mil in 1H-2021, mainly attributable to higher operating profits during the period.

Net cash used in investing activities in 1H-2022 was S\$6.1 mil compared to S\$0.1 mil in 1H-2021. The increase was mainly attributable to purchases of property, plant and equipment in 1H-2022.

A total of S\$36.9 mil (1H-2021: S\$24.1 mil) was used in financing activities in 1H-2022. The increase was due to the repayment of bank borrowings in 1H-2022.

Overall, the Group recorded a net cash outflow of S\$42.7 mil for 1H-2022 as compared to S\$30.1 mil in 1H-2021. Group cash and cash equivalents stood at S\$213.8 mil as of 30 June 2022.

E Notes to the Condensed Interim Financial Statements

1 Corporate information

NSL Ltd. (the “Company”) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. These condensed interim financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are provision of management services and investment holding. The principal activities of its subsidiaries are mainly manufacturing and sale of building materials, oil and petroleum related products and provision of environmental services.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) *1-34 Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 Use of judgements and estimates

The preparation of condensed interim financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2021.

3 Seasonal operations

The Group’s businesses are not affected by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

Operating segments of the Group are determined based on the Group's internal reporting structure. Segment information is presented on the same basis as the internal management reports used by the senior management of the Group in making strategic decisions.

In determining the operating segments, the Group has considered primarily the industries the Group's companies are operating in and their contribution to the Group.

The Group operates mainly in the manufacturing and sale of building materials, provision of environmental services and sale of related products, as well as operations in the manufacturing and sale of refractory materials and roadstone products. Accordingly, these activities are grouped into separate operating segments within the three main divisions: Precast & Prefabricated Bathroom Unit ("PBU"), Environmental Services and Chemicals. Operating segment classified as "Investment Holding & Others" relates to the Group's remaining assets, comprising mainly of holding investments and the operation of a marina club, which is not a significant component of this segment.

Inter-segment transactions are determined on an arm's length basis. The performance of the segments is measured in a manner consistent with that in the consolidated income statement.

The Group executive management assesses the performance of the operating segments based on a measure of profit / (loss) before taxation before exceptional items. Exceptional items comprise of one-off items from impairment of property, plant and equipment and right-of-use assets, business restructuring costs and professional fees that are not expected to recur regularly in every reporting period, are separately analysed. Set out below is the analysis of the segment information.

4.1 Reportable segments

The information for the reportable segments for the six months ended 30 June 2022 as follows:

The Group	Precast & PBU	Environmental Services	Chemicals	Investment Holding and Others	Total
6 months ended 30 June 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue					
External sales	137,518	28,451	3,703	5,242	174,914
Inter-segment sales	-	-	533	7	540
Total revenue	137,518	28,451	4,236	5,249	175,454
Elimination	-	-	(533)	(7)	(540)
	137,518	28,451	3,703	5,242	174,914
Profit/(loss) before taxation before exceptional items	8,414	(1,065)	1,328	(2,096)	6,581
Exceptional items*	-	(6)	1,387	-	1,381
Profit/(loss) before Taxation	8,414	(1,071)	2,715	(2,096)	7,962
Interest income	119	-	2	576	697
Interest expense	(218)	(352)	(128)	(13)	(711)
Loss allowance on trade receivables	(821)	-	-	(4)	(825)
Depreciation of property, plant & equipment	(1,670)	(4,338)	(98)	(543)	(6,649)
Depreciation of right-of-use assets	(329)	(446)	(448)	(187)	(1,410)
Amortisation					
- Intangible assets	(134)	(30)	-	-	(164)
- Deferred income	-	-	-	13	13
Share of results of associated companies, net of tax					
- SMAG	-	-	-	749	749
- Others	-	-	654	(103)	551
Segment assets	222,799	60,509	34,465	294,792	612,565
Segment assets includes:					
Investment in associated companies	-	-	3,190	42,412	45,602
Additions to:					
- Property, plant and equipment	4,767	2,550	232	222	7,771
- Right-of-use assets	163	-	-	-	163
- Intangible assets	90	53	-	-	143
Segment liabilities	97,436	43,219	8,068	4,398	153,121

* Comprise mainly of one-time charges incurred relating to the disposal of subsidiaries and professional fees.

The information for the reportable segments for the six months ended 30 June 2021

	Precast & PBU	Environmental Services	Chemicals	Investment Holding and Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group					
6 months ended 30 June 2021					
Revenue					
External sales	94,625	23,841	3,105	4,207	125,778
Inter-segment sales	-	-	528	20	548
Total revenue	94,625	23,841	3,633	4,227	126,326
Elimination	-	-	(528)	(20)	(548)
	94,625	23,841	3,105	4,207	125,778
Profit/(loss) before taxation before exceptional items	3,261	169	529	(6,304)	(2,345)
Exceptional items*	(635)	(60)	-	-	(695)
Profit/(loss) before Taxation	2,626	109	529	(6,304)	(3,040)
Interest income	122	2	12	816	952
Interest expense	(245)	(335)	(144)	(19)	(743)
Write-back of/(loss) allowance on trade receivables	224	-	40	(2)	262
Depreciation of property, plant & equipment	(1,775)	(3,688)	(104)	(553)	(6,120)
Depreciation of right-of-use assets	(318)	(742)	(458)	(186)	(1,704)
Amortisation					
- Intangible assets	(290)	(15)	-	-	(305)
- Deferred income	-	-	-	10	10
Share of results of associated companies, net of tax					
- SMAG	-	-	-	(3,520)	(3,520)
- Others	-	-	240	(216)	24
Segment assets	199,791	60,902	34,318	313,031	608,042
Segment assets includes:					
Investment in associated companies	-	-	2,801	40,485	43,286
Additions to:					
- Property, plant and equipment	965	1,908	14	174	3,061
- Right-of-use assets	-	-	306	21	327
- Intangible assets	15	-	-	-	15
Segment liabilities	81,842	43,603	9,356	4,528	139,329

*Comprise mainly of one-time charges incurred relating to business restructuring costs and professional fees.

4.2 Disaggregation of revenue

	<u>At a point in time</u> S\$'000	<u>Over time</u> S\$'000	<u>Total</u> S\$'000
<u>The Group</u>			
Six months ended 30 June 2022			
Manufacturing and sale of building materials			
- Singapore	11,925	162	12,087
- Malaysia	47,808	-	47,808
- United Arab Emirates	26,798	-	26,798
- Finland	26,029	-	26,029
- Norway	14,551	-	14,551
- Other parts of Europe	10,245	-	10,245
	<u>137,356</u>	<u>162</u>	<u>137,518</u>
Provision of environmental services and sale of related products			
- Singapore	6,175	19,890	26,065
- Malaysia	854	-	854
- Others	1,532	-	1,532
	<u>8,561</u>	<u>19,890</u>	<u>28,451</u>
Manufacturing and sale of refractory materials and roadstone products			
- Singapore	2,236	-	2,236
- Malaysia	1,088	-	1,088
- Others	379	-	379
	<u>3,703</u>	<u>-</u>	<u>3,703</u>
Others			
- Singapore	2,656	907	3,563
Rental income on operating leases			1,679
Total	<u>152,276</u>	<u>20,959</u>	<u>174,914</u>

	<u>At a point in time</u> S\$'000	<u>Over time</u> S\$'000	<u>Total</u> S\$'000
<u>The Group</u>			
For the period ended 30 June 2021			
Manufacturing and sale of building materials			
- Singapore	22,658	267	22,925
- Malaysia	7,249	-	7,249
- United Arab Emirates	7,419	-	7,419
- Finland	32,351	-	32,351
- Norway	13,804	-	13,804
- Other parts of Europe	10,877	-	10,877
	<u>94,358</u>	<u>267</u>	<u>94,625</u>
Provision of environmental services and sale of related products			
- Singapore	3,973	18,907	22,880
- Malaysia	352	-	352
- United Arab Emirates	173	-	173
- Others	436	-	436
	<u>4,934</u>	<u>18,907</u>	<u>23,841</u>
Manufacturing and sale of refractory materials and roadstone products			
- Singapore	1,857	-	1,857
- Malaysia	925	-	925
- Others	323	-	323
	<u>3,105</u>	<u>-</u>	<u>3,105</u>
Others			
- Singapore	<u>1,216</u>	<u>1,393</u>	<u>2,609</u>
Rental income on operating leases			1,598
Total	<u>103,613</u>	<u>20,567</u>	<u>125,778</u>
		<u>THE GROUP</u>	
	2022 S\$'000	2021 S\$'000	Change %
Sales reported for the first 6 months	174,914	125,778	39
Operating profit/(loss) after tax before deducting non-controlling interests reported for first 6 months	<u>5,884</u>	<u>(4,095)</u>	n/m

5 Other Income and Other Gains and Losses

5.1 Other Income

Other income

		THE GROUP		Change %
		6 months ended 30 June		
		2022 S\$'000	2021 S\$'000	
		<hr/>		
Interest income				
Financial assets measured at amortised cost				
- Fixed deposits	(i)	674	874	(23)
- Others		23	78	(71)
		<hr/>	<hr/>	(27)
		697	952	
Dividend income from financial assets, at FVOCI		12	-	n/m
Sale of scrap		526	261	102
Government grants		192	1,082	(82)
Other income		861	533	62
		<hr/>	<hr/>	(15)
		1,591	1,876	
		<hr/>	<hr/>	(19)
		2,288	2,828	

- (i) Decrease in interest income was due to lower average bank deposit balances during the period.

5.2 Other Gains and Losses

		THE GROUP		
		6 months ended 30 June		
		2022	2021	Change
		S\$'000	S\$'000	%
Currency exchange losses - net	(i)	(725)	(303)	139
Gain on disposal of property, plant and equipment	(ii)	62	45	38
Gain on disposal of subsidiary companies	(iii)	1,380	-	n/m
Restructuring costs of a subsidiary	(iv)	-	(659)	n/m
Miscellaneous		16	(37)	n/m
		733	(954)	

- (i) Currency exchange loss was mainly from the Precast division in Malaysia and PBU operations in Finland, as a result of the weakening of Malaysian Ringgit and Euro against Singapore Dollar.
- (ii) Gain on disposal of property, plant and equipment for both periods was largely attributable to Precast division in Dubai and PBU operations in Finland.
- (iii) Gain on disposal of subsidiary companies for the current period was attributable to the disposal of subsidiaries Kemboja Sejahtera Sdn Bhd and Kuari Atrah Sdn Bhd.
- (iv) Restructuring costs for the previous year was mainly incurred by Precast division in Malaysia and Singapore and was captured in the previous year.

6 Profit/(loss) before income tax

6.1 Significant items

THE GROUP			
6 months ended 30 June			
Note	2022	2021	Change
	S\$'000	S\$'000	%
Amortisation of deferred income	13	10	30
Amortisation of intangible assets (i)	(164)	(305)	(46)
Depreciation of property, plant and equipment	(6,649)	(6,120)	9
Depreciation of right-of-use assets (ii)	(1,410)	(1,704)	(17)
Write-back for stock obsolescence, net (iii)	18	673	(97)
(Loss)/Write-back of allowance on trade receivables (iv)	(825)	262	n/m

- (i) Lower amortisation cost for the current period was mainly due to certain intangible assets had been fully depreciated during the period.
- (ii) Lower depreciation of right-of-use assets for the current year was mainly due to lease expiry of certain assets in the environmental services division.
- (iii) Decrease in 1H-2022 was mainly attributable to the precast operations in Malaysia and Dubai.
- (iv) Loss allowance for impairment of trade receivables mainly attributable to the operations in Dubai and Finland.

6.2 Finance Costs

THE GROUP			
6 months ended 30 June			
	2022	2021	Change
	S\$'000	S\$'000	%
Interest expense			
- Bank borrowings	(335)	(342)	(2)
- Lease liabilities	(316)	(361)	(12)
- Others	(60)	(40)	50
	<u>(711)</u>	<u>(743)</u>	<u>(4)</u>

6.3 Related party transactions

THE GROUP		
6 months ended 30 June		
	2022	2021
	S\$'000	S\$'000
Sales to associated companies	-	570

7 Taxation

	THE GROUP		
	6 months ended 30 June		
	2022	2021	Change
	S\$'000	S\$'000	%
Taxation charge for the financial period comprises:			
- Current period taxation	(2,105)	(1,065)	98
- Over provision in respect of prior years	27	10	170
	<u>(2,078)</u>	<u>(1,055)</u>	97

8 Dividends

	THE GROUP AND COMPANY	
	6 months ended 30 June	
	2022	2021
	S\$'000	S\$'000
Ordinary dividends paid		
Tax-exempt final ordinary dividend of 5.0 cents per share in respect of the financial year ended 31 December 2021 (31 December 2020: 5.0 cents per share)	18,678	18,678

No dividend has been declared or recommended for the six months ended 30 June 2022 as it is not the Company's practice to distribute interim dividend.

9 Net asset value

	THE GROUP		THE COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	1.24	1.29	0.82	0.87

The Company does not have any treasury shares.

10 Financial assets at FVOCI

	The Group		The Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Listed equity securities - Singapore	1,070	1,348	1,070	1,348
Unlisted equity securities	291	291	-	-
	1,361	1,639	1,070	1,348

10.1 Fair value measurement

The table below presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted price in active markets for identical assets and liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<u>The Group</u>				
30 June 2022				
<u>Assets</u>				
Financial assets, at FVOCI	1,070	-	291	1,361
31 December 2021				
<u>Assets</u>				
Financial assets, at FVOCI	1,348	-	291	1,639
<u>The Company</u>				
30 June 2022				
<u>Assets</u>				
Financial assets, at FVOCI	1,070	-	-	1,070
31 December 2021				
<u>Assets</u>				
Financial assets, at FVOCI	1,348	-	-	1,348

11 Property, plant and equipment

	<u>The Group</u>	
	6 months ended 30 June	
	2022	2021
	S\$'000	S\$'000
Additions	7,771	3,061
Disposals and write off	(1,168)	(78)

12 Intangible assets

	<u>The Group</u>		<u>The Company</u>	
	30.06.2022 S\$'000	31.12.2021 S\$'000	30.06.2022 S\$'000	31.12.2021 S\$'000
Goodwill arising on consolidation	8,678	8,678	-	-
Acquired intangible assets	900	825	-	-
	<u>9,578</u>	<u>9,503</u>	<u>-</u>	<u>-</u>

12.1 Goodwill arising on consolidation

Goodwill is allocated to the Group's cash-generating-units ("CGU") identified according to countries of operation and business segments.

A segment-level summary of the goodwill allocation is as follows:

Group

	<u>2022 and 2021</u>		
	<u>Singapore S\$'000</u>	<u>Finland S\$'000</u>	<u>Total S\$'000</u>
Precast & PBU	-	8,024	8,024
Environmental Services	654	-	654
	<u>654</u>	<u>8,024</u>	<u>8,678</u>

The recoverable amount of a CGU is determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management. Cash flows cover at least a five-year period and the growth rate used to extrapolate the cash flows beyond the budget period did not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations are as follows:

	<u>30.06.22</u>		<u>31.12.21</u>	
	<u>Growth rate ⁽¹⁾</u>	<u>Discount rate ⁽²⁾</u>	<u>Growth rate ⁽¹⁾</u>	<u>Discount rate ⁽²⁾</u>
Precast & PBU	2.0%	11.3%	2.0%	11.3%
Environmental Services	1.0%	10.2%	1.0%	10.2%

(1) Projected average sales growth rate covering at least five-year period cash flow projections.

(2) Pre-tax discount rate applied to cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment. The projected average sales growth rates used are consistent with the industry forecast. The discount rates used are pre-tax and reflected specific risks relating to the relevant segments.

12.2 Acquired intangible assets

	The Group		The Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Cost				
Balance at 1 January 2022/2021	7,614	7,726	322	322
Additions	142	158	-	-
Currency realignment	(254)	(270)	-	-
Other movements	129	-	-	-
Balance at 30 June 2022/31 December 2021	<u>7,631</u>	<u>7,614</u>	<u>322</u>	<u>322</u>
Accumulated amortisation				
Balance at 1 January 2022/2021	6,789	6,538	322	252
Amortisation charge for the year	165	480	-	70
Currency realignment	(223)	(229)	-	-
Balance at 30 June 2022/31 December 2021	<u>6,731</u>	<u>6,789</u>	<u>322</u>	<u>322</u>
Net Book Value at 30 June 2022/ 31 December 2021	<u>900</u>	<u>825</u>	<u>-</u>	<u>-</u>

13 Borrowings

Amount repayable in one year or less, or on demand

As at 30.06.22		As at 31.12.21	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
9,792	4,000	15,308	4,000

Amount repayable after one year

As at 30.06.22		As at 31.12.21	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
28,518	-	31,307	-

Details of any collateral

Included in the Group's property, plant and equipment, right-of-use assets and cash and bank balances are property, plant and equipment and right-of-use assets of subsidiaries of net book value of S\$ 54,330,000 (31 December 2021: S\$57,596,000), and deposits of S\$25,500,000 (31 December 2021: S\$17,400,000) charged by way of debentures to banks for overdraft and term loan facilities granted. Included in secured borrowings are current lease liabilities of S\$2,498,000 (31 December 2021: S\$2,943,000) and non-current lease liabilities of S\$11,898,000 (31 December 2021: S\$13,187,000) which are secured over the right-of-use assets of S\$8,916,000 (31 December 2021: S\$8,688,000).

14 Disposals of subsidiaries

On 19 May 2022, the Group disposed of its 80%-owned subsidiary, Kemboja Sejahtera Sdn Bhd and 56%-owned subsidiary, Kuara Atrah Sdn Bhd. The effects of the disposal on the cash flows of the Group were:

	<u>The Group</u> At 19 May 2022 \$'000
Carrying amounts of assets and liabilities as at the date of disposal:	
Assets of disposal group classified as held-for-sale:	
Right-of-use assets	1,256
Liabilities of disposal group classified as held-for-sale:	
Deferred tax liabilities	(86)
Net assets derecognised	1,170
Less: Non-controlling interests	(164)
Net assets disposed of	1,006
Cash inflows arising from disposal:	
Net assets disposed of (as above)	1,006
Released of revenue reserve	71
Total assets	1,077
Gain on disposal	1,380
Cash proceeds on disposal	2,457

15 Share capital

	Group and Company			
	30.06.22		31.12.21	
	Number of shares \$'000	Amount \$'000	Number of shares \$'000	Amount \$'000
Balance at beginning and end of financial year	373,558	193,839	373,558	193,839

As at 30 June 2022, the Company's issued share capital (excluding treasury shares) comprises 373,558,237 (31 December 2021: 373,558,237). The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2022 (31 December 2021: Nil).

16 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

F Other Information

1 Audit

The figures have neither been audited nor reviewed by auditors.

2 Review

The condensed statements of financial position of NSL Ltd and its subsidiaries as at 30 June 2022 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

3. A review of the performance of the group

Group Overview

	THE GROUP		
	6 months ended 30 June		
	2022 S\$'000	2021 S\$'000	Better / (worse) %
Group Turnover	174,914	125,778	39
Group Profit Before Tax (Excluding share of results of associated companies)	6,662	456	1,361
Share of results of associated companies, net of tax	1,300	(3,496)	n/m
Group Profit/(Loss) Before Tax	7,962	(3,040)	n/m
Group Profit/(Loss) attributable to equity holders of the Company	5,846	(3,651)	n/m

n/m: not meaningful

Group turnover increased 39% to S\$174.9 mil in 1H-2022 from S\$125.8 mil on the back of higher revenue reported by the Precast & PBU division.

Group profit before tax was S\$8.0 mil in 1H-2022 compared to a loss of \$3.0mil in 1H-2021 after accounting for share of profit from associated company of \$1.3 mil (1H-2021: loss of \$3.5mil). The significant improvement was due to higher revenue and improved project margin of the precast & PBU division.

After taking into account income tax and non-controlling interests, the Group reported a profit attributable to equity holders of S\$5.8 mil in 1H-2022 as compared to a loss of S\$3.7 mil in 1H-2021.

Below is a summary of the performance of the Group by business divisions:

Turnover

Turnover	THE GROUP		
	6 months ended 30 June		
	2022 S\$'mil	2021 S\$'mil	Better / (worse) (%)
Precast & PBU	137.5	94.6	45
Environmental Services	28.5	23.8	20
Chemicals	3.7	3.1	19
Others	5.2	4.3	21
	174.9	125.8	39

Precast & Prefabricated Bathroom Unit ("PBU")

Turnover of the Precast & PBU division jumped by 45% to S\$137.5 mil in 1H-2022 compared to S\$94.6 mil in 1H-2021. The precast operations in Malaysia and Dubai reported strong revenue growth driven by improved selling price and higher project volume as compared to 1H-2021. However, the turnover of division's Finland PBU business declined by 11%, adversely affected by the ongoing Ukraine conflict.

Environmental Services

Turnover of the Environmental Services division increased by 20% to S\$28.5 mil in 1H-2022 from S\$23.8 mil in 1H-2021. This was mainly due to higher oil price of its recycled fuel oil ("RFO") business. The division's industrial solid waste business also reported healthy revenue growth from increased bio-hazard waste collection.

Chemicals

Turnover of the Chemicals division increased 19% to S\$3.7 mil in 1H-2022 from S\$3.1 mil in 1H-2021 on the back of higher sales of refractory and roadstone products in Singapore and Malaysia.

Attributable profit/(loss) before tax

Attributable profit/(loss) before tax	THE GROUP		
	6 months ended 30 June		
	2022 S\$'mil	2021 S\$'mil	Better / (worse) (%)
Precast & PBU	8.4	2.6	223
Environmental Services	(1.1)	0.1	n/m
Chemicals	2.1	0.3	600
Share of associates' profits/(losses)	1.3	(3.5)	n/m
Others	(2.7)	(2.5)	(8)
	8.0	(3.0)	n/m

n/m: not meaningful

Precast & Prefabricated Bathroom Unit ("PBU")

The Precast & PBU division reported a two-fold increase in profit to S\$8.4 mil in 1H-2022 from S\$2.6 mil in 1H-2021 due to significantly improved delivery volume and margins for key projects from Malaysia and Dubai operations. However, the Ukraine conflict resulted in a small loss in its Finland PBU operation due to escalating raw material and transport costs, coupled with lower revenue.

Environmental Services

The profitability of Environmental Services division deteriorated to a loss of S\$1.1 mil in 1H-2022 compared to a profit of S\$0.1 mil in 1H-2021. The industrial wastewater treatment business operating margin was adversely affected by higher utility, labour and other operating costs. However, this is partially offset by the improvement in industrial solid waste and RFO business as a result of higher selling price and sales volume.

Chemicals

The Chemicals division recorded a profit of S\$2.1 mil in 1H-2022 as compared to profit of S\$0.3 mil in 1H-2021 mainly attributable to a gain of S\$1.4 mil for the divestment of non-core subsidiaries in the division.

Share of associates' profit

The increased share of associate profit in 1H-2022 was mainly due to higher share of profit from SMAG of S\$0.7 mil on the back of improved performance from its process engineering and lifting divisions. The Group's 28.6% associate in Malaysia, Southern Rubber Works Sdn. Bhd., also reported improved result driven by higher sales following the lifting of Covid-19 restrictions in Malaysia.

Others

The higher loss in 1H-2022 was due to lower interest income as a result of smaller average bank deposit balances during the period and absence of Covid-19 related government grants.

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

Not applicable.

5. 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 months

In the precast business, good order book across Singapore, Malaysia and Dubai is expected to continue to underpin its business performance barring unforeseen project delays. The PBU business in Finland would likely to continue to face uncertainties from project delays and surging raw materials prices brought about by the ongoing Ukraine conflict.

In the Environmental Services division, the performance of the slop and RFO business is dependent on international oil price. The division will remain focus in its effort to improve the performance of the industrial wastewater business.

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

No dividend has been declared or recommended for the six months period ended 30 June 2022.

7. Interested Person Transactions ("IPTs")

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

8. Confirmation pursuant to the Rule 705(5) in accordance with Appendix 7.2

We confirm on behalf of the Directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial results from 1 January 2022 to 30 June 2022 to be false or misleading, in any material aspect.

9. 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).

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

For discussion of material changes, please refer to paragraph 3.

11. 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 six months period ended 30 June 2022 to be false or misleading

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
11 August 2022



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, social and health 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, diseases, 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; avian flu, swine flu, monkeypox, coronaviruses (including but not limited to MERS-CoV, SARS-CoV, SARS-CoV-2 and 2019-nCoV) 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.