



**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

		<b>THE GROUP</b>					
		Quarter ended 30 September			9 months ended 30 September		
		2014	2013	Change	2014	2013	Change
Note		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b><u>Continuing Operations</u></b>							
	Sales	122,072	123,154	(1)	362,595	348,364	4
	Cost of sales	(100,210)	(104,232)	(4)	(302,039)	(292,886)	3
	Gross profit	21,862	18,922	16	60,556	55,478	9
	Other income	1,202	917	31	3,521	2,562	37
	Distribution costs	(5,540)	(5,093)	9	(16,119)	(15,437)	4
	Administrative expenses	(10,575)	(9,785)	8	(31,860)	(28,364)	12
	Other expenses	(342)	(637)	(46)	(792)	(628)	26
	Finance costs	(391)	(420)	(7)	(1,225)	(1,165)	5
	Share of results of associated companies, net of tax	(77)	(51)	51	(394)	(750)	(47)
	Profit before taxation and exceptional items	6,139	3,853	59	13,687	11,696	17
1	Exceptional items	229	69	232	229	(531)	n/m
	Profit before taxation	6,368	3,922	62	13,916	11,165	25
	Taxation	(1,860)	(750)	148	(4,156)	(3,693)	13
3	Profit from continuing operations	4,508	3,172	42	9,760	7,472	31
<b><u>Discontinued Operations</u></b>							
	Profit / (loss) from discontinued operations	338	(1,279)	n/m	11,335	13,080	(13)
4							
	Total profit for the period	4,846	1,893	156	21,095	20,552	3
Profit / (loss) attributable to Equity holders of the Company:							
	- from continuing operations	4,155	3,350	24	9,440	8,203	15
	- from discontinued operations	308	(1,339)	n/m	11,120	12,750	(13)
		4,463	2,011	122	20,560	20,953	(2)
Profit / (loss) attributable to non-controlling interest:							
	- from continuing operations	353	(178)	n/m	320	(731)	n/m
	- from discontinued operations	30	60	(50)	215	330	(35)
		383	(118)	n/m	535	(401)	n/m
Earnings per ordinary share attributable to the equity holders of the Company (cents):							
	- from continuing operations - Basic and fully diluted	1.11	0.90	23	2.53	2.20	15
	- from discontinued operations - Basic and fully diluted	0.08	(0.36)	n/m	2.98	3.41	(13)

n/m: not meaningful



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**Comments on Income Statement**

- a) **Gross Profit**  
Gross profit in 3Q-2014 increased on the back of improved operating margins from the Environmental Services division and Construction Products (Precast & Others) as compared to the corresponding quarter in 3Q-2013.
- b) **Other income**  
The increases in other income in 3Q-2014 and 9M-2014 were due mainly to an increase in interest income from higher Group bank balances.
- c) **Administrative expenses**  
The increase in administrative expenses in 9M-2014 was mainly due to higher staff costs and higher allowance for impairment of trade receivables.
- d) **Taxation**  
Tax expenses for 3Q-2014 and 9M-2014 were higher as compared to corresponding periods in the previous year due mainly to higher profits before tax. The effective tax rate of the Group in 3Q-2014 and 9M-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.
- e) **Profit / (loss) from discontinued operations**  
Comparative figures for 3Q-2014 and 3Q-2013 were attributable to the lime business of the Group, which has been classified as “discontinued operations” in accordance with FRS 105. Comparative figures for 9M-2014 and 9M-2013 comprised largely of exceptional gain from contingent consideration received for the disposal of NSCT (which held the Group’s previous interest in associate BST) of \$10.0 mil and share of operating profits of BST, net of related deferred tax, of \$10.3 mil respectively, with the balance of S\$1.3 mil and S\$2.8 mil respectively attributable to contributions from the lime business. For more details, please see Note 4.

**Notes to the Income Statement**

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

	<b><u>THE GROUP</u></b>			
	<b>Quarter ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Dividend income	-	3	-	3
Interest income	587	105	1,919	420
Amortisation of intangible assets	(117)	(105)	(303)	(297)
Depreciation of property, plant and equipment and investment properties	(4,385)	(4,233)	(13,043)	(12,647)
Foreign exchange gain / (loss), net	488	(571)	(539)	720
Fair value (loss) / gain of derivative financial instruments	(259)	515	393	(460)
(Write-down) / reversal of write-down of inventories, net	(277)	40	(2,273)	(324)
Allowance for impairment of trade receivables and bad debts written off, net	(423)	(256)	(1,700)	(545)
Gain on sale of property, plant and equipment, net	36	12	181	440
Amortisation of deferred income	47	45	139	142

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**Note 2 – Exceptional items from Continuing Operations**

	<b>THE GROUP</b>			
	<b>Quarter ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	
Translation loss released to profit or loss upon liquidation of a subsidiary and repayment of quasi-equity loans from a subsidiary	-	-	-	(2,594)
Translation gain released to profit or loss upon liquidation of an associated company	11	-	11	-
Gain on disposal of property, plant and equipment following business cessation of certain subsidiaries	-	-	-	1,841
Gain on disposal of available-for-sale financial assets and other assets	218	69	218	222
Net gain / (loss)	229	69	229	(531)

**Note 3 – Taxation from Continuing Operations**

	<b>THE GROUP</b>			
	<b>Quarter ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	
Taxation charge / (credit) for the financial period comprises:				
- current period taxation	1,710	1,128	4,073	3,770
- under / (over) provision of prior years	150	(378)	83	(77)
	1,860	750	4,156	3,693

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**Note 4 – Discontinued Operations and Assets Held for Sale**

- a) On 21 August 2014, NSL Chemicals Ltd (“NSC”), a wholly-owned subsidiary of NSL Ltd (the “Company”), entered into binding termsheets (the “Termsheets”) with Lhoist Singapore Pte Ltd (“Lhoist”) pursuant to which NSC and Lhoist agreed on the principal terms for the proposed sale by NSC of all its lime business and assets in Singapore and Malaysia to Lhoist or its subsidiary (“Lhoist Acquiror”), as well as the proposed grant by NSC of a call option to Lhoist Acquiror or its affiliate to acquire all of NSC’s limestone business and assets in Malaysia.

Accordingly, the assets and liabilities related to NSC’s lime business in Singapore and Malaysia, as well as limestone business in Malaysia, have been presented separately on the balance sheet as disposal group held for sale in compliance with FRS 105.

The operating performance of NSC’s lime business was presented separately on the income statement as part of “discontinued operations”.

- b) 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.

Gains related to the disposal of NSCT and the share of operating performance of BST was presented separately on the income statement as part of “discontinued operations”.

- c) An analysis of the results of discontinued operations (disposal group held for sale) is as follows:

	<b>THE GROUP</b>			
	<b>Quarter ended 30 September</b>		<b>9 months ended 30 September</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>
Sales	5,518	7,031	18,649	21,052
Net expenses	(5,174)	(6,159)	(17,083)	(17,952)
Share of results of associated companies, net of tax	-	(2,272)	-	11,475
Profit / (loss) before taxation	344	(1,400)	1,566	14,575
Taxation	(6)	121	(188)	(1,495)
Profit / (loss) from discontinued operations	338	(1,279)	1,378	13,080
Gain on disposal of discontinued operations - Exceptional Items	-	-	9,957	-



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

	<b>The Group</b>
	<b>30.09.14</b>
	<b>S\$'000</b>
<b>Assets</b>	
Current assets	15,290
Property, plant and equipment	11,842
Intangible assets	188
Other non-current assets	17
Total assets	<u>27,337</u>
<b>Liabilities</b>	
Short term borrowings	(916)
Other current liabilities	(2,637)
Long term borrowings	(544)
Deferred tax liabilities	(1,441)
Total liabilities	<u>(5,538)</u>



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**Statement of Comprehensive Income for 9 months ended 30 September 2014**

	<b>THE GROUP</b>			
	<b>Quarter ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Total profit for the period</b>	4,846	1,893	21,095	20,552
<b>Other comprehensive income:</b>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Exchange differences on translating foreign operations				
- Losses / (gains) arising during the period	505	(7,306)	(346)	592
- Reclassification	(11)	-	(11)	2,594
Available-for-sale financial assets				
- Gains arising during the period	166	200	776	1,624
- Reclassification	(218)	-	(218)	(133)
Share of other comprehensive income of associate	-	1,612	-	585
Income tax relating to components of other comprehensive income	28	(197)	31	(212)
Other comprehensive income for the period, net of tax	470	(5,691)	232	5,050
<b>Total comprehensive income for the period</b>	<b>5,316</b>	<b>(3,798)</b>	<b>21,327</b>	<b>25,602</b>
Total comprehensive income attributable to:				
Equity holders of the Company	4,949	(3,544)	20,790	26,152
Non-controlling interests	367	(254)	537	(550)
	<b>5,316</b>	<b>(3,798)</b>	<b>21,327</b>	<b>25,602</b>



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**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	
	30.09.14 S\$'000	31.12.13 S\$'000	30.09.14 S\$'000	31.12.13 S\$'000
Share capital	193,839	193,839	193,839	193,839
Reserves	329,882	495,871	197,019	376,302
Shareholders' equity	523,721	689,710	390,858	570,141
Non-controlling interests	12,944	12,932	-	-
Total equity	536,665	702,642	390,858	570,141
<b>Current Assets</b>				
Inventories	86,084	92,840	-	-
Receivables and prepayments	145,120	141,571	35,973	34,740
Tax recoverable	799	1,643	-	-
Cash and bank balances	293,802	459,401	182,464	354,003
	525,805	695,455	218,437	388,743
Disposal group assets classified as held for sale (Note 4)	27,337	-	-	-
	553,142	695,455	218,437	388,743
<b>Non-Current Assets</b>				
Property, plant and equipment	151,542	163,500	292	269
Investment properties	8,291	8,420	-	-
Subsidiaries	-	-	70,390	70,390
Associated companies	5,431	5,795	-	-
Long term receivables and prepayments	1,453	1,907	118,723	120,200
Available-for-sale financial assets	10,022	9,465	9,429	8,925
Intangible assets	9,711	9,672	-	-
Deferred tax assets	2,402	1,515	-	-
Other non-current assets	100	119	-	-
	188,952	200,393	198,834	199,784
<b>Total Assets</b>	<b>742,094</b>	<b>895,848</b>	<b>417,271</b>	<b>588,527</b>
<b>Current Liabilities</b>				
Short term borrowings	(23,499)	(28,049)	-	-
Trade and other payables	(150,615)	(135,722)	(26,357)	(18,287)
Provision for other liabilities and charges	(2,270)	(2,349)	-	-
Taxation	(3,753)	(3,257)	(18)	-
Deferred income	(199)	(258)	-	-
	(180,336)	(169,635)	(26,375)	(18,287)
Liabilities directly associated with disposal group classified as held for sale (Note 4)	(5,538)	-	-	-
	(185,874)	(169,635)	(26,375)	(18,287)
<b>Non-Current Liabilities</b>				
Provision for retirement benefits	(1,899)	(1,691)	-	-
Deferred tax liabilities	(4,203)	(5,520)	(38)	(99)
Long term borrowings	(11,808)	(14,686)	-	-
Deferred income	(1,645)	(1,674)	-	-
	(19,555)	(23,571)	(38)	(99)
<b>Total Liabilities</b>	<b>(205,429)</b>	<b>(193,206)</b>	<b>(26,413)</b>	<b>(18,386)</b>
<b>Net Assets</b>	<b>536,665</b>	<b>702,642</b>	<b>390,858</b>	<b>570,141</b>



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**Explanatory notes on consolidated balance sheet**

- a) **Receivables and prepayments**  
The increase in receivables and prepayments was due mainly to higher trade and other receivables from increased project volume from the Construction Products division's Malaysian precast operations 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\$186.8 mil in May 2014.
- c) **Borrowings**  
The decrease 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 operations 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 September 2014		As at 31 December 2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
20,819 *	2,680	24,141	3,908

**Amount repayable after one year**

As at 30 September 2014		As at 31 December 2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
11,808 *	-	14,686	-

\* Amounts do not include secured borrowings of S\$916,000 (repayable in one year or less, or on demand) and S\$544,000 (repayable after one year) that have been classified as "liabilities directly associated with the disposal group classified as held for sale".

**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\$26,921,000 (31 December 2013: S\$29,132,000) charged by way of debentures to banks for overdraft and term loan facilities granted.





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**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**

	<b>THE GROUP</b>			
	<b>Quarter ended 30 September</b>		<b>9 months ended 30 September</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>				
Profit from continuing operations	4,508	3,172	9,760	7,472
Profit / (loss) from discontinued operations	338	(1,279)	11,335	13,080
Profit for the financial period	4,846	1,893	21,095	20,552
<i>Adjustments for:</i>				
Taxation	1,866	629	4,344	5,188
Depreciation and amortisation	4,944	4,873	14,626	14,315
Interest expense	414	455	1,302	1,225
Interest income	(607)	(136)	(1,979)	(494)
Dividend income	-	(3)	-	(3)
Provision for retirement benefits (net)	99	87	303	246
Share of results of associated companies, net of tax	77	2,323	394	(10,725)
Exceptional items	(229)	(69)	(10,186)	531
Exchange differences and other adjustments	(127)	(61)	(42)	(797)
<i>Operating cash flows before working capital changes</i>	11,283	9,991	29,857	30,038
<i>Changes in working capital</i>				
Inventories	1,178	1,479	2,941	(31,265)
Receivables and prepayments	(562)	(7,692)	(9,460)	(25,582)
Deferred income	38	4	51	57
Trade and other payables	7,526	10,644	17,539	37,055
<i>Cash generated from operations</i>	19,463	14,426	40,928	10,303
Income taxes paid	(1,132)	(1,302)	(3,867)	(4,360)
Retirement benefits paid	(35)	(66)	(112)	(143)
<b>Net cash generated from operating activities</b>	<b>18,296</b>	<b>13,058</b>	<b>36,949</b>	<b>5,800</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	581	876	878	3,554
Proceeds from sale of available-for-sale financial assets and other assets	218	3	223	214
Net cash inflow from disposal of a subsidiary	-	-	9,895	-
Purchases of property, plant and equipment	(6,547)	(6,023)	(15,972)	(18,742)
Purchases of intangible assets	(100)	(110)	(582)	(404)
Interest received	131	126	1,528	604
Dividends received from associated companies	-	-	-	11,207
Dividends received from available-for-sale financial assets	-	3	-	3
Proceeds from repayment of loan from an associated company	-	-	370	-
<b>Net cash used in investing activities</b>	<b>(5,717)</b>	<b>(5,125)</b>	<b>(3,660)</b>	<b>(3,564)</b>



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	<b>THE GROUP</b>			
	<b>Quarter ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	6,929	9,266	20,274	28,726
Repayments of borrowings	(8,782)	(5,330)	(26,031)	(10,417)
Finance leases and hire purchases	(222)	173	(816)	264
Interest paid	(414)	(327)	(1,304)	(1,032)
Deposits pledged	-	(9)	-	3
Dividends paid to shareholders	-	-	(186,779)	(37,356)
Dividends paid to non-controlling interests	-	-	(525)	(518)
<b>Net cash (used in) / generated from financing activities</b>	<b>(2,489)</b>	<b>3,773</b>	<b>(195,181)</b>	<b>(20,330)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>10,090</b>	<b>11,706</b>	<b>(161,892)</b>	<b>(18,094)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>283,492</b>	<b>102,522</b>	<b>455,666</b>	<b>131,860</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(231)</b>	<b>(158)</b>	<b>(423)</b>	<b>304</b>
<b>Cash and cash equivalents at end of period</b>	<b>293,351</b>	<b>114,070</b>	<b>293,351</b>	<b>114,070</b>
Cash and cash equivalents at end of period comprise:				
- Cash and bank balances	293,802	118,338	293,802	118,338
- Cash classified as disposal group asset held for sale	3,889	-	3,889	-
- Less: bank deposits pledged	(2,355)	(1,801)	(2,355)	(1,801)
- Less: bank overdrafts	(1,985)	(2,467)	(1,985)	(2,467)
	<b>293,351</b>	<b>114,070</b>	<b>293,351</b>	<b>114,070</b>



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**Analysis of consolidated statement of cash flows**

**3Q-2014**

The Group generated operating cash flow of S\$18.3 mil in 3Q-2014 as compared to S\$13.1 mil in the corresponding period last year. The higher operating cash flow was mainly attributable to higher cash flow from working capital changes as compared to 3Q-2013.

Net cash outflow from investing activities in 3Q-2014 was S\$5.7 mil, mainly from the purchases of property, plant and equipment.

The Group recorded a cash outflow of S\$2.5 mil from financing activities in 3Q-2014 due mainly to repayments exceeding the drawdown of bank facilities for the funding of capital expenditures and working capital requirements.

Overall, the Group recorded a net cash flow of S\$10.1 mil in 3Q-2014 as compared to S\$11.7 mil in the same period last year. Group cash and cash equivalents stood at S\$293.4 mil as of 30 September 2014.

**9M-2014**

The Group generated S\$36.9 mil of operating cash flow in 9M-2014 as compared to S\$5.8 mil in 9M-2013. The higher operating cash flow was mainly attributable to higher cash flow from working capital improvement in 9M-2014 as compared to 9M-2013.

Net cash outflow from investing activities in 9M-2014 was S\$3.7 mil, mainly from the purchases of property, plant and equipment of S\$16.0 mil, partially offset by 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).

A total of S\$195.2 mil (9M-2013: S\$20.3 mil) was used in financing activities in 9M-2014, mainly for the payment of FY2013 final and special dividends to shareholders.

Overall, the Group recorded a net cash outflow of S\$161.9 mil for 9 months ended 30 September 2014 as compared to S\$18.1 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 S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Revaluation Reserve S\$'000	Fair Value Reserve S\$'000	Other Reserves S\$'000	Total S\$'000	S\$'000	S\$'000
<b>THE GROUP</b>									
<b>Balance as at 1 January 2014</b>	193,839	501,658	(11,191)	1,946	3,024	434	689,710	12,932	702,642
Dividends paid	-	(186,779)	-	-	-	-	(186,779)	-	(186,779)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(525)	(525)
Total comprehensive income for the period	-	16,097	(869)	-	613	-	15,841	170	16,011
<b>Balance as at 30 June 2014</b>	193,839	330,976	(12,060)	1,946	3,637	434	518,772	12,577	531,349
Total comprehensive income for the period	-	4,463	510	-	(24)	-	4,949	367	5,316
<b>Balance as at 30 September 2014</b>	193,839	335,439	(11,550)	1,946	3,613	434	523,721	12,944	536,665
<b>Balance as at 1 January 2013</b>	193,839	390,484	(30,720)	1,946	19,527	330	575,406	13,630	589,036
Dividends paid	-	(37,356)	-	-	-	-	(37,356)	-	(37,356)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(518)	(518)
Total comprehensive income for the period	-	18,942	10,505	-	249	-	29,696	(296)	29,400
<b>Balance as at 30 June 2013</b>	193,839	372,070	(20,215)	1,946	19,776	330	567,746	12,816	580,562
Total comprehensive income for the period	-	2,011	(7,170)	-	1,615	-	(3,544)	(254)	(3,798)
<b>Balance as at 30 September 2013</b>	193,839	374,081	(27,385)	1,946	21,391	330	564,202	12,562	576,764



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	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
<b>THE COMPANY</b>				
<b>Balance as at 1 January 2014</b>	193,839	373,646	2,656	570,141
Dividends paid	-	(186,779)	-	(186,779)
Total comprehensive income for the period	-	4,081	619	4,700
<b>Balance as at 30 June 2014</b>	193,839	190,948	3,275	388,062
Total comprehensive income for the period	-	2,871	(75)	2,796
<b>Balance as at 30 September 2014</b>	193,839	193,819	3,200	390,858
<b>Balance as at 1 January 2013</b>	193,839	66,184	3,346	263,369
Dividends paid	-	(37,356)	-	(37,356)
Total comprehensive income for the period	-	10,569	1,207	11,776
<b>Balance as at 30 June 2013</b>	193,839	39,397	4,553	237,789
Total comprehensive income for the period	-	(125)	177	52
<b>Balance as at 30 September 2013</b>	193,839	39,272	4,730	237,841

**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 30 June 2014. There were no outstanding options as at 30 September 2014 (30 September 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 September 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 September 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.



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**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	
	2014	2013	2014	2013
(a) Based on the weighted average number of ordinary shares in issue (cents)				
- Excluding exceptional items	1.13	0.52	2.78	5.75
- Including exceptional items	1.19	0.54	5.50	5.61
(b) On fully diluted basis (cents)				
- Excluding exceptional items	1.13	0.52	2.78	5.75
- Including exceptional items	1.19	0.54	5.50	5.61

The Group's earnings per share from continuing and discontinued operations are disclosed separately in the consolidated income statement on Page 1.

**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	
	30.09.14 S\$	31.12.13 S\$	30.09.14 S\$	31.12.13 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	1.40	1.85	1.05	1.53

The Company does not have any treasury shares.



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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		
	2014	2013	Change	2014	2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b><u>Continuing Operations</u></b>						
Group Turnover	122,072	123,154	(1)	362,595	348,364	4
Group Profit Before Tax (excluding exceptional items)	6,139	3,853	59	13,687	11,696	17
Exceptional items	229	69	232	229	(531)	n/m
Group Profit attributable to equity holders of the Company	4,155	3,350	24	9,440	8,203	15

n/m: not meaningful

**3Q-2014 vs 3Q-2013**

Group turnover in 3Q-2014 was S\$122.1 mil compared to S\$123.2 mil in the previous corresponding period 3Q-2013. The 1% decrease in turnover was due to lower revenue from Engineering division, partially offset by higher revenue from the Environmental Services division.

The Group recorded a profit before tax of S\$6.1 mil in 3Q-2014 compared to S\$3.9 mil in 3Q-2013. The improvement was due to higher contributions from Environmental Services and Construction Products (Precast & Others) divisions, partially offset by weaker performance by Engineering division.

After taking into account income tax and exceptional items, the Group reported a profit attributable to equity holders from continuing operations of S\$4.2 mil in 3Q-2014 compared to S\$3.4 mil in 3Q-2013.

**9M-2014 vs 9M-2013**

Group turnover in 9M-2014 was S\$362.6 mil compared to S\$348.4 mil in the previous corresponding period 9M-2013. The 4% increase in turnover was achieved from higher revenue recorded by Environmental Services, Engineering and Construction Products (Dry Mix) divisions.

Group pre-tax profit improved by 17% to S\$13.7 mil from S\$11.7 mil in 9M-2013, due to higher contributions from Environmental Services and Engineering divisions, partially offset by weaker performance by Construction Products (Precast & Others) division.

After taking into account income tax and exceptional items, the Group reported a profit attributable to equity holders from continuing operations of S\$9.4 mil in 9M-2014 compared to S\$8.2 mil in 9M-2013.





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## **Turnover**

Turnover (S\$ mil)	The Group					
	Quarter ended 30 September			9 months ended 30 September		
	2014	2013	Change (%)	2014	2013	Change (%)
<b><u>Continuing Operations</u></b>						
Construction Products - Precast & Others	58.1	59.1	(2)	167.1	174.1	(4)
Construction Products - Dry Mix	21.7	19.9	9	65.1	54.9	19
Environmental Services Division	23.9	20.1	19	69.4	61.0	14
Engineering Division	12.2	17.0	(28)	39.4	36.1	9
Others	6.2	7.1	(13)	21.6	22.3	(3)
	122.1	123.2	(1)	362.6	348.4	4

### **Construction Products – Precast and Others**

Turnover decreased by 2% and 4% in 3Q-2014 and 9M-2014 respectively, due to lower revenue reported by the precast operations in Singapore. Revenue of the Singapore operations was adversely affected by the absence of large-scale projects and slower progress of ongoing projects. However, this was partially offset by higher revenue from precast operations in Malaysia and Dubai on the back of higher project volume.

### **Construction Products – Dry Mix**

Turnover increased by 9% and 19% in 3Q-2014 and 9M-2014 respectively. Higher revenue was reported by all operations across the region underpinned by healthy demand. The improved revenue was partly contributed by the expanded production facilities in Seelong, as its two added production lines commenced production in 3Q-2014.

### **Environmental Services**

Turnover of the Environmental Services division increased by 19% and 14% in 3Q-2014 and 9M-2014 respectively, driven by sales volume growth of its Automotive Diesel Oil (“ADO”), Recycled Fuel Oil (“RFO”) and Logistics Services operations compared to the same period last year. The division’s RFO business, in particular, reported a substantial volume increase in 3Q-2014 against a very weak 3Q-2013, when sales volume was affected by off-take disruptions.

### **Engineering**

Turnover of the Engineering division declined by 28% in 3Q-2014 due to lower spreader deliveries and against a strong corresponding quarter in 2013. For 9M-2014, the division reported a 9% revenue growth driven by strong sales of spreaders in the first half of the year.



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**Attributable profit / (loss) before tax and exceptional items**

Attributable profit / (loss) before tax and exceptional items (S\$'mil)	The Group					
	Quarter ended 30 September			9 months ended 30 September		
	2014	2013	Change (%)	2014	2013	Change (%)
<b><u>Continuing Operations</u></b>						
Construction Products - Precast & Others	1.1	-	n/m	(4.0)	2.0	n/m
Construction Products - Dry Mix	3.2	3.4	(6)	9.8	7.5	31
Environmental Services Division	2.4	0.8	200	6.8	5.2	31
Engineering Division	1.3	1.9	(32)	5.2	3.5	49
Others (including unallocated corporate)	(1.9)	(2.2)	(14)	(4.1)	(6.5)	(37)
	6.1	3.9	59	13.7	11.7	17

n/m: not meaningful

**Construction Products – Precast and Others**

Pre-tax performance improved by S\$1.1 mil in 3Q-2014 compared to breakeven in 3Q-2013. The improved performance was due to higher pre-tax profit by its Malaysian operations on the back of higher revenue, and a further reduction in quarterly loss reported by its operations in Dubai.

For 9M-2014, the division reported a loss of S\$4 mil mainly as a result of significantly lower performance by its operations in Singapore and Malaysia. The performance of the Singapore operations was affected by lower sales revenue and a higher unit production costs as a result of low production volume. Precast operations in Malaysia was adversely impacted due to higher cost associated with project delays during the first half of the year. However, the division's prefabricated bathroom operations in Finland (Parmarine) reported healthy growth in pre-tax performance on the back of higher revenue.

**Construction Products – Dry Mix**

Pre-tax profit in 3Q-2014 was 6% below pre-tax profit for the corresponding period last year, due to lower performance from its operations in Hong Kong and Guangzhou. However, its operations in Singapore and Malaysia reported higher pre-tax profit driven by volume growth and improved product mix.

For 9M-2014, pre-tax profit increased by 31% on the back of improved performance by its operations in Singapore and Malaysia.

**Environmental Services**

Pre-tax profits for 3Q-2014 and 9M-2014 increased by 200% and 31% respectively compared to corresponding periods in the previous year, largely due to higher revenue and better margin from the RFO operations, particularly in 3Q-2014.

**Engineering**

Pre-tax profit of the Engineering division declined by 32% in 3Q-2014, due to lower spreader deliveries and against a strong corresponding quarter in 2013. For 9M-2014, pre-tax profit rose by 49% on the back of strong sales of spreaders during the first half of the year and improved gross profit margin as a result of favorable sales mix.



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**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 (Dry Mix) division, demand for the division's products across the region is expected to remain satisfactory underpinned by healthy demand.

In the Construction products (Precast and Others) division, precast business across the region, particularly in Singapore, will continue to face challenging operating conditions due to risks associated with project execution as well as higher operating costs. However, performance of Parmarine is expected to be satisfactory. The division will continue to promote the prefabricated unit bathroom business in Singapore and in the region.

In the Environmental Services division, demand for Automotive Diesel Oil and Logistic Services is expected to remain firm. However, the weakening oil price would have a significant impact on the performance of its Recycled Fuel Oil business. The division would continue to broaden its products and services and develop new markets for its proprietary range of motor oil products, under its "Liquid Gold" brand.

Operating conditions for the Engineering division is expected to be more challenging. The division will continue its marketing efforts on the new range of products such as RAM revolvers to broaden its customer base.



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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 September 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 September 2014 to be false or misleading.

#### **BY ORDER OF THE BOARD**

LIM Su-Ling  
Company Secretary  
6 November 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.