



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

THE GROUP						
Note	Quarter ended 30 June			6 months ended 30 June		
	2019 S\$'000	2018 S\$'000	Change %	2019 S\$'000	2018 S\$'000	Change %
Continuing operations						
Sales	59,706	69,536	(14)	119,670	154,515	(23)
Cost of sales	(54,557)	(64,921)	(16)	(110,330)	(142,731)	(23)
Gross profit	(2) 5,149	4,615	12	9,340	11,784	(21)
Other income						
- Interest	(3) 1,312	1,040	26	2,745	2,174	26
- Others	(3) 4,062	2,866	42	4,723	5,454	(13)
Other gains and losses	(4) 369	1,071	(66)	237	(1,797)	n/m
Distribution costs	(5) (2,259)	(2,517)	(10)	(4,752)	(5,180)	(8)
Administrative expenses	(6) (8,931)	(7,705)	16	(16,854)	(15,323)	10
Impairment loss on financial assets	(6) (626)	(476)	32	(443)	(447)	(1)
Finance costs	(7) (291)	(8)	n/m	(523)	(47)	n/m
Share of results of associated companies, net of tax	(8) (214)	(470)	(54)	(322)	(524)	(39)
Loss before income tax	(1) (1,429)	(1,584)	(10)	(5,849)	(3,906)	50
Income tax expense	(9) (385)	112	n/m	(200)	(588)	(66)
Loss from continuing operations	(1,814)	(1,472)	23	(6,049)	(4,494)	35
Discontinued operations						
Profit / (Loss) from discontinued operations	(10) 17	(49)	n/m	338	(122)	n/m
Total loss for the financial period	(1,797)	(1,521)	18	(5,711)	(4,616)	24
(Loss) / profit attributable to equity holders of the Company:						
- from continuing operations	(1,404)	(1,541)	(9)	(5,179)	(4,610)	12
- from discontinued operations	20	(57)	n/m	396	(143)	n/m
	(1,384)	(1,598)	(9)	(4,783)	(4,753)	12
(Loss) / profit attributable to non-controlling interest:						
- from continuing operations	(410)	69	n/m	(870)	116	n/m
- from discontinued operations	(3)	8	n/m	(58)	21	n/m
	(413)	77	-	(928)	137	-
Basic and fully diluted earnings per share (cents)						
- from continuing operations	(0.38)	(0.41)	(7)	(1.39)	(1.23)	13
- from discontinued operations	0.01	(0.02)	n/m	0.11	(0.04)	n/m
n/m: not meaningful						

Notes to the Group's Income Statement

- (1) Loss before income tax from Continuing Operations is arrived at after crediting / (charging) the following items:

	Note	THE GROUP			
		Quarter ended		6 months ended	
		30 June		30 June	
		2019	2018	2019	2018
		S\$'000	S\$'000	S\$'000	S\$'000
Dividend income	(i)	6	1,033	6	1,033
Interest income	(ii)	1,312	1,040	2,745	2,174
Insurance compensation	(iii)	3,300	-	3,300	1,500
Amortisation of intangible assets		(249)	(297)	(511)	(466)
Depreciation of property, plant and equipment		(3,290)	(3,329)	(6,685)	(6,528)
Depreciation of right-of-use assets	(iv)	(729)	-	(1,491)	-
Allowance for stocks obsolescence, net	(v)	(180)	-	(66)	(12)
Write down of inventories, net	(v)	(184)	-	(261)	-
Allowance of impairment for trade receivables, net	(vi)	(627)	(476)	(443)	(448)
Amortisation of deferred income		25	66	51	129

(i) Decrease in 1H-2019 and 2Q-2019 was due to lower dividend income recorded by the Company.

(ii) Increase in 1H-2019 and 2Q-2019 was due to higher interest income recorded by the Company.

(iii) Incurred by the Environmental Services division as a result of the fire incident in March 2017.

(iv) Depreciation of right-of-use assets in relation to leases which had previously been classified as 'operating leases' with effect from 1 January 2019 arising from the Group's adoption of SFRS(I) 16 Leases.

(v) Mainly attributable to the precast operations in Malaysia and Dubai.

(vi) Mainly attributable to the precast operations in Dubai.

- (2) Gross profit

The decrease in gross profit for 1H-2019 was due mainly to lower sales and margin from the Precast operations in Dubai and the Environmental Services divisions. The increase in gross profit for 2Q-2019 was due mainly to improvement in gross profit margin of the precast operations in Singapore and Malaysia.

- (3) Other income

The increase in interest income for 1H-2019 and 2Q-2019 was due to higher interest income recorded by the Company. The decrease in other income for 1H-2019 was due mainly to lower dividend income recorded by the Company. The increase in other income for 2Q-2019 was due to recognition of business interruption insurance income of S\$3.3 mil for losses incurred by Environmental Services division as a result of the fire incident in March 2017.

Notes to the Group's Income Statement (continued)

(4) Other gains and losses

	THE GROUP			
	Quarter ended		6 months ended	
	30 June		30 June	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Currency exchange (loss) / gain - net	(214)	100	(296)	(405)
Insurance claim for damage of plant and equipment	-	800	-	800
<u>Property, plant and equipment</u>				
- Gain / (Loss) on disposal including write-off, net	49	(250)	77	(391)
- Impairment, net	-	(516)	-	(516)
Loss on disposal of a subsidiary company	-	-	(37)	-
Plant closure and restructuring costs	-	(321)	-	(2,171)
Gain on disposal of an associated company	-	1,060	-	760
Fair value gain on redemption liability	476	-	476	-
Others	58	198	17	126
	<u>369</u>	<u>1,071</u>	<u>237</u>	<u>(1,797)</u>

(5) Distribution costs

The decrease in distribution costs for 2Q-2019 was attributable to the Environmental Services division, in line with lower sales.

(6) Administrative expenses
Impairment loss on financial assets

The increase in administrative expenses for 1H-2019 and 2Q-2019 was attributable to increase in professional fees for the Environmental Services division and operating expenses incurred by the newly setup PBU operation in Malaysia. The increase in impairment loss on financial assets was attributable the allowance of impairment for trade receivables for the precast operations in Dubai.

(7) Finance costs

	THE GROUP			
	Quarter ended		6 months ended	
	30 June		30 June	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on lease liabilities	(169)	-	(358)	-
Interest expense on bank loans	(122)	(8)	(165)	(47)
	<u>(291)</u>	<u>(8)</u>	<u>(523)</u>	<u>(47)</u>

The increase in finance costs for 1H-2019 and 2Q-2019 was mainly attributable to recognition of lease liabilities following the adoption of SFRS(I) 16 Leases and increase in average borrowings for the period.

Notes to the Group's Income Statement (continued)

- (8) Share of results of associated companies, net of tax

The decrease in losses for 1H-2019 and 2Q-2019 was attributable to an associate in Malaysia.

- (9) Income tax expense

		THE GROUP			
		Quarter ended 30 June		6 months ended 30 June	
	Note	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Taxation charge for the financial period comprises:					
- Current period taxation	(i)	(387)	64	(235)	(602)
- Over-provision in respect of prior years	(ii)	2	48	35	14
		<u>(385)</u>	<u>112</u>	<u>(200)</u>	<u>(588)</u>

- (i) The Group incurred a net tax charge in 1H-2019 and 2Q-2019 despite in a loss position due mainly to losses incurred by certain Group companies which could not be set off against the profits earned by other companies in the Group.
- (ii) Over-provision in respect of prior years in 1H-2019 comprised mainly of reversal of deferred tax liabilities.

- (10) Profit / (loss) from discontinued operations

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

		THE GROUP			
		Quarter ended 30 June		6 months ended 30 June	
		2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Sales		18,045	25,143	35,337	47,232
Net expenses		<u>(17,995)</u>	<u>(25,181)</u>	<u>(34,934)</u>	<u>(47,364)</u>
Profit / (loss) before tax from discontinued operations		50	(38)	403	(132)
Income tax expense		<u>(33)</u>	<u>(11)</u>	<u>(65)</u>	<u>10</u>
Profit / (loss) after tax from discontinued operations		<u>17</u>	<u>(49)</u>	<u>338</u>	<u>(122)</u>

Notes to the Group's Income Statement (continued)

(10) Profit / (loss) from discontinued operations (continued)

- a) On 5 August 2019, the Company's wholly-owned subsidiary, NSL OilChem Waste Management Pte. Ltd. ("NSL OilChem") entered into a sale and purchase agreement for the proposed disposal of 6,000,000 ordinary shares in the capital of NSL Fuel Management Services Pte. Ltd. ("NSL Fuel"), representing 82.75 per cent. of the issued share capital in NSL Fuel, to KHC Fuel Investment Pte. Ltd. (the "Purchaser").

Following completion, NSL OilChem will cease to hold any interest in NSL Fuel and accordingly, NSL Fuel will cease to be a member of the group comprising the Company and its subsidiaries.

NSL Fuel was a separate major line of business responsible for the distribution of oil products. In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, NSL Fuel was disclosed as a discontinued operation and the carrying value of assets and liabilities of NSL Fuel were classified as held for sale from 2Q-2019 and measured at the lower of carrying amount and fair value less costs to sell prior to their disposal.

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

	<u>THE GROUP</u>	
	30.06.19	31.12.18
	S\$'000	S\$'000
Assets		
Inventories	1,846	-
Cash and cash equivalents	1,319	-
Receivables and prepayments	14,157	-
Property, plant and equipment	2,146	-
Intangible assets	269	-
Total assets	<u>19,737</u>	<u>-</u>
Liabilities		
Trade and other payables	6,992	-
Other non-current liabilities	745	-
Deferred tax liabilities	79	-
Total liabilities	<u>7,816</u>	<u>-</u>

Statement of Comprehensive Income for Period ended 30 June 2019

	THE GROUP			
	Quarter ended 30 June		6 months ended 30 June	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Total loss for the financial period	(1,797)	(1,521)	(5,711)	(4,616)
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Exchange differences on translating foreign operations				
- (Losses) / Gains arising during the period	(437)	142	(1,648)	2,502
Share of other comprehensive income of associated companies	(237)	570	194	570
Income tax relating to components of other comprehensive income	-	7	-	7
	(674)	719	(1,454)	3,079
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Gains arising from financial assets at FVOCI*	734	(816)	1,474	118
Exchange differences on translating foreign operations				
- (Losses) / Gains arising during the period	(7)	(178)	59	(66)
Other comprehensive income for the period, net of tax	53	(275)	79	3,131
Total comprehensive income for the period, net of tax	(1,744)	(1,796)	(5,632)	(1,485)
Total comprehensive income attributable to:				
Equity holders of the Company	(1,324)	(1,695)	(4,763)	(1,556)
Non-controlling interests	(420)	(101)	(869)	71
	(1,744)	(1,796)	(5,632)	(1,485)

*Financial assets measured at fair value through other comprehensive income


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

	Note	THE GROUP		THE COMPANY	
		30.06.19 S\$'000	31.12.18 S\$'000	30.06.19 S\$'000	31.12.18 S\$'000
Equity					
Share capital		193,839	193,839	193,839	193,839
Reserves		344,474	367,915	152,508	169,234
Shareholders' equity		538,313	561,754	346,347	363,073
Non-controlling interests		3,610	4,572	-	-
Total equity		541,923	566,326	346,347	363,073
Current Assets					
Inventories		54,201	54,175	-	-
Receivables, prepayments and other current assets	(1)	87,381	101,435	44,663	40,758
Tax recoverable		1,679	1,624	-	-
Cash and cash equivalents	(2)	272,551	304,661	233,369	257,326
		415,812	461,895	278,032	298,084
Assets of disposal group classified as held-for-sale (Note 9)		19,737	-	-	-
		435,549	461,895	278,032	298,084
Non-Current Assets					
Property, plant and equipment	(3)	140,394	156,030	136	169
Right-of-use assets	(4)	35,691	-	8	-
Investments in subsidiaries		-	-	85,232	85,232
Investments in associated companies		50,555	51,265	-	-
Long term receivables and prepayments		4,497	4,588	28,713	27,913
Financial assets, at FVOCI*	(5)	9,259	7,785	8,968	7,494
Other investments at amortised cost		2,529	2,536	2,529	2,536
Intangible assets		10,756	11,187	109	163
Deferred tax assets		4,561	3,901	-	-
Other non-current assets		105	105	-	-
		258,347	237,397	125,695	123,507
Total Assets		693,896	699,292	403,727	421,591
Current Liabilities					
Borrowings	(6)	(7,274)	(2,109)	-	-
Trade, other payables and other current liabilities	(7)	(83,962)	(98,599)	(47,487)	(48,683)
Lease liabilities	(4)	(2,266)	-	(5)	-
Current income tax liabilities		(102)	(618)	-	-
Deferred income		(168)	(168)	-	-
		(93,772)	(101,494)	(47,492)	(48,683)
Liabilities directly associated with disposal group classified as held-for-sale (Note 9)		(7,816)	-	-	-
		(101,588)	(101,494)	(47,492)	(48,683)
Non-Current Liabilities					
Provision for retirement benefits		(3,653)	(3,473)	-	-
Deferred tax liabilities		(2,153)	(2,179)	(304)	(236)
Borrowings	(6)	(23,806)	(20,061)	-	-
Deferred income		(499)	(535)	-	-
Other non-current liabilities	(8)	(3,834)	(5,224)	(9,579)	(9,599)
Lease liabilities	(4)	(16,440)	-	(5)	-
		(50,385)	(31,472)	(9,888)	(9,835)
Total Liabilities		(151,973)	(132,966)	(57,380)	(58,518)
Net Assets		541,923	566,326	346,347	363,073

*Financial assets measured at fair value through other comprehensive income

Explanatory notes on consolidated statement of financial position

- (1) Receivables, prepayments and other current assets
The decrease was mainly due to the receivables, prepayments and other current assets of NSL Fuel being reclassified to “disposal group assets classified as held for sale”.
- (2) Cash and cash equivalents
The decrease in cash and cash equivalents was mainly due to payment of dividends to shareholders, purchases of fixed assets for the construction of organic wastewater treatment facility in Tuas and working capital changes.
- (3) Property, plant and equipment
The decrease was due to leasehold land of the Group being reclassified to “right-of-use assets” with effect from 1 January 2019 arising from the adoption of SFRS(I) 16 *Leases*.
- (4) Right-of-use assets
Lease liabilities
The Group recognised lease liabilities and the associated right-of-use assets in relation to leases which had previously been classified as ‘operating leases’ with effect from 1 January 2019 arising from the adoption of SFRS(I) 16 *Leases*.
- (5) Financial assets, at FVOCI*
The increase in was due to fair value gains from financial assets held by the Company.
- (6) Borrowings
The increase in borrowings was largely due to funding for the ongoing construction of organic wastewater treatment facility in Tuas.
- (7) Trade, other payables and other current liabilities
The decrease was due to trade, other payables and other current liabilities of NSL Fuel being reclassified to “disposal group assets classified as held for sale”, and working capital changes attributed to the Environmental Services division.
- (8) Other non-current liabilities
The decrease was mainly due to the other non-current liabilities of NSL Fuel being reclassified to “disposal group assets classified as held for sale”.

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 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
9,540	-	2,109	-

Amount repayable after one year

As at 30 June 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
40,246	-	20,061	-

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\$55,202,000 (31 December 2018: S\$53,038,000) charged by way of debentures to banks for overdraft and term loan facilities granted. Included in secured borrowings are current lease liabilities of S\$2,266,000 and non-current lease liabilities of S\$16,440,000 which are secured over the right-of-use assets of S\$35,691,000.

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

Note	The Group			
	Quarter ended		6 months ended	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
(Loss) / Profit from continuing operations	(1,814)	(1,472)	(6,049)	(4,494)
Loss from discontinued operations	17	(49)	338	(122)
Loss for the financial period	(1,797)	(1,521)	(5,711)	(4,616)
<i>Adjustments for:</i>				
Taxation	417	(101)	264	578
Amortisation of intangible assets	292	456	596	784
Amortisation of deferred income	(25)	(66)	(51)	(129)
Depreciation of properties, plant and equipment	3,398	3,448	6,905	6,769
Depreciation of right-of-use assets	730	-	1,492	-
Interest expense	312	63	575	159
Interest income	(1,312)	(1,040)	(2,745)	(2,174)
Dividend income from financial assets, at FVOCI/ available-for-sale	(6)	(1,033)	(6)	(1,033)
Allowance for impairment of property, plant and equipment (net)	-	516	-	516
Loss on disposal including write-off of property, plant and equipment (net)	(48)	213	(76)	354
Plant closure and restructuring costs	-	321	-	2,171
Insurance compensation	(3,300)	(800)	(3,300)	(2,300)
Provision for retirement benefits (net)	138	145	292	328
Share of results of associated companies, net of tax	214	470	322	524
Gain on disposal of an associated company	-	(1,060)	-	(760)
Loss on disposal of a subsidiary	-	-	37	-
Exchange differences and other adjustments	670	(391)	441	411
<i>Operating cash flows before working capital changes</i>	(317)	(380)	(965)	1,582
<i>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</i>				
Inventories	696	(4,414)	(2,222)	(5,409)
Receivables and prepayments	2,384	(2,790)	5,089	(6,754)
Deferred income	9	7	15	15
Trade and other payables	(5,354)	1,640	(8,977)	(533)
<i>Cash used in operations</i>	(2,582)	(5,937)	(7,060)	(11,099)
Income tax paid	(421)	(523)	(1,243)	(1,429)
Insurance compensation received	-	825	-	1,500
Retirement benefits paid	(28)	(59)	(67)	(114)
<i>Net cash used in operating activities</i>	(3,031)	(5,694)	(8,370)	(11,142)
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	95	632	352	801
Insurance compensation received	-	-	906	-
Net cash inflow from disposal of a subsidiary	(1)	-	422	-
Purchases of property, plant and equipment	(7,580)	(8,706)	(13,686)	(16,052)
Purchases of intangible assets	(277)	(111)	(447)	(277)
Interest received	1,668	1,225	2,146	2,053
Dividends received from non-current financial assets	6	1,033	6	1,033
<i>Net cash used in investing activities</i>	(6,088)	(5,927)	(10,301)	(12,442)

Cash Flows from Financing Activities

	The Group			
	Quarter ended		6 months ended	
	30 June		30 June	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Proceeds from borrowings	5,143	2,208	10,099	8,625
Repayment of borrowings	(544)	(2,742)	(1,135)	(5,271)
Hire purchases and finance lease liabilities	-	(123)	-	(290)
Principal element of lease payments	(759)	-	(1,536)	-
Interest paid	(311)	(63)	(573)	(160)
Dividends paid to shareholders	(18,678)	(18,678)	(18,678)	(18,678)
Dividends paid to non-controlling interests	(93)	-	(93)	-
<i>Net cash generated from financing activities</i>	<i>(15,242)</i>	<i>(19,398)</i>	<i>(11,916)</i>	<i>(15,774)</i>

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the period	291,736	333,462	298,161	341,310
Effects of exchange rate changes on cash and cash equivalents	(5)	(53)	(204)	438
Cash and cash equivalents at end of the period	267,370	302,390	267,370	302,390

Cash and cash equivalents at end of the financial year comprise:

- Cash and bank balances	272,551	308,890	272,551	308,890
- Cash classified as disposal group asset held for sale	1,319	-	1,319	-
- Less: bank deposits pledged	(6,500)	(6,500)	(6,500)	(6,500)
	267,370	302,390	267,370	302,390

Notes to the Group's cash flow statement
(1) Disposal of a subsidiary
Carrying amounts of assets and liabilities disposed of

	THE GROUP			
	Quarter ended		6 months ended	
	30 June		30 June	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and cash equivalents	-	-	176	-
Trade and other receivables	-	-	81	-
Inventories	-	-	350	-
Property, plant and equipment	-	-	38	-
Total assets	-	-	645	-
Total liabilities	-	-	(4)	-
Net assets disposed of	-	-	641	-

The aggregate cash inflow arising from the disposal of subsidiaries were:

Net assets disposed of	-	-	641	-
Loss on disposal	-	-	(37)	-
Total sale consideration, net of transaction costs	-	-	604	-
Less: Cash and cash equivalents in subsidiary disposed of	-	-	(176)	-
Less: Professional and other fees paid	-	-	(6)	-
Net cash inflow on disposal of subsidiaries	-	-	422	-

Analysis of consolidated statement of cash flows**2Q-2019**

The group recorded a negative operating cash flow of S\$3.0 mil in 2Q-2019, mainly attributable to cash outflow from working capital changes.

Net cash used in investing activities in 2Q-2019 was S\$6.1 mil compared to \$5.9 mil in 2Q-2018. This was due to less dividends received from financial assets, at FVOCI held by the Company in 2Q-2019.

A total of S\$15.2 mil (2Q-2018: S\$19.4 mil) was used in financing activities in 2Q-2019. The decrease was due mainly to higher net proceeds from bank borrowings.

Overall, the Group recorded a net cash outflow of S\$24.4 mil for 2Q-2019 as compared to S\$31.0 mil in 2Q-2018. Group cash and cash equivalents stood at S\$267.4 mil as of 30 June 2019.

1H-2019

The group recorded a negative operating cash flow of S\$8.4 mil in 1H-2019, mainly attributable to cash outflow from working capital changes.

Net cash used in investing activities in 1H-2019 was S\$10.3 mil compared to \$12.4 mil in 1H-2018. This was due to a reduction in capital expenditure recorded by the Group's Environmental Services division in 1H-2019 compared to 1H-2018.

A total of S\$11.9 mil (1H-2018: S\$15.8 mil) was used in financing activities in 1H-2019. The decrease was due to higher net proceeds from bank borrowings.

Overall, the Group recorded a net cash outflow of S\$30.6 mil for 1H-2019 as compared to S\$39.4 mil in 1H-2018. Group cash and cash equivalents stood at S\$267.4 mil as of 30 June 2019.



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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 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	Capital Reserve S\$'000	Fair Value Reserve S\$'000	General Reserve S\$'000	Total S\$'000		
THE GROUP									
Balance as at 1 January 2019	193,839	368,372	(1,050)	(1,944)	1,556	981	561,754	4,572	566,326
Loss for the period	-	(3,399)	-	-	-	-	(3,399)	(515)	(3,914)
Other comprehensive (losses) / income for the period	-	-	(780)	-	740	-	(40)	66	26
Total comprehensive (losses) / income for the period	-	(3,399)	(780)	-	740	-	(3,439)	(449)	(3,888)
Balance as at 31 March 2019	193,839	364,973	(1,830)	(1,944)	2,296	981	558,315	4,123	562,438
(Loss) / profit for the period	-	(1,384)	-	-	-	-	(1,384)	(413)	(1,797)
Other comprehensive income / (losses) for the period	-	-	(674)	-	734	-	60	(7)	53
Total comprehensive (losses) / income for the period	-	(1,384)	(674)	-	734	-	(1,324)	(420)	(1,744)
Transfer of reserves	-	-	-	-	-	-	-	-	-
Dividends paid	-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(93)	(93)
Total transactions with owners, recognised directly in equity	-	(18,678)	-	-	-	-	(18,678)	(93)	(18,771)
Balance as at 30 June 2019	193,839	344,911	(2,504)	(1,944)	3,030	981	538,313	3,610	541,923



NSL LTD

(Reg. no.: 196100107C)

THE GROUP

Balance as at 31 December 2017

Adoption of SFRS(I) 9

Balance as restated at 1 January 2018

(Loss) / profit for the period

Other comprehensive income for the period

Total comprehensive (losses) / income for the period

Balance as at 31 March 2018

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Dividends paid

Total transactions with owners, recognised directly in equity

Disposal of associate

Balance as at 30 June 2018

Attributable to Equity Holders of the Company								
Share Capital S\$'000	Revenue Reserve S\$'000	Foreign Currency	Capital Reserve S\$'000	Fair Value Reserve S\$'000	General Reserves S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total Equity S\$'000
		Translation Reserve S\$'000						
193,839	391,170	(286)	(1,944)	1,520	947	585,246	4,803	590,049
-	(231)	-	-	-	-	(231)	(25)	(256)
193,839	390,939	(286)	(1,944)	1,520	947	585,015	4,778	589,793
-	(3,155)	-	-	-	-	(3,155)	60	(3,095)
-	-	2,360	-	934	-	3,294	112	3,406
-	(3,155)	2,360	-	934	-	139	172	311
193,839	387,784	2,074	(1,944)	2,454	947	585,154	4,950	590,104
-	(1,598)	-	-	-	-	(1,598)	77	(1,521)
-	-	712	-	(809)	-	(97)	(178)	(275)
-	(1,598)	712	-	(809)	-	(1,695)	(101)	(1,796)
-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
-	-	(569)	-	-	-	(569)	-	(569)
193,839	367,508	2,217	(1,944)	1,645	947	564,212	4,849	569,061

	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
THE COMPANY				
Balance as at 1 January 2019	193,839	167,969	1,265	363,073
Total comprehensive income for the period	-	184	740	924
Balance as at 31 March 2019	193,839	168,153	2,005	363,997
Total comprehensive income / (losses) for the period	-	294	734	1,028
Dividends paid	-	(18,678)	-	(18,678)
Balance as at 30 June 2019	193,839	149,769	2,739	346,347
Balance as at 1 January 2018	193,839	183,405	1,247	378,491
Total comprehensive income for the period	-	7	934	941
Balance as at 31 March 2018	193,839	183,412	2,181	379,432
Total comprehensive income / (losses) for the period	-	937	(777)	160
Dividends paid	-	(18,678)	-	(18,678)
Balance as at 30 June 2018	193,839	165,671	1,404	360,914

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2019. There were no outstanding options and convertibles as at 30 June 2019 (30 June 2018: Nil). The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2019 (30 June 2018: Nil).

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

	30 June 2019	31 December 2018
Number of issued shares excluding treasury shares	373,558,237	373,558,237

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

There were no sales, transfers, cancellation and/or use of treasury shares as at 30 June 2019 (30 June 2018: Nil).

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2019.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements.

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

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

SFRS(I) 16 has resulted in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

Lease liabilities are included as part of net debt and are taken into consideration when deriving the net gearing ratio.

The adoption of SFRS(I) 16 resulted in adjustments to the balance sheet of the Group as at 1 January 2019. The differences from the balance sheet as previously reported at 31 December 2018 are as follows:

**The Group
2019
S\$'000**

Decrease in property, plant and equipment	(17,367)
Increase in right-of-use assets	37,125
Increase in lease liabilities (current)	(2,354)
Increase in lease liabilities (non-current)	(17,404)
Net assets	<u>-</u>

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	
	2019	2018	2019	2018
(a) Based on the weighted average number of ordinary shares in issue (cents)				
- from continuing operations	(0.38)	(0.41)	(1.39)	(1.23)
- from discontinued operations	0.01	(0.02)	0.11	(0.04)
Total (including discontinued operations)	<u>(0.37)</u>	<u>(0.43)</u>	<u>(1.28)</u>	<u>(1.27)</u>
(b) On fully diluted basis (cents)				
- from continuing operations	(0.38)	(0.41)	(1.39)	(1.23)
- from discontinued operations	0.01	(0.02)	0.11	(0.04)
Total (including discontinued operations)	<u>(0.37)</u>	<u>(0.43)</u>	<u>(1.28)</u>	<u>(1.27)</u>

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

	THE GROUP		THE COMPANY	
	30.06.19	31.12.18	30.06.19	31.12.18
	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 year	1.44	1.50	0.93	0.97
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			THE GROUP		
	Quarter ended 30 June			6 months ended 30 June		
	2019 S\$'000	2018 S\$'000	Change %	2019 S\$'000	2018 S\$'000	Change %
<u>Continuing Operations</u>						
Group Turnover	59,706	69,536	(14)	119,670	154,515	(23)
Group Loss Before Tax	(1,429)	(1,584)	(10)	(5,849)	(3,906)	50
Group Loss attributable to equity holders of the Company	(1,404)	(1,541)	(9)	(5,179)	(4,610)	12

n/m: not meaningful

2Q-2019 vs 2Q-2018

Group turnover in 2Q-2019 was S\$59.7 mil, a 14% decrease from S\$69.5 mil in 2Q-2018. This was due to lower sales reported by both the Precast & PBU and Environmental Services divisions.

The Group incurred a loss before tax of \$1.4 mil in 2Q-2019, compared to a loss before tax of S\$1.6 mil in 2Q-2018. Higher profit was reported by the Environmental Services division due to insurance income of S\$3.3 mil in relation to the 2017 fire incident, but was partially offset by lower dividend income recorded by the Company.

After accounting for taxation and non-controlling interests, loss attributable to equity holders was S\$1.4 mil in 2Q-2019 compared to S\$1.5 mil in 2Q-2018.

1H-2019 vs 1H-2018

Group turnover in 1H-2019 was S\$119.7 mil, a 23% decrease from S\$154.5 mil in 1H-2018, due to lower revenue by both the Precast & PBU and Environmental Services divisions.

The Group incurred a loss before tax of \$5.8 mil in 1H-2019 compared to loss before tax of S\$3.9 mil in 1H-2018. The higher loss was mainly due to losses incurred by the Environmental Services division.

Consequently, the Group reported a loss attributable to equity holders of S\$5.2 mil in 1H-2019 as compared to S\$4.6 mil in 1H-18.

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

Turnover

Turnover (S\$'mil)	THE GROUP			THE GROUP		
	Quarter ended 30 June			6 months ended 30 June		
	2019	2018	Change (%)	2019	2018	Change (%)
<u>Continuing Operations</u>						
Precast & PBU	46.9	54.7	(14)	94.3	124.4	(24)
Environmental Services	7.7	9.8	(21)	15.3	19.6	(22)
Others	5.1	5.0	2	10.1	10.5	(4)
	59.7	69.5	(14)	119.7	154.5	(23)

Precast & Prefabricated Bathroom Unit ("PBU")

Turnover of the Precast & PBU division in 2Q-2019 declined by 14% due to lower volumes reported by the Dubai and Finland operations. For 1H-2019, turnover decreased by 24% as delays in the commencement of major projects in Singapore, Malaysia and Dubai resulted in lower sales volume.

Environmental Services

Environmental Services turnover decreased by 21% and 22% in 2Q-2019 and 1H-2019 respectively. This was mainly due to lower sales reported by the RFO and slop businesses as a result of weak market demand. Ongoing plant maintenance to improve long-term operating efficiencies also adversely impacted production volume in the RFO and Slop businesses during these periods.

Attributable (loss) / profit before tax

Attributable (loss) / profit before tax (S\$'mil)	THE GROUP			THE GROUP		
	Quarter ended 30 June			6 months ended 30 June		
	2019	2018	Change (%)	2019	2018	Change (%)
<u>Continuing Operations</u>						
Precast & PBU	(2.1)	(2.4)	(13)	(3.1)	(4.5)	(31)
Environmental Services	1.5	0.8	50	(1.1)	1.6	n/m
Share of SMAG / PSLT results	(0.4)	(0.3)	33	(0.5)	(0.3)	67
Others	(0.4)	0.3	n/m	(1.1)	(0.7)	61
	(1.4)	(1.6)	(18)	(5.8)	(3.9)	38

n/m: not meaningful

Precast & Prefabricated Bathroom Unit ("PBU")

The precast operation was in losses in 2Q-2019 and 1H-2019 due to low sales volumes as a result of delays in the commencement of major projects in all its geographical locations.

Environmental Services

The division recorded a profit of S\$1.5 mil in 2Q-2019 compared to a profit of S\$0.8 mil in 2Q-2018. The improvement was attributable to insurance income of S\$3.3 mil in relation to the 2017 fire incident. However, it incurred higher operating losses in the RFO and slop businesses as a result of lower sales and softer RFO price.

For 1H-2019, the division recorded a loss of S\$1.1 mil compared to a profit of S\$1.6 mil in 1H-2018. The decline was mainly due to poor performance from RFO and slop business as a result of lower sales and softer RFO prices. However, the waste treatment operation recorded improvement in pre-tax performance following the restatement of the incinerator license.

Others

The variance in 2Q-2019 and 1H-2019 was mainly attributable to lower dividend income recorded by the Company.

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 months

The precast business in Singapore and Malaysia is expected to face operational challenges due to the disruption in labour supply which may affect production in 2H-2019. Revenue of Dubai operation is expected to be satisfactory in 2H-2019 on the back of healthy order book. Business outlook for the division's PBU business in Finland is expected to remain stable.

In the Environmental Services division, the RFO and slop businesses continue to face challenging market condition amidst weak demand and low RFO price. Operational disruptions due to the plant maintenance, which will lead to improved operating efficiencies, is ongoing and is expected to complete by early 2020. The division's S\$40 mil organic wastewater treatment facility in Tuas is under commissioning. The plant is expected to be operational in 4Q-2019 and utilization will gradually ramp up.

11. Dividend

(a) Current Financial Period Reported On

Any interim / final dividend declared / recommended for the current financial year reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the six months ended 30 June 2019.

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

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

14. Negative confirmation pursuant to Rule 705 (5)

Please see confirmation below on page 21.



NSL LTD

(Reg. no.: 196100107C)

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

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

Not applicable.

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

Not applicable.

18. A breakdown of sales

Not applicable.

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

Not applicable.

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

Not applicable.

CONFIRMATION BY THE BOARD

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results for the six months ended 30 June 2019 to be false or misleading

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
13 August 2019



NSL LTD

(Reg. no.: 196100107C)

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