



**NSL LTD**

(Reg. no.: 196100107C)

## First 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>                                                               |                |                |               |
|--------------------------------------------------------------------------------|----------------|----------------|---------------|
| <b>Quarter ended 31 March</b>                                                  |                |                |               |
|                                                                                | <b>2014</b>    | <b>2013</b>    | <b>Change</b> |
| Notes                                                                          | <b>S\$'000</b> | <b>S\$'000</b> | <b>%</b>      |
| Sales                                                                          | 123,749        | 112,969        | 10            |
| Cost of sales                                                                  | (103,011)      | (94,174)       | 9             |
| Gross profit                                                                   | 20,738         | 18,795         | 10            |
| Other income                                                                   | 1,881          | 1,503          | 25            |
| Distribution costs                                                             | (5,186)        | (5,138)        | 1             |
| Administrative expenses                                                        | (11,980)       | (10,254)       | 17            |
| Other expenses                                                                 | (760)          | (592)          | 28            |
| Finance costs                                                                  | (419)          | (379)          | 11            |
| Share of results of associated companies, net of tax                           | (112)          | 11,035         | (101)         |
| Profit before taxation and exceptional items                                   | 1 4,162        | 14,970         | (72)          |
| Exceptional items                                                              | 2 9,957        | 1,715          | 481           |
| Profit before taxation                                                         | 14,119         | 16,685         | (15)          |
| Taxation                                                                       | 3 (1,369)      | (2,302)        | (41)          |
| Total profit for the period                                                    | 12,750         | 14,383         | (11)          |
| Profit / (loss) attributable to:                                               |                |                |               |
| Equity holders of the Company                                                  | 12,834         | 14,521         | (12)          |
| Non-controlling interests                                                      | (84)           | (138)          | (39)          |
|                                                                                | 12,750         | 14,383         | (11)          |
| Earnings per ordinary share attributable to the equity holders of the Company: |                |                |               |
| - Basic and fully diluted (cents)                                              | 3.44           | 3.89           | (12)          |

n/m: not meaningful



**NSL LTD**

(Reg. no.: 196100107C)

---

**Comments on Income Statement**

- a) **Gross Profit**  
The increase in Group gross profit was due to higher sales revenue in 1Q-2014 compared to the previous corresponding quarter 1Q-2013.
- b) **Other income**  
The increase in other income was due mainly to an increase in interest income due to higher Group bank balances.
- c) **Administrative expenses**  
The increase in administrative expense was mainly due to higher allowance for impairment of trade receivables.
- d) **Share of results of associated companies**  
The decrease in share of results of associated companies in 1Q-2014 was due to the absence of share of profit contribution from Bangkok Synthetics Co. Ltd ("BST"). The Group's interest in BST was divested in December 2013.
- e) **Taxation**  
Tax expense was lower in 1Q-2014 due mainly to lower profit before tax. The effective tax rate of the Group in 1Q-2014 was significantly lower than the Singapore corporate tax rate due mainly to certain gains from exceptional items not subject to tax.

**Notes to the Income Statement**

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

|                                                                         | <b>THE GROUP</b> |                |
|-------------------------------------------------------------------------|------------------|----------------|
|                                                                         | <b>1Q 2014</b>   | <b>1Q 2013</b> |
|                                                                         | <b>S\$'000</b>   | <b>S\$'000</b> |
| Interest income                                                         | 755              | 204            |
| Amortization of intangible assets                                       | (81)             | (92)           |
| Depreciation of property, plant and equipment and investment properties | (4,508)          | (4,584)        |
| Property, plant and equipment written off                               | (11)             | -              |
| Foreign exchange (loss) / gain, net                                     | (707)            | 499            |
| Fair value gain / (loss) on derivative financial instruments            | 430              | (466)          |
| Write-down of inventories, net                                          | (417)            | (566)          |
| Allowance for impairment of trade receivables, net                      | (1,206)          | (304)          |
| Gain on disposal of property, plant and equipment, net                  | 13               | 446            |
| Amortization of deferred income                                         | 47               | 45             |

**Note 2 – Exceptional items**

|                                                                                                | <b>THE GROUP</b> |                |
|------------------------------------------------------------------------------------------------|------------------|----------------|
|                                                                                                | <b>1Q 2014</b>   | <b>1Q 2013</b> |
|                                                                                                | <b>S\$'000</b>   | <b>S\$'000</b> |
| Gain on disposal of property, plant and equipment following business cessation of a subsidiary | -                | 1,696          |
| Gain on disposal of available-for-sale financial assets and other assets                       | -                | 19             |
| Gain on disposal of a subsidiary holding an associated company*                                | 9,957            | -              |
| Net gain                                                                                       | 9,957            | 1,715          |

\*Gain on disposal of a subsidiary holding an associated company

In FY 2013, 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 recognized in FY2013 upon completion of the sale.

Additional Contingent Consideration of S\$10.0 mil is recognised in this quarter based on the Group's share of insurance compensation (net of tax) received by BST and its subsidiaries in the current period ended 31 March 2014. This S\$10 mil when paid to NSC would constitute the final settlement of the Contingent Consideration under the Agreement.

**Note 3 – Taxation**

|                                                                | <b>THE GROUP</b> |                |
|----------------------------------------------------------------|------------------|----------------|
|                                                                | <b>1Q 2014</b>   | <b>1Q 2013</b> |
|                                                                | <b>S\$'000</b>   | <b>S\$'000</b> |
| Taxation charge / (credit) for the financial period comprises: |                  |                |
| - current year taxation                                        | 1,396            | 2,389          |
| - over provision of prior years                                | (27)             | (87)           |
|                                                                | 1,369            | 2,302          |



**NSL LTD**

(Reg. no.: 196100107C)

**Statement of Comprehensive Income for First Quarter ended 31 March 2014**

|                                                                 | <b>THE GROUP</b> |                |
|-----------------------------------------------------------------|------------------|----------------|
|                                                                 | <b>1Q 2014</b>   | <b>1Q 2013</b> |
|                                                                 | <b>S\$'000</b>   | <b>S\$'000</b> |
| <b>Total profit for the period</b>                              | 12,750           | 14,383         |
| <b>Other comprehensive income:</b>                              |                  |                |
| Exchange differences on translating foreign operations          |                  |                |
| - (Losses) / gains arising during the period                    | (757)            | 12,148         |
| Available-for-sale financial assets                             |                  |                |
| - Gains arising during the period                               | 430              | 896            |
| Share of other comprehensive loss of associated companies       | -                | (715)          |
| Income tax relating to components of other comprehensive income | -                | (101)          |
| Other comprehensive income for the period, net of tax           | (327)            | 12,228         |
| <b>Total comprehensive income for the period</b>                | <b>12,423</b>    | <b>26,611</b>  |
| Total comprehensive income attributable to:                     |                  |                |
| Shareholders of the Company                                     | 12,529           | 26,721         |
| Non-controlling interests                                       | (106)            | (110)          |
|                                                                 | <b>12,423</b>    | <b>26,611</b>  |

**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**

|                                             | <b>THE GROUP</b> |                  | <b>THE COMPANY</b> |                 |
|---------------------------------------------|------------------|------------------|--------------------|-----------------|
|                                             | <b>31.03.14</b>  | <b>31.12.13</b>  | <b>31.03.14</b>    | <b>31.12.13</b> |
|                                             | <b>S\$'000</b>   | <b>S\$'000</b>   | <b>S\$'000</b>     | <b>S\$'000</b>  |
| Share capital                               | 193,839          | 193,839          | 193,839            | 193,839         |
| Reserves                                    | 508,400          | 495,871          | 377,111            | 376,302         |
| Shareholders' equity                        | 702,239          | 689,710          | 570,950            | 570,141         |
| Non-controlling interests                   | 12,826           | 12,932           | -                  | -               |
| Total equity                                | 715,065          | 702,642          | 570,950            | 570,141         |
| <b>Current Assets</b>                       |                  |                  |                    |                 |
| Inventories                                 | 92,023           | 92,840           | -                  | -               |
| Receivables and prepayments                 | 155,963          | 141,571          | 32,149             | 34,740          |
| Tax recoverable                             | 1,880            | 1,643            | -                  | -               |
| Cash and bank balances                      | 458,090          | 459,401          | 356,225            | 354,003         |
|                                             | 707,956          | 695,455          | 388,374            | 388,743         |
| <b>Non-Current Assets</b>                   |                  |                  |                    |                 |
| Property, plant and equipment               | 161,401          | 163,500          | 235                | 269             |
| Investment properties                       | 8,377            | 8,420            | -                  | -               |
| Subsidiaries                                | -                | -                | 70,390             | 70,390          |
| Associated companies                        | 5,692            | 5,795            | -                  | -               |
| Long term receivables and prepayments       | 1,744            | 1,907            | 118,879            | 120,200         |
| Available-for-sale financial assets         | 9,895            | 9,465            | 9,344              | 8,925           |
| Intangible assets                           | 9,792            | 9,672            | -                  | -               |
| Deferred tax assets                         | 1,592            | 1,515            | -                  | -               |
| Other non-current assets                    | 119              | 119              | -                  | -               |
|                                             | 198,612          | 200,393          | 198,848            | 199,784         |
| <b>Total Assets</b>                         | <b>906,568</b>   | <b>895,848</b>   | <b>587,222</b>     | <b>588,527</b>  |
| <b>Current Liabilities</b>                  |                  |                  |                    |                 |
| Short term borrowings                       | (26,207)         | (28,049)         | -                  | -               |
| Trade and other payables                    | (136,344)        | (135,722)        | (16,169)           | (18,287)        |
| Provision for other liabilities and charges | (2,274)          | (2,349)          | -                  | -               |
| Taxation                                    | (3,600)          | (3,257)          | (5)                | -               |
| Deferred income                             | (213)            | (258)            | -                  | -               |
|                                             | (168,638)        | (169,635)        | (16,174)           | (18,287)        |
| <b>Non-Current Liabilities</b>              |                  |                  |                    |                 |
| Provision for retirement benefits           | (1,713)          | (1,691)          | -                  | -               |
| Deferred tax liabilities                    | (5,665)          | (5,520)          | (98)               | (99)            |
| Long term borrowings                        | (13,810)         | (14,686)         | -                  | -               |
| Deferred income                             | (1,677)          | (1,674)          | -                  | -               |
|                                             | (22,865)         | (23,571)         | (98)               | (99)            |
| <b>Total Liabilities</b>                    | <b>(191,503)</b> | <b>(193,206)</b> | <b>(16,272)</b>    | <b>(18,386)</b> |
| <b>Net Assets</b>                           | <b>715,065</b>   | <b>702,642</b>   | <b>570,950</b>     | <b>570,141</b>  |

**Explanatory notes on consolidated balance sheet**

- a) Receivables and prepayments  
The increase in receivables and prepayment was attributable to an increase in other receivables, due mainly to Contingent Consideration of S\$10.0 mil recognized as a receivable as at 31 March 2014 based on the Group's share of insurance compensation (net of tax) received by BST and its subsidiaries in 1Q-2014. The S\$10m receivable was subsequently received in April 2014.
- b) Borrowings  
The decrease in amount was due to repayment of borrowings, mainly by the Construction Products division.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**
**Amount repayable in one year or less, or on demand**

| As at 31 March 2014 |                      | As at 31 December 2013 |                      |
|---------------------|----------------------|------------------------|----------------------|
| Secured<br>S\$'000  | Unsecured<br>S\$'000 | Secured<br>S\$'000     | Unsecured<br>S\$'000 |
| 22,808              | 3,399                | 24,141                 | 3,908                |

**Amount repayable after one year**

| As at 31 March 2014 |                      | As at 31 December 2013 |                      |
|---------------------|----------------------|------------------------|----------------------|
| Secured<br>S\$'000  | Unsecured<br>S\$'000 | Secured<br>S\$'000     | Unsecured<br>S\$'000 |
| 13,810              | -                    | 14,686                 | -                    |

**Details of any collateral**

Included in the Group's property, plant and equipment are property, plant and equipment of subsidiaries of net book value of S\$28,494,000 (31 December 2013: S\$29,132,000) charged by way of debentures to banks for overdraft and term loan facilities granted.

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

|                                                                           | <b>THE GROUP</b> |                |
|---------------------------------------------------------------------------|------------------|----------------|
|                                                                           | <b>1Q 2014</b>   | <b>1Q 2013</b> |
|                                                                           | <b>S\$'000</b>   | <b>S\$'000</b> |
| <b>Cash flows from operating activities</b>                               |                  |                |
| Profit for the financial period                                           | 12,750           | 14,383         |
| <i>Adjustments for:</i>                                                   |                  |                |
| Taxation                                                                  | 1,369            | 2,302          |
| Depreciation and amortization                                             | 4,542            | 4,631          |
| Interest expense                                                          | 419              | 379            |
| Interest income                                                           | (755)            | (204)          |
| Provision for retirement benefits (net)                                   | 81               | 90             |
| Share of results of associated companies, net of tax                      | 112              | (11,035)       |
| Exceptional items                                                         | (9,957)          | (1,715)        |
| Exchange differences and other adjustments                                | 30               | (711)          |
| <i>Operating cash flows before working capital changes</i>                | <u>8,591</u>     | <u>8,120</u>   |
| <i>Changes in working capital</i>                                         |                  |                |
| Inventories                                                               | 817              | (16,646)       |
| Receivables and prepayments                                               | (3,742)          | (7,513)        |
| Deferred income                                                           | 5                | 14             |
| Trade and other payables                                                  | 714              | 12,247         |
| <i>Cash generated from / (used in) operations</i>                         | <u>6,385</u>     | <u>(3,778)</u> |
| Income taxes paid                                                         | (1,066)          | (1,444)        |
| Retirement benefits paid                                                  | (55)             | (11)           |
| <b>Net cash generated from / (used in) operating activities</b>           | <u>5,264</u>     | <u>(5,233)</u> |
| <b>Cash flows from investing activities</b>                               |                  |                |
| Proceeds from disposal of property, plant and equipment                   | 71               | 701            |
| Proceeds from sale of available-for-sale financial assets and other asset | -                | 78             |
| Purchases of property, plant and equipment                                | (3,539)          | (5,238)        |
| Purchases of intangible assets                                            | (207)            | (156)          |
| Interest received                                                         | 345              | 179            |
| Dividends received from associated companies                              | -                | 11,207         |
| <b>Net cash (used in) / generated from investing activities</b>           | <u>(3,330)</u>   | <u>6,771</u>   |

|                                                                      | <b>THE GROUP</b> |                |
|----------------------------------------------------------------------|------------------|----------------|
|                                                                      | <b>1Q 2014</b>   | <b>1Q 2013</b> |
|                                                                      | <b>S\$'000</b>   | <b>S\$'000</b> |
| <b>Cash flows from financing activities</b>                          |                  |                |
| Proceeds from borrowings                                             | 6,637            | 9,008          |
| Repayments of borrowings                                             | (9,065)          | (816)          |
| Finance leases and hire purchases                                    | (248)            | 70             |
| Interest paid                                                        | (442)            | (376)          |
| <b>Net cash (used in) / generated from financing activities</b>      | <b>(3,118)</b>   | <b>7,886</b>   |
| <b>Net (decrease) / increase in cash and cash equivalents</b>        | <b>(1,184)</b>   | <b>9,424</b>   |
| <b>Cash and cash equivalents at beginning of period</b>              | <b>455,666</b>   | <b>131,860</b> |
| <b>Effects of exchange rate changes on cash and cash equivalents</b> | <b>(85)</b>      | <b>54</b>      |
| <b>Cash and cash equivalents at end of period</b>                    | <b>454,397</b>   | <b>141,338</b> |
| Cash and cash equivalents at end of period comprise:                 |                  |                |
| - Cash and bank balances                                             | 458,090          | 145,098        |
| - Less: bank deposits pledged                                        | (2,355)          | (2,470)        |
| - Less: bank overdrafts                                              | (1,338)          | (1,290)        |
|                                                                      | <b>454,397</b>   | <b>141,338</b> |

### **Analysis of consolidated statement of cash flows**

#### **1Q-2014**

The Group generated a positive operating cash flow of S\$5.3 mil in 1Q 2014 as compared to cash outflow of S\$5.2mil in the corresponding period last year. The higher operating cash flow was mainly attributable to lower cash outflows from working capital changes as compared to 1Q2013.

Net cash outflow from investing activities in 1Q 2014 was S\$3.3 mil, mainly from the purchases of property, plant and equipment.

The Group recorded a cash outflow of S\$3.1 mil from financing activities in 1Q 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 outflow of S\$1.2 mil in 1Q 2014 as compared to an inflow of S\$9.4 mil in 1Q 2013. Group cash and cash equivalent stood at S\$454.4 mil as of 31 March 2014.



**NSL LTD**

(Reg. no.: 196100107C)

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

|                                           | Attributable to owners of the Company |                            |                                |                                |                               |                           |                  | Non-controlling interests | Total Equity |
|-------------------------------------------|---------------------------------------|----------------------------|--------------------------------|--------------------------------|-------------------------------|---------------------------|------------------|---------------------------|--------------|
|                                           | Share Capital<br>S\$'000              | Revenue Reserve<br>S\$'000 | Translation Reserve<br>S\$'000 | Revaluation Reserve<br>S\$'000 | Fair Value Reserve<br>S\$'000 | Other Reserves<br>S\$'000 | Total<br>S\$'000 | S\$'000                   | S\$'000      |
| THE GROUP                                 |                                       |                            |                                |                                |                               |                           |                  |                           |              |
| Balance as at 1 January 2014              | 193,839                               | 501,658                    | (11,191)                       | 1,946                          | 3,024                         | 434                       | 689,710          | 12,932                    | 702,642      |
| Total comprehensive income for the period | -                                     | 12,834                     | (735)                          | -                              | 430                           | -                         | 12,529           | (106)                     | 12,423       |
| Balance as at 31 March 2014               | 193,839                               | 514,492                    | (11,926)                       | 1,946                          | 3,454                         | 434                       | 702,239          | 12,826                    | 715,065      |
| Balance as at 1 January 2013              | 193,839                               | 390,484                    | (30,720)                       | 1,946                          | 19,527                        | 330                       | 575,406          | 13,630                    | 589,036      |
| Total comprehensive income for the period | -                                     | 14,521                     | 12,120                         | -                              | 80                            | -                         | 26,721           | (110)                     | 26,611       |
| Balance as at 31 March 2013               | 193,839                               | 405,005                    | (18,600)                       | 1,946                          | 19,607                        | 330                       | 602,127          | 13,520                    | 615,647      |

|                                           | Share<br>Capital<br>S\$'000 | Revenue<br>Reserve<br>S\$'000 | Fair Value<br>Reserve<br>S\$'000 | Total<br>S\$'000 |
|-------------------------------------------|-----------------------------|-------------------------------|----------------------------------|------------------|
| <b>THE COMPANY</b>                        |                             |                               |                                  |                  |
| <b>Balance as at 1 January 2014</b>       | 193,839                     | 373,646                       | 2,656                            | 570,141          |
| Total comprehensive income for the period | -                           | 389                           | 420                              | 809              |
| <b>Balance as at 31 March 2014</b>        | <u>193,839</u>              | <u>374,035</u>                | <u>3,076</u>                     | <u>570,950</u>   |
| <b>Balance as at 1 January 2013</b>       | 193,839                     | 66,184                        | 3,346                            | 263,369          |
| Total comprehensive income for the period | -                           | 10,071                        | 843                              | 10,914           |
| <b>Balance as at 31 March 2013</b>        | <u>193,839</u>              | <u>76,255</u>                 | <u>4,189</u>                     | <u>274,283</u>   |

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

There have been no changes to the issued share capital of the Company since 31 December 2013.  
There were no outstanding options as at 31 March 2014 (31 March 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:-**

|                                                   | <b>31 March 2014</b> | <b>31 December 2013</b> |
|---------------------------------------------------|----------------------|-------------------------|
| Number of issued shares excluding treasury shares | 373,558,237          | 373,558,237             |

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

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 31 March 2014 (31 December 2013: Nil).

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

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

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

Not applicable.

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

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

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

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with the audited financial statements for the year ended 31 December 2013, except for the adoption of new and revised Singapore Financial Reporting Standards (FRS) applicable for the financial period beginning 1 January 2014 as disclosed below.

FRS 110 – Consolidated Financial Statements

FRS 111 – Joint Arrangements

FRS 112 – Disclosures of Interest in Other Entities

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

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

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

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

| <b>THE GROUP (Aggregate)</b>                                                 | <b>1Q 2014</b> | <b>1Q 2013</b> |
|------------------------------------------------------------------------------|----------------|----------------|
| (a) Based on the weighted average number of ordinary shares in issue (cents) |                |                |
| - Excluding exceptional items                                                | 0.77           | 3.43           |
| - Including exceptional items                                                | 3.44           | 3.89           |
| (b) On fully diluted basis (cents)                                           |                |                |
| - Excluding exceptional items                                                | 0.77           | 3.43           |
| - Including exceptional items                                                | 3.44           | 3.89           |

**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**

|                                                                                                                                           | <b>THE GROUP</b> |                 | <b>THE COMPANY</b> |                 |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|--------------------|-----------------|
|                                                                                                                                           | <b>31.03.14</b>  | <b>31.12.13</b> | <b>31.03.14</b>    | <b>31.12.13</b> |
|                                                                                                                                           | <b>S\$</b>       | <b>S\$</b>      | <b>S\$</b>         | <b>S\$</b>      |
| Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period | 1.88             | 1.85            | 1.53               | 1.53            |

The Company does not have any treasury shares.

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

#### **Group Overview**

|                                                               | <b>THE GROUP</b>           |                            |                     |
|---------------------------------------------------------------|----------------------------|----------------------------|---------------------|
|                                                               | <b>1Q 2014<br/>S\$'000</b> | <b>1Q 2013<br/>S\$'000</b> | <b>Change<br/>%</b> |
| Group Turnover                                                | 123,749                    | 112,969                    | 10                  |
| Group Profit Before Tax (excluding BST and exceptional items) | 4,162                      | 3,811                      | 9                   |
| Share of BST results                                          | -                          | 11,159                     | n/m                 |
| Group Profit Before Tax (excluding exceptional items)         | 4,162                      | 14,970                     | (72)                |
| Exceptional Items                                             | 9,957                      | 1,715                      | 481                 |
| Group Profit attributable to equity holders of the Company    | 12,834                     | 14,521                     | (12)                |

n/m: not meaningful

Group turnover in 1Q-2014 was S\$123.7 mil compared to S\$113.0 mil in the previous corresponding period 1Q-2013. The 10% increase in turnover was attributable mainly to increases in revenue from the Engineering, Construction Products and Environmental Services divisions.

The Group recorded a profit before tax of S\$4.2 mil in 1Q-2014 compared to S\$15.0 mil in 1Q-2013. The decrease was due mainly to the absence of share of profits from BST in 1Q-2014 as against a profit contribution of S\$11.1 mil in 1Q-2013. BST was disposed of in December last year.

Excluding BST, Group pre-tax profit increased 9% to S\$4.2 mil in 1Q-2014, mainly due to a stronger performance by the Engineering division, partially offset by lower contribution from the Construction Products division.

After taking into account income tax and exceptional items, the Group reported a profit attributable to equity holders of S\$12.8 mil in 1Q-2014 compared to S\$14.5 mil in 1Q-2013 (refer to Note 2 to the Income Statement for breakdown of exceptional items).

**Turnover**

| <b>Turnover (S\$'mil)</b>       | <b>1Q 2014</b> | <b>1Q 2013</b> | <b>Change (%)</b> |
|---------------------------------|----------------|----------------|-------------------|
| Construction Products Division  | 73.0           | 70.0           | 4                 |
| Environmental Services Division | 22.4           | 20.7           | 8                 |
| Engineering Division            | 13.2           | 7.4            | 78                |
| Chemicals Division              | 10.9           | 10.7           | 2                 |
| Others                          | 4.2            | 4.2            | -                 |
|                                 | <b>123.7</b>   | <b>113.0</b>   | <b>9</b>          |

Turnover of the Construction Products division increased 4% to S\$73 mil in 1Q-2014 on the back of improved revenue from its dry-mix business across the region. The revenue increase was also contributed by higher project volume delivered by both its Malaysian precast operation and its prefabricated unit bathroom operation in Finland. However, the precast operations in Singapore and Dubai reported lower revenue for the quarter due to decline in sales volumes.

Turnover of the Environmental Services division increased marginally for 1Q-2014, driven mainly by sales volume growth of its automotive diesel oil ("ADO") trading business.

Turnover of the Engineering division rose by 78% for 1Q-2014 on the back of higher spreader deliveries and improved average selling price from better product mix.

Turnover of the Chemicals division in 1Q-2014 was slightly above (+2%) 1Q-2013, mainly due to higher revenue from Road stone business, partially offset by lower sales from Lime and Refractory operations.

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

| <b>Attributable profit / (loss) before tax and exceptional items<br/>(S\$'mil)</b> | <b>1Q 2014</b> | <b>1Q 2013</b> | <b>Change (%)</b> |
|------------------------------------------------------------------------------------|----------------|----------------|-------------------|
| <b>Profit / (loss) before tax and exceptional items</b>                            |                |                |                   |
| Construction Products Division                                                     | 0.2            | 1.8            | (89)              |
| Environmental Services Division                                                    | 2.4            | 2.4            | -                 |
| Engineering Division                                                               | 1.5            | 0.1            | 1,400             |
| Chemicals Division excluding BST                                                   | 1.1            | 1.3            | (15)              |
| Chemicals Division – BST                                                           | -              | 11.1           | n/m               |
| Others (including unallocated corporate expenses)                                  | (1.0)          | (1.7)          | (41)              |
|                                                                                    | <b>4.2</b>     | <b>15.0</b>    | <b>(72)</b>       |

n/m: not meaningful

**Construction Products**

The division's dry-mix operations reported improved pre-tax performance on the back of higher sales volume. However, the overall Construction Products division reported a profit before tax of S\$0.2 mil compared to a profit before tax of S\$1.8 mil in 1Q-2013. The decline in profitability was mainly due to an allowance for a doubtful trade receivable in Dubai.

**Environmental Services**

Pre-tax profit for 1Q-2014 was comparable to the same period last year. Profit contribution from Recycled Fuel Oil ("RFO") business declined marginally due to lower volume but the impact was mitigated by improved pre-tax performance of the ADO business on the back of volume growth.

**Engineering**

Riding on the back of higher turnover from increased sales volume and higher average unit selling prices of spreaders, pre-tax profit of the Engineering division rose to S\$1.5 mil in 1Q-2014.

**Chemicals excluding BST**

Pre-tax profit for the division fell 15% in 1Q-2014 due to lower performance by its lime business. One of its lime kilns was shut down for major maintenance work.

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

Not applicable.

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

The performance of the dry-mix business within the Construction Products Division is expected to remain satisfactory underpinned by healthy demand. However, the Division's precast operations across the region are expected to be challenging due to risks associated with project delays and execution as well as increased competition.

In the Environmental Services division, demand for ADO and logistic services are expected to remain firm. However, the continuing weakness in oil price would have a dampening effect on the operating margins of its RFO business.

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

In the Chemicals division, business conditions in our key markets are expected to remain competitive. Performance of the division in the near term would be affected by lower production volume due to scheduled maintenance work for one of its lime kilns.



**NSL LTD**

(Reg. no.: 196100107C)

---

**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 31 March 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.



**NSL LTD**

(Reg. no.: 196100107C)

---

**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 (2013)<br>S\$'000 | Previous Full Year (2012)<br>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 31 March 2014 to be false or misleading.

**BY ORDER OF THE BOARD**

LIM Su-Ling  
Company Secretary  
6 May 2014



**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.