



NSL LTD

(Reg. no.: 196100107C)

Third Quarter Financial Statements Announcement

The figures have not been audited

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

THE GROUP						
Note	Quarter ended 30 September			9 months ended 30 September		
	2019 S\$'000	2018 S\$'000	Change %	2019 S\$'000	2018 S\$'000	Change %
Continuing operations						
Sales	73,817	64,318	15	193,487	218,833	(12)
Cost of sales	(66,549)	(56,807)	17	(176,879)	(199,538)	(11)
Gross profit	(2) 7,268	7,511	(3)	16,608	19,295	(14)
Other income						
- Interest	(3) 1,321	1,122	18	4,075	3,364	21
- Others	(3) 575	870	(34)	5,479	6,576	(17)
Other gains and losses	(4) 465	150	n/m	837	(1,645)	n/m
Distribution costs	(5) (2,039)	(2,517)	(19)	(6,791)	(7,744)	(12)
Administrative expenses	(6) (9,235)	(7,879)	17	(26,270)	(23,407)	12
Write back / (impairment) on financial assets	(6) 895	(178)	n/m	452	(626)	n/m
Finance costs	(7) (216)	(49)	n/m	(883)	(164)	n/m
Share of results of associated companies, net of tax	(8) (349)	(40)	n/m	(671)	(564)	19
Loss before income tax	(1) (1,315)	(1,010)	30	(7,164)	(4,915)	46
Income tax expense	(9) (587)	(651)	(10)	(787)	(1,239)	(36)
Loss from continuing operations	(1,902)	(1,661)	15	(7,951)	(6,154)	29
Discontinued operations						
Profit from discontinued operations	(10) 176	392	(55)	514	270	90
Total loss for the financial period	(1,726)	(1,269)	36	(7,437)	(5,884)	26
(Loss) / profit attributable to equity holders of the Company:						
- from continuing operations	(1,578)	(1,461)	8	(6,641)	(6,112)	9
- from discontinued operations	173	325	(47)	453	224	n/m
	(1,405)	(1,136)	24	(6,188)	(5,888)	5
(Loss) / profit attributable to non-controlling interest:						
- from continuing operations	(324)	(200)	62	(1,310)	(42)	n/m
- from discontinued operations	3	67	(96)	61	46	33
	(321)	(133)	n/m	(1,249)	4	n/m
Basic and fully diluted earnings per share (cents)						
- from continuing operations	(0.42)	(0.39)	8	(1.78)	(1.64)	9
- from discontinued operations	0.05	0.09	(44)	0.12	0.06	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 30 September		9 months ended 30 September	
		2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Dividend income	(i)	-	5	6	1,038
Interest income	(ii)	1,321	1,086	4,066	3,259
Insurance compensation	(iii)	-	-	3,300	1,500
Amortisation of intangible assets	(iv)	(200)	(467)	(711)	(933)
Depreciation of property, plant and equipment		(3,299)	(3,612)	(9,984)	(10,140)
Depreciation of right-of-use assets	(v)	(766)	-	(2,257)	-
Write back / (allowance) for stock obsolescence, net	(vi)	109	(22)	43	(34)
Write back / (write off) of inventories, net	(vi)	178	(278)	(83)	(278)
Write back / (allowance) for impairment of trade receivables, net	(vii)	895	(178)	452	(355)
Amortisation of deferred income		26	54	77	183

- (i) Decrease in 9M-2019 was due to lower dividend income recorded by the Company.
(ii) Increase in 9M-2019 and 3Q-2019 was due to higher interest income recorded by the Company.
(iii) Recognised by the Environmental Services division relating to the fire incident in March 2017.
(iv) Decrease in 9M-2019 and 3Q-2019 was attributable to precast operations in Malaysia
(v) 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.
(vi) Mainly attributable to the precast operations in Malaysia.
(vii) Mainly attributable to the precast operations in Dubai.

- (2) Gross profit

The decrease in gross profit for 9M-2019 was due mainly to lower sales and gross profit margin from the Precast operations in Dubai and the Environmental Services division. Gross profit declined in 3Q-2019 despite higher revenue, as lower gross profit margins were reported by Precast & PBU operations in Dubai and Parmarine due to lower average selling prices resulting from unfavourable product mix.

- (3) Other income

The increase in interest income for 9M-2019 and 3Q-2019 was due to higher interest income recorded by the Company. The decrease in other income for 9M-2019 was due mainly to lower dividend income recorded by the Company and lower miscellaneous other income recorded by the precast operations in Singapore and Malaysia. The decrease in other income for 3Q-2019 was due to lower miscellaneous other income recorded by the precast operations in Singapore and Malaysia.

Notes to the Group's Income Statement (continued)

(4) Other gains and losses

	THE GROUP			
	Quarter ended 30 September		9 months ended 30 September	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Currency exchange gain / (loss) - net	115	(92)	(183)	(474)
Insurance claim for damage of plant and equipment	-	165	-	965
<u>Property, plant and equipment</u>				
- Gain / (loss) on disposal, net	360	199	435	(192)
- Impairment, net	-	-	-	(512)
Loss on disposal of a subsidiary company	-	-	(37)	-
Plant closure and restructuring costs	-	11	-	(2,160)
(Loss) / gain on disposal of an associated company	-	(80)	-	680
Fair value gain on redemption liability	-	-	610	-
Others	(10)	(53)	12	48
	<u>465</u>	<u>150</u>	<u>837</u>	<u>(1,645)</u>

(5) Distribution costs

The decrease in distribution costs for 9M-2019 and 3Q-2019 was attributable to the precast operations in Singapore and the Environmental Services division.

(6) Administrative expenses
Impairment loss on financial assets

The increase in administrative expenses for 9M-2019 and 3Q-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 write back of impairment loss on financial assets for 9M-2019 and 3Q-2019 was mainly due to recovery of trade receivables previously impaired by the precast operations in Dubai.

(7) Finance costs

	THE GROUP			
	Quarter ended 30 September		9 months ended 30 September	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on lease liabilities	(100)	-	(522)	-
Interest expense on bank loans	(116)	(49)	(361)	(164)
	<u>(216)</u>	<u>(49)</u>	<u>(883)</u>	<u>(164)</u>

The increase in finance costs for 9M-2019 and 3Q-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 increased losses for 9M-2019 was attributable to associate Salzgitter Maschinenbau AG ("SMAG"), of which the Group owns 25.458% non-controlling equity stake. The increased losses for 3Q-2019 was attributable to SMAG and an associate in Malaysia.

(9) Income tax expense

<u>THE GROUP</u>					
		Quarter ended 30 September	9 months ended 30 September		
Note	2019	2018	2019	2018	
	S\$'000	S\$'000	S\$'000	S\$'000	
Taxation charge for the financial period comprises:					
- Current period taxation	(i)	(499)	(651)	(736)	(1,253)
- (Under) / over-provision in respect of prior years	(ii)	(88)	-	(51)	14
		(587)	(651)	(787)	(1,239)

- (i) The Group incurred a net tax charge in 9M-2019 and 3Q-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) Under-provision in respect of prior years in 9M-2019 and 2Q-2019 comprised mainly of deferred tax liabilities not recognized.

(10) Profit from discontinued operations

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

THE GROUP				
	Quarter ended 30 September		9 months ended 30 September	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Sales	5,819	24,069	41,156	71,301
Net expenses	(5,792)	(23,650)	(40,726)	(71,014)
Profit before tax from discontinued operations	27	419	430	287
Income tax expense	(10)	(27)	(75)	(17)
Profit after tax from discontinued operations	17	392	355	270
Gain on disposal of subsidiaries	159	-	159	-
Profit after tax from discontinued operations	176	392	514	270

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% of the issued share capital in NSL Fuel, to KHC Fuel Investment Pte. Ltd. (the "Purchaser").

The sale was completed on 27 August 2019. Following completion, NSL OilChem ceased to hold any interest in NSL Fuel and accordingly, NSL Fuel ceased to be a member of the Group comprising the Company and its subsidiaries.

Statement of Comprehensive Income for Period ended 30 September 2019

	THE GROUP			
	Quarter ended		9 months ended	
	30 September		30 September	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Total loss for the financial period	(1,726)	(1,269)	(7,437)	(5,884)
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Exchange differences on translating foreign operations				
- Gains / (losses) arising during the period	237	(387)	(1,411)	2,115
Share of other comprehensive (losses) / income of associated companies	(67)	(1,104)	127	(534)
Income tax relating to components of other comprehensive income	-	49	-	56
	170	(1,442)	(1,284)	1,637
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Gains arising from financial assets at FVOCI*	794	788	2,268	906
Exchange differences on translating foreign operations				
- Losses arising during the period	(90)	(8)	(31)	(74)
Other comprehensive income / (loss) for the period, net of tax	874	(662)	953	2,469
Total comprehensive income for the period, net of tax	(852)	(1,931)	(6,484)	(3,415)
Total comprehensive income attributable to:				
Equity holders of the Company	(441)	(1,790)	(5,204)	(3,345)
Non-controlling interests	(411)	(141)	(1,280)	(70)
	(852)	(1,931)	(6,484)	(3,415)

*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	
		30.09.19 S\$'000	31.12.18 S\$'000	30.09.19 S\$'000	31.12.18 S\$'000
Equity					
Share capital		193,839	193,839	193,839	193,839
Reserves		345,699	367,915	153,535	169,234
Shareholders' equity		539,538	561,754	347,374	363,073
Non-controlling interests	(1)	1,364	4,572	-	-
Total equity		540,902	566,326	347,374	363,073
Current Assets					
Inventories		48,799	54,175	-	-
Receivables, prepayments and other current assets		106,375	101,435	50,211	40,758
Tax recoverable		1,657	1,624	-	-
Cash and cash equivalents	(2)	270,374	304,661	222,375	257,326
		427,205	461,895	272,586	298,084
Non-Current Assets					
Property, plant and equipment		149,549	156,030	119	169
Right-of-use assets	(3)	35,259	-	6	-
Investments in subsidiaries		-	-	85,232	85,232
Investments in associated companies		49,840	51,265	-	-
Long term receivables and prepayments		4,710	4,588	28,593	27,913
Financial assets, at FVOCI*	(4)	10,053	7,785	9,762	7,494
Other investments at amortised cost		2,525	2,536	2,525	2,536
Intangible assets		10,591	11,187	90	163
Deferred tax assets		4,528	3,901	-	-
Other non-current assets		106	105	-	-
		267,161	237,397	126,327	123,507
Total Assets		694,366	699,292	398,913	421,591
Current Liabilities					
Borrowings	(5)	(6,534)	(2,109)	-	-
Trade, other payables and other current liabilities		(96,194)	(98,599)	(41,575)	(48,683)
Lease liabilities	(3)	(2,375)	-	(5)	-
Current income tax liabilities		(162)	(618)	-	-
Deferred income		(168)	(168)	-	-
		(105,433)	(101,494)	(41,580)	(48,683)
Non-Current Liabilities					
Provision for retirement benefits		(3,808)	(3,473)	-	-
Deferred tax liabilities		(2,326)	(2,179)	(376)	(236)
Borrowings	(5)	(23,439)	(20,061)	-	-
Deferred income		(483)	(535)	-	-
Other non-current liabilities	(6)	(1,915)	(5,224)	(9,578)	(9,599)
Lease liabilities	(3)	(16,060)	-	(5)	-
		(48,031)	(31,472)	(9,959)	(9,835)
Total Liabilities		(153,464)	(132,966)	(51,539)	(58,518)
Net Assets		540,902	566,326	347,374	363,073

*Financial assets measured at fair value through other comprehensive income

Explanatory notes on consolidated statement of financial position

- (1) Minority interests
The decrease was mainly due to disposal of NSL Fuel.
- (2) Cash and cash equivalents
The decrease in cash and cash equivalents was mainly due to payment of FY-2018 final dividends to shareholders, payments for the construction of organic wastewater treatment facility in Tuas and working capital changes.
- (3) Right-of-use assets
Lease liabilities
The Group recognised lease liabilities and the associated right-of-use assets in relation to leases previously classified as 'operating leases' with effect from 1 January 2019 on adoption of SFRS(I) 16 Leases.
- (4) Financial assets, at FVOCI*
The increase in was due to fair value gains from financial assets held by the Company.
- (5) Borrowings
The increase in borrowings was largely due to funding for working capital for the Environmental Services division.
- (6) Other non-current liabilities
The decrease was mainly due to disposal of NSL Fuel, resulted in the reversal of redemption liabilities associated with the investment.

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

As at 30 September 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
8,909	-	2,109	-

Amount repayable after one year

As at 30 September 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
39,499	-	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\$57,787,000 (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\$2,375,000 and non-current lease liabilities of S\$16,060,000 which are secured over the right-of-use assets of S\$34,463,000.

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		9 months ended	
		30 September		30 September	
		2019	2018	2019	2018
		S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities					
Loss from continuing operations		(1,902)	(1,661)	(7,951)	(6,154)
Profit from discontinued operations		176	392	514	270
Loss for the financial period		(1,726)	(1,269)	(7,437)	(5,884)
<i>Adjustments for:</i>					
Taxation		588	678	852	1,256
Amortisation of intangible assets		200	627	796	1,411
Amortisation of deferred income		(26)	(54)	(77)	(183)
Depreciation of properties, plant and equipment		3,299	3,719	10,204	10,488
Depreciation of right-of-use assets		765	-	2,257	-
Interest expense		351	72	926	231
Interest income		(1,321)	(1,086)	(4,066)	(3,260)
Dividend income from financial assets, at FVOCI/ available-for-sale		-	(5)	(6)	(1,038)
Allowance for impairment of property, plant and equipment (net)		-	-	-	512
(Gain) / loss on disposal including write-off of property, plant and equipment (net)		(359)	(199)	(434)	155
Plant closure and restructuring costs		-	(11)	-	2,160
Insurance compensation		-	(165)	(3,300)	(2,465)
Provision for retirement benefits (net)		134	135	426	463
Share of results of associated companies, net of tax		349	40	671	564
Loss / (gain) on disposal of an associated company		-	80	-	(680)
Gain on disposal of subsidiaries		(159)	-	(122)	-
Exchange differences and other adjustments		(581)	(575)	(141)	(161)
<i>Operating cash flows before working capital changes</i>		1,514	1,987	549	3,569
<i>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</i>					
Inventories		5,402	(816)	3,180	(6,225)
Receivables and prepayments		(23,763)	(390)	(18,674)	(7,144)
Deferred income		9	8	24	23
Trade and other payables		13,596	(5,348)	4,619	(3,861)
<i>Cash used in operations</i>		(3,242)	(4,559)	(10,302)	(13,638)
Income tax paid		(468)	(502)	(1,711)	(1,931)
Insurance compensation received		3,300	-	3,300	1,500
Plant closure and restructuring costs		-	-	-	(2,020)
Retirement benefits paid		(43)	(22)	(110)	(136)
<i>Net cash used in operating activities</i>		(453)	(5,083)	(8,823)	(16,225)
Cash Flows from Investing Activities					
Proceeds from disposal of property, plant and equipment		596	76	948	877
Insurance compensation received		-	-	906	-
Net cash inflow from disposal of subsidiaries	(1)	8,786	-	9,208	-
Purchases of property, plant and equipment		(10,861)	(9,567)	(24,547)	(25,619)
Purchases of intangible assets		(42)	(306)	(489)	(583)
Interest received		754	553	2,900	2,606
Dividends received from non-current financial assets		-	5	6	1,038
<i>Net cash used in investing activities</i>		(767)	(9,239)	(11,068)	(21,681)



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Cash Flows from Financing Activities

	The Group			
	Quarter ended 30 September		9 months ended 30 September	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Proceeds from borrowings	723	7,833	10,822	16,458
Repayment of borrowings	(1,793)	(3,716)	(2,928)	(8,987)
Hire purchases and finance lease liabilities	-	(91)	-	(381)
Principal element of lease payments	(840)	-	(2,376)	-
Interest paid	(352)	(71)	(925)	(231)
Bank deposits pledged	(10,900)	-	(10,900)	-
Dividends paid to shareholders	-	-	(18,678)	(18,678)
Dividends paid to non-controlling interests	-	(92)	(93)	(92)
<i>Net cash (used in) / generated from financing activities</i>	<i>(13,162)</i>	<i>3,863</i>	<i>(25,078)</i>	<i>(11,911)</i>

Net decrease in cash and cash equivalents

	(14,382)	(10,459)	(44,969)	(49,817)
Cash and cash equivalents at beginning of the period	267,370	302,390	298,161	341,310
Effects of exchange rate changes on cash and cash equivalents	(14)	(205)	(218)	233
Cash and cash equivalents at end of the period	252,974	291,726	252,974	291,726

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

- Cash and bank balances	270,374	298,226	270,374	298,226
- Less: bank deposits pledged	(17,400)	(6,500)	(17,400)	(6,500)
	252,974	291,726	252,974	291,726

Notes to the Group's cash flow statement

(1) Disposal of subsidiaries

Carrying amounts of assets and liabilities disposed of

	THE GROUP			
	Quarter ended 30 September		9 months ended 30 September	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and cash equivalents	1,318	-	1,499	-
Trade and other receivables	14,082	-	14,159	-
Inventories	1,846	-	2,196	-
Property, plant and equipment	2,146	-	2,184	-
Intangible assets	269	-	269	-
Total assets	19,661	-	20,307	-
Trade and other payables	(6,991)	-	(6,991)	-
Other non-current liabilities	(649)	-	(649)	-
Deferred tax liabilities	(79)	-	(79)	-
Total liabilities	(7,719)	-	(7,719)	-
Net assets derecognised	11,942	-	12,588	-
Less: Non-controlling interests	(2,077)	-	(2,077)	-
Net assets disposed of	9,865	-	10,511	-

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

Net assets disposed of	9,865	-	10,511	-
Gain on disposal	159	-	122	-
Total sale consideration, net of transaction costs	10,024	-	10,633	-
Less: Cash and cash equivalents in subsidiaries disposed of	(1,318)	-	(1,499)	-
Add: Professional fees payable	80	-	74	-
Net cash inflow on disposal of subsidiaries	8,786	-	9,208	-

Analysis of consolidated statement of cash flows**3Q-2019**

The Group recorded a negative operating cash flow of S\$0.4 mil in 3Q-2019, mainly attributable to cash outflow from working capital changes.

Net cash used in investing activities in 3Q-2019 was S\$0.8 mil compared to \$9.2 mil in 3Q-2018. This was due to net cash inflow from disposal of NSL Fuel in 3Q-2019.

A total of S\$13.2 mil net cash outflow was recorded in financing activities in 3Q-2019, compared to S\$3.9 mil net inflow in 3Q-2018. The decrease was due mainly to bank deposits pledged.

Overall, the Group recorded a net cash outflow of S\$14.4 mil for 3Q-2019 as compared to S\$10.5 mil in 3Q-2018. Group cash and cash equivalents stood at S\$253.0 mil as of 30 September 2019.

9M-2019

The Group recorded a negative operating cash flow of S\$8.8 mil in 9M-2019, mainly attributable to cash outflow from working capital changes.

Net cash used in investing activities in 9M-2019 was S\$11.1 mil compared to S\$21.7 mil in 9M-2018. This was due to net cash inflow from disposal of NSL Fuel in 3Q-2019.

A total of S\$25.1 mil (9M-2018: S\$11.9 mil) was used in financing activities in 9M-2019. The decrease was due to bank deposits pledged.

Overall, the Group recorded a net cash outflow of S\$45.0 mil for 9M-2019 as compared to S\$49.8 mil in 9M-2018. Group cash and cash equivalents stood at S\$253.0 mil as of 30 September 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	Total Equity
	Share Capital	Revenue Reserve	Foreign Currency Translation Reserve	Capital Reserve	Fair Value Reserve	General Reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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	-	(4,783)	-	-	-	-	(4,783)	(928)	(5,711)
Other comprehensive (losses) / income for the period	-	-	(1,454)	-	1,474	-	20	59	79
Total comprehensive (losses) / income for the period	-	(4,783)	(1,454)	-	1,474	-	(4,763)	(869)	(5,632)
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
Loss for the period	-	(1,405)	-	-	-	-	(1,405)	(321)	(1,726)
Other comprehensive income / (losses) for the period	-	-	170	-	794	-	964	(90)	874
Total comprehensive (losses) / income for the period	-	(1,405)	170	-	794	-	(441)	(411)	(852)
Other changes in equity	-	(278)	-	1,944	-	-	1,666	(1,835)	(169)
Balance as at 30 September 2019	193,839	343,228	(2,334)	-	3,824	981	539,538	1,364	540,902



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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 / (losses) for the period

Total comprehensive (losses) / income for the period

Dividends paid

Total transactions with owners, recognised directly in equity

Disposal of associate

Balance as at 30 June 2018

Loss for the year

Other comprehensive (losses) / income for the year

Total comprehensive (losses) / income for the year

Dividends paid to non-controlling interests of subsidiaries

Total transactions with owners, recognised directly in equity

Balance as at 30 September 2018

Attributable to Equity Holders of the Company								
Share Capital	Revenue Reserve	Foreign Currency Translation Reserve	Capital Reserve	Fair Value Reserve	General Reserves	Total	Non-controlling interests	Total Equity
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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
-	(4,753)	-	-	-	-	(4,753)	137	(4,616)
-	-	3,072	-	125	-	3,197	(66)	3,131
-	(4,753)	3,072	-	125	-	(1,556)	71	(1,485)
-	(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
-	(1,136)	-	-	-	-	(1,136)	(133)	(1,269)
-	-	(1,491)	-	837	-	(654)	(8)	(662)
-	(1,136)	(1,491)	-	837	-	(1,790)	(141)	(1,931)
-	-	-	-	-	-	-	(92)	(92)
-	-	-	-	-	-	-	(92)	(92)
193,839	366,372	726	(1,944)	2,482	947	562,422	4,616	567,038

	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	-	478	1,474	1,952
Dividends paid	-	(18,678)	-	(18,678)
Balance as at 30 June 2019	193,839	149,769	2,739	346,347
Total comprehensive income for the period	-	233	794	1,027
Balance as at 30 September 2019	193,839	150,002	3,533	347,374
Balance as at 1 January 2018	193,839	183,405	1,247	378,491
Total comprehensive income for the period	-	944	157	1,101
Dividends paid	-	(18,678)	-	(18,678)
Balance as at 30 June 2018	193,839	165,671	1,404	360,914
Total comprehensive income for the period	-	98	590	688
Balance as at 30 September 2018	193,839	165,769	1,994	361,602

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 30 June 2019.

There were no outstanding options and convertibles as at 30 September 2019 (30 September 2018: Nil).

The Company did not hold any treasury shares and subsidiary holdings as at 30 September 2019 (30 September 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 September 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 September 2019 (30 September 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 September 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 September		9 months ended 30 September	
	2019	2018	2019	2018
(a) Based on the weighted average number of ordinary shares in issue (cents)				
- from continuing operations	(0.42)	(0.39)	(1.78)	(1.64)
- from discontinued operations	0.05	0.09	0.12	0.06
Total (including discontinued operations)	<u>(0.37)</u>	<u>(0.30)</u>	<u>(1.66)</u>	<u>(1.58)</u>
(b) On fully diluted basis (cents)				
- from continuing operations	(0.42)	(0.39)	(1.78)	(1.64)
- from discontinued operations	0.05	0.09	0.12	0.06
Total (including discontinued operations)	<u>(0.37)</u>	<u>(0.30)</u>	<u>(1.66)</u>	<u>(1.58)</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	
	30.09.19	31.12.18	30.09.19	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 September			9 months ended 30 September		
	2019 S\$'000	2018 S\$'000	Change %	2019 S\$'000	2018 S\$'000	Change %
<u>Continuing Operations</u>						
Group Turnover	73,817	64,318	15	193,487	218,833	(12)
Group Loss Before Tax	(1,315)	(1,010)	30	(7,164)	(4,915)	46
Group Loss attributable to equity holders of the Company	(1,578)	(1,461)	8	(6,641)	(6,112)	9

n/m: not meaningful

3Q-2019 vs 3Q-2018

Group turnover in 3Q-2019 was S\$73.8 mil, a 15% increase from S\$64.3 mil in 3Q-2018. This was due to higher sales reported by the Precast & PBU division.

Despite higher revenue, pre-tax loss increased to S\$1.3 mil in 3Q-2019 as compared to S\$1.0 mil in 3Q-2018 mainly as a result of increased pre-tax loss incurred by the Environmental Services division and higher share of losses from associated companies.

After accounting for taxation and non-controlling interests, loss attributable to equity holders was S\$1.6 mil in 3Q-2019 compared to S\$1.5 mil in 3Q-2018.

9M-2019 vs 9M-2018

Group turnover in 9M-2019 was S\$193.5 mil, a 12% decrease from S\$218.8 mil in 9M-2018, due to lower revenue by both the Precast & PBU and Environmental Services divisions.

The Group incurred a loss before tax of \$7.2 mil in 9M-2019 compared to loss before tax of S\$4.9 mil in 9M-2018. This was mainly due to higher pre-tax loss incurred by the Environmental Services division and lower dividend income recorded by the Company.

Consequently, the Group reported a loss attributable to equity holders of S\$6.6 mil in 9M-2019 as compared to S\$6.1 mil in 9M-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 September			9 months ended 30 September		
	2019	2018	Change (%)	2019	2018	Change (%)
<u>Continuing Operations</u>						
Precast & PBU	59.8	50.0	20	154.1	174.5	(12)
Environmental Services	8.9	8.8	1	24.1	28.4	(15)
Others	5.1	5.5	(7)	15.3	15.9	(4)
	73.8	64.3	15	193.5	218.8	(12)

Precast & Prefabricated Bathroom Unit ("PBU")

Turnover of the Precast & PBU division in 3Q-2019 improved by 20% due to higher delivery volumes reported by the precast operations across all geographical locations. However, this was not enough to make up for a weak 1H-2019, resulted in a 12% decline in the turnover in 9M-2019.

Environmental Services

Turnover of the Environmental Services division was flat at S\$8.9 mil in 3Q-2019 but declined by 15% to S\$24.1 mil in 9M-2019. The decline in 9M-2019 was mainly due to lower sales reported by the RFO and slop businesses as a result of weak market demand and ongoing plant maintenance. However, waste treatment business reported higher turnover in both periods.

Attributable (loss) / profit before tax

Attributable (loss) / profit before tax (S\$'mil)	THE GROUP			THE GROUP		
	Quarter ended 30 September			9 months ended 30 September		
	2019	2018	Change (%)	2019	2018	Change (%)
<u>Continuing Operations</u>						
Precast & PBU	1.5	0.6	n/m	(1.7)	(3.9)	(56)
Environmental Services	(1.9)	(1.0)	n/m	(3.0)	0.6	n/m
Share of SMAG / PSLT results	-	0.1	n/m	(0.5)	(0.2)	n/m
Others	(0.9)	(0.7)	23	(2.0)	(1.4)	46
	(1.3)	(1.0)	29	(7.2)	(4.9)	48

n/m: not meaningful

Precast & Prefabricated Bathroom Unit ("PBU")

The precast operation recorded a profit of S\$1.5 mil in 3Q-2019 due to improvement in sales volumes and project margins of the Singapore and Malaysia operations. However, the operation in Dubai continued to incur loss due to depressed margin. For 9M-2019, the division reported a lower loss of S\$1.7 mil against S\$3.9 mil previously, on the back of the improved result in the quarter.

Environmental Services

The division recorded a loss of S\$1.9 mil in 3Q-2019 compared to loss of S\$1.0 mil in 3Q-2018, and a loss of S\$3.0 mil in 9M-2019 compared to a profit of S\$0.6 mil in 9M-2018. The poor performance for both periods were due to higher operating losses in the RFO and slop businesses as a result of weak demand, and further impacted by significantly higher professional fees.

Others

The variance in 9M-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, Malaysia and Dubai is expected to continue to improve in 4Q-2019 with increased plant loading on the back of healthy order book. Business condition in the next twelve months is expected to remain stable in Singapore, Malaysia and Finland.

In the Environmental Services division, the RFO and slop businesses continue to face challenging market conditions amidst weak demand and low RFO price. Operational disruptions due to the plant maintenance and modification, which will lead to improved long-term operating efficiencies, is ongoing and is expected to complete by early 2020. Plant utilization of the division's S\$40 mil organic wastewater treatment facility in Tuas has been increasing gradually with more new customer contracts.

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 nine months ended 30 September 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.



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14. Negative confirmation pursuant to Rule 705 (5)

Please see confirmation below on page 20.

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).



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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 nine months ended 30 September 2019 to be false or misleading

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
12 November 2019



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