



NSL LTD

(Reg. no.: 196100107C)

Second Quarter Financial Statements Announcement

The figures have not been audited

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

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

THE GROUP						
Note	Quarter ended 30 June			6 months ended 30 June		
	2018	2017	Change	2018	2017	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales	94,679	83,519	13	201,747	169,623	19
Cost of sales	(88,820)	(75,946)	17	(187,671)	(153,120)	23
Gross profit	(2) 5,859	7,573	(23)	14,076	16,503	(15)
Other income	(3) 3,931	4,249	(7)	7,751	6,789	14
Other gains and losses	(4) 982	(6)	n/m	(1,886)	2,970	n/m
Distribution costs	(3,144)	(2,946)	7	(6,464)	(6,036)	7
Administrative expenses	(5) (8,717)	(7,624)	14	(16,832)	(15,517)	8
Finance costs	(6) (63)	(172)	(63)	(159)	(481)	(67)
Share of results of associated companies, net of tax	(7) (470)	(111)	n/m	(524)	(545)	(4)
(Loss) / Profit before income tax	(1) (1,622)	963	n/m	(4,038)	3,683	n/m
Income tax expense	(8) 101	(200)	n/m	(578)	(548)	5
Total (loss) / profit for the financial period	(1,521)	763	n/m	(4,616)	3,135	n/m
Attributable to:						
Equity holders of the Company	(1,598)	983	n/m	(4,753)	3,568	n/m
Non-controlling interest	77	(220)	n/m	137	(433)	n/m
	(1,521)	763	n/m	(4,616)	3,135	n/m
Basic and fully diluted earnings per share (cents)	(0.43)	0.26	n/m	(1.27)	0.96	n/m

n/m: not meaningful

Notes to the Group's Income Statement

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

THE GROUP					
	Note	Quarter ended 30 June		6 months ended 30 June	
		2018	2017	2018	2017
		S\$'000	S\$'000	S\$'000	S\$'000
Dividend income	(i)	1,033	1,909	1,033	1,909
Interest income	(ii)	1,040	1,136	2,174	2,724
Amortisation of intangible assets	(iii)	(456)	(149)	(784)	(296)
Depreciation of property, plant and equipment		(3,448)	(3,094)	(6,769)	(6,227)
Allowance for stocks obsolescence, net		-	-	(12)	-
Write down of inventories to net realisable value, net		-	(209)	-	(570)
(Allowance) / write back of allowance of impairment for trade receivables, net	(iv)	(476)	99	(450)	278
Amortisation of deferred income		66	68	129	114

- (i) Decrease for 2Q-2018 was due to lower dividend income recorded by the Company from non-current financial assets.
(ii) Decrease for 1H-2018 was due to lower interest income recorded by the Company as a result of lower cash balances.
(iii) Increase was attributable to additions of intangible assets in the Precast and Prefabricated Bathroom Unit ("PBU") division in Malaysia and Environmental Services division.
(iv) Increase in allowance for impairment of trade receivables for 2Q-2018 was attributable to the Dubai precast operation.

- (2) Cost of sales
Gross profit

The decrease in gross profit was due mainly to lower gross profit margin recorded by precast operation in Singapore as a result of low plant loading and unabsorbed overhead costs prior to the closure of the Singapore precast plant in 2Q-2018.

- (3) Other income

The increase for 1H-2018 was mainly contributed by interim business interruption insurance payment of S\$1.5 mil for losses incurred by Environmental Services division as a result of the fire incident in March last year.

- (4) Other gains and losses

THE GROUP					
		Quarter ended 30 June		6 months ended 30 June	
		2018	2017	2018	2017
		S\$'000	S\$'000	S\$'000	S\$'000
Fair value gains on derivative financial instruments		-	1	-	7
Currency exchange gain / (loss) - net		100	(620)	(405)	(743)
Insurance claim		800	1,049	800	1,049
Gain on disposal of investment properties		-	73	-	3,579
<u>Property, plant and equipment</u>					
- (Loss) / gain on disposal and write-off, net		(213)	12	(354)	10
- Impairment, net		(516)	(373)	(516)	(758)
Plant closure and restructuring costs		(321)	-	(2,171)	-
Gain on disposal of an associated company		1,060	-	760	-
Others		72	(148)	-	(174)
		982	(6)	(1,886)	2,970

Notes to the Group's Income Statement (continued)
(5) Administrative costs

The increase was attributable to an increase in staff costs and allowance for doubtful trade debts.

(6) Finance costs

The decrease in finance costs was attributable to a reduction in average borrowings during the respective periods.

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

The increase in losses in 2Q-2018 was due largely to the share of losses of associate Salzgitter Maschinenbau AG ("SMAG"), of which the Company owns 30% non-controlling equity stake upon completion of the proposed Share Swap which was announced on 13 February 2018. The transaction was completed on 9 May 2018.

(8) Income tax expense

		<u>THE GROUP</u>			
		Quarter ended 30 June		6 months ended 30 June	
	Note	2018	2017	2018	2017
		S\$'000	S\$'000	S\$'000	S\$'000
Taxation credit / (charge) for the financial period comprises:					
- Current period taxation	(i)	53	(200)	(592)	(163)
- Over / (under)-provision in respect of prior years	(ii)	48	-	14	(385)
		<u>101</u>	<u>(200)</u>	<u>(578)</u>	<u>(548)</u>

(i) Tax expenses decreased due to lower pre-tax performance and deferred tax assets recognized on losses recorded by our precast units in Singapore and Malaysia for 2Q-2018. For half year ended June 2018 ("1H-2018"), tax expense increased due mainly to higher pre-tax contribution from our PBU unit in Finland. The effective tax rate of the Group in 1H-2018 was higher than the Singapore corporate tax rate due mainly to losses incurred by certain Group companies which could not be set off against the profits earned by other companies in the Group.

(ii) Over-provision in respect of prior years in 2Q-2018 comprised mainly of reversal of deferred tax liabilities.

Statement of Comprehensive Income for Period ended 30 June 2018

	THE GROUP			
	Quarter ended 30 June		6 months ended 30 June	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Total (loss) / profit for the financial period	(1,521)	763	(4,616)	3,135
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Exchange differences on translating foreign operations				
- (Losses) / gains arising during the period	(36)	3,698	2,436	472
Losses arising from available-for-sale financial assets	-	(1,374)	-	(801)
Share of other comprehensive losses of associated companies	570	(562)	570	(351)
Income tax relating to components of other comprehensive income	7	9	7	10
	541	1,771	3,013	(670)
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
(Losses) / gains arising from financial assets at FVOCI*	(816)	-	118	-
Other comprehensive (losses) / gains for the period, net of tax	(275)	1,771	3,131	(670)
Total comprehensive income for the period, net of tax	(1,796)	2,534	(1,485)	2,465
Total comprehensive income attributable to:				
Equity holders of the Company	(1,695)	2,711	(1,556)	2,689
Non-controlling interests	(101)	(177)	71	(224)
	(1,796)	2,534	(1,485)	2,465

*Financial assets measured at fair value through other comprehensive income

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	
	30.6.18 S\$'000	31.12.17 S\$'000 (restated)	1.1.17 S\$'000 (restated)	30.6.18 S\$'000	31.12.17 S\$'000
Equity					
Share capital	193,839	193,839	193,839	193,839	193,839
Reserves	370,373	391,407	479,959	167,075	184,652
Shareholders' equity	564,212	585,246	673,798	360,914	378,491
Non-controlling interests	4,849	4,803	4,577	-	-
Total equity	569,061	590,049	678,375	360,914	378,491
Current Assets					
Inventories	(1) 55,549	50,119	36,552	-	-
Receivables and prepayments	118,208	113,332	102,671	35,824	26,315
Contract assets	(2) 1,371	1,587	720	-	-
Tax recoverable	1,696	1,588	1,236	-	-
Cash and cash equivalents	(3) 308,890	347,810	461,763	256,514	283,904
	485,714	514,436	602,942	292,338	310,219
Investment properties classified as held-for-sale	-	-	9,493	-	-
Investment in an associated company classified as held-for-sale	(4) -	44,369	-	-	-
	485,714	558,805	612,435	292,338	310,219
Non-Current Assets					
Property, plant and equipment	135,500	125,611	123,251	236	283
Investments in subsidiaries	-	-	-	85,232	85,232
Investments in associated companies	(4) 51,585	6,520	50,529	-	-
Long term receivables and prepayments	3,613	3,945	5,216	31,015	32,298
Available-for-sale financial assets	-	7,805	8,387	-	7,476
Financial assets, at FVOCI*	7,923	-	-	7,632	-
Held-to-maturity financial assets	-	2,551	1,523	-	2,551
Other investments at amortised cost	2,543	-	-	2,543	-
Intangible assets	11,300	11,584	10,351	198	248
Deferred tax assets	3,563	3,044	3,044	-	-
Other non-current assets	113	111	95	-	-
	216,140	161,171	202,396	126,856	128,088
Total Assets	701,854	719,976	814,831	419,194	438,307
Current Liabilities					
Borrowings	(5) (7,356)	(3,647)	(16,010)	-	-
Trade and other payables	(96,135)	(97,260)	(85,641)	(48,437)	(49,906)
Contract liabilities	(6) (11,109)	(9,999)	(7,537)	-	-
Current income tax liabilities	(266)	(496)	(999)	-	-
Deferred income	(201)	(244)	(423)	-	-
	(115,067)	(111,646)	(110,610)	(48,437)	(49,906)
Non-Current Liabilities					
Provision for retirement benefits	(3,233)	(2,957)	(2,735)	-	-
Deferred tax liabilities	(2,503)	(2,623)	(3,718)	(244)	(280)
Borrowings	(8,369)	(9,054)	(15,512)	-	-
Deferred income	(598)	(668)	(834)	-	-
Other non-current liabilities	(3,023)	(2,979)	(3,047)	(9,599)	(9,630)
	(17,726)	(18,281)	(25,846)	(9,843)	(9,910)
Total Liabilities	(132,793)	(129,927)	(136,456)	(58,280)	(59,816)
Net Assets	569,061	590,049	678,375	360,914	378,491

*Financial assets measured at fair value through other comprehensive income

Explanatory notes on consolidated statement of financial position

- (1) **Inventories**
The increase was due largely to higher inventories held by the Precast & PBU division. This included a build-up of stocks in Precast Malaysia which was affected by customers slowing down the off-take of finished products.
- (2) **Contract assets**
The decrease was attributable to decrease in project moulds in the Singapore precast operation.
- (3) **Cash and cash equivalents**
The decrease was due largely to payment of dividends to the Company's shareholders in 2Q-2018 and purchase of fixed assets by the Environmental Services division.
- (4) **Investment in an associated company classified as held-for-sale**
Investments in associated companies
As announced by the Group on 13 February 2018, the Group's wholly owned subsidiary, NSL Engineering Holdings Pte. Ltd. ("NSL Engineering"), has entered into a contribution agreement (the "Contribution Agreement") with Salzgitter Maschinenbau AG ("SMAG"), whereby NSL Engineering has agreed to contribute and assign to SMAG its 33.33% interest in the capital of PSLT in consideration for the issue by SMAG of 2,314,286 new shares in the issued share capital of SMAG, representing 30% of the enlarged issued share capital of SMAG, to NSL Engineering. Accordingly, the Group's interest in PSLT was reclassified to investment in an associated company classified as held-for-sale as at 31 December 2017. The transaction was completed on 9 May 2018. The Group ceased to be a shareholder of PSLT and holds 30% non-controlling interest in SMAG.
- (5) **Borrowings**
The increase in borrowings was largely due to funding for the ongoing construction of organic wastewater treatment facility in Tuas.
- (6) **Contract liabilities**
The increase in contract liabilities was attributable mainly to advance billing of a project under Dubai precast operation.

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

As at 30 June 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
7,091	265	3,647	-

Amount repayable after one year

As at 30 June 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
8,369	-	9,054	-

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\$25,707,000 (31 December 2017: S\$24,661,000) charged by way of debentures to banks for overdraft and term loan facilities granted. A net book value of S\$914,000 (31 December 2017: S\$1,514,000) of property, plant and equipment are held as collateral as a result of hire purchase arrangement.

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

Note	The Group			
	Quarter ended		6 months ended	
	30 June		30 June	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(restated)		(restated)	
Cash Flows from Operating Activities				
(Loss) / Profit for the financial period	(1,521)	763	(4,616)	3,135
<i>Adjustments for:</i>				
Taxation	(101)	200	578	548
Amortisation of intangible assets	456	149	784	296
Amortisation of deferred income	(66)	(68)	(129)	(114)
Depreciation of properties, plant and equipment	3,448	3,094	6,769	6,227
Property, plant and equipment written off	1	17	195	33
Interest expense	63	171	159	480
Interest income	(1,040)	(1,136)	(2,174)	(2,724)
Dividend income from available-for-sale financial assets	(1,033)	(1,909)	(1,033)	(1,909)
Allowance for impairment of property, plant and equipment	516	370	516	755
Loss / (gain) on disposal of property, plant and equipment (net)	212	(27)	159	(42)
Plant closure and restructuring costs	321	-	2,171	-
Insurance compensation	(800)	(1,049)	(2,300)	(1,049)
Provision for retirement benefits (net)	145	141	328	313
Share of results of associated companies, net of tax	470	111	524	545
Gain on disposal of investment property	-	(73)	-	(3,579)
Gain on disposal of an associated company	(1,060)	-	(760)	-
Exchange differences and other adjustments	(391)	570	411	123
<i>Operating cash flows before working capital changes</i>	(380)	1,324	1,582	3,038
<i>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</i>				
Inventories	(4,414)	(3,807)	(5,409)	(1,562)
Receivables and prepayments	(2,872)	3,745	(6,970)	4,277
Contract assets	82	(347)	216	(175)
Deferred income	7	6	15	118
Contract liabilities	(94)	273	1,110	(3,768)
Trade and other payables	1,734	1,790	(1,643)	(4,463)
<i>Cash (used in) / generated from operations</i>	(5,937)	2,984	(11,099)	(2,535)
Income tax paid	(523)	(1,179)	(1,429)	(1,574)
Insurance compensation received	825	-	1,500	-
Retirement benefits paid	(59)	(67)	(114)	(91)
<i>Net cash (used in) / generated from operating activities</i>	(5,694)	1,738	(11,142)	(4,200)
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	632	101	801	159
Net cash inflow from disposal of subsidiaries	(1)	-	-	802
Net cash inflow from disposal of investment property	-	-	-	12,997
Purchases of property, plant and equipment	(8,706)	(4,251)	(16,052)	(6,545)
Purchases of intangible assets	(111)	(69)	(277)	(93)
Interest received	1,225	874	2,053	3,664
Dividends received from non-current financial assets	1,033	1,909	1,033	1,909
<i>Net cash (used in) / generated from investing activities</i>	(5,927)	(1,436)	(12,442)	12,893

Cash Flows from Financing Activities

	The Group			
	Quarter ended 30 June		6 months ended 30 June	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(restated)		(restated)	
Proceeds from borrowings	2,208	745	8,625	5,457
Repayment of borrowings	(2,742)	(21,227)	(5,271)	(24,444)
Hire purchases and finance lease liabilities	(123)	(310)	(290)	(740)
Interest paid	(63)	(171)	(160)	(486)
Bank deposits pledged	-	(49)	-	566
Dividends paid to shareholders	(18,678)	(93,390)	(18,678)	(93,390)
<i>Net cash used in financing activities</i>	<i>(19,398)</i>	<i>(114,402)</i>	<i>(15,774)</i>	<i>(113,037)</i>

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the period	333,462	466,324	341,310	457,664
Effects of exchange rate changes on cash and cash equivalents	(53)	998	438	(98)

Cash and cash equivalents at end of the period

	302,390	353,222	302,390	353,222
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Cash and cash equivalents at end of the financial year comprise:

- Cash and bank balances	308,890	356,755	308,890	356,755
- Less: bank deposits pledged	(6,500)	(3,533)	(6,500)	(3,533)
	302,390	353,222	302,390	353,222

Notes to the Group's Cash Flow statement

- (1) Disposal of subsidiaries (completed in December 2016)

	Quarter ended 30 June		6 months ended 30 June	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Balance sale consideration received	-	-	-	4,494
Less: Professional and other fees paid	-	-	-	(3,692)
Net cash inflow on disposal of subsidiaries	-	-	-	802



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Analysis of consolidated statement of cash flows

2Q-2018

The group generated a negative operating cash flow of S\$5.7 mil in 2Q-2018 as compared to positive operating cash flow of S\$1.7 mil in 2Q-2017. The variance was mainly attributable to lower profit for the period and cash outflow from working capital changes.

Net cash used in investing activities in 2Q-2018 was S\$5.9 mil compared to S\$1.4 mil in 2Q-2017, due to increased capital expenditure recorded by the Group's Environmental Services division and lower dividends and interest received by the Company.

A total of S\$19.4 mil (2Q-2017: S\$114.4 mil) was used in financing activities in 2Q-2018. The decrease was due mainly to decrease in dividends paid to shareholders of the Company.

Overall, the Group recorded a net cash outflow of S\$31.0 mil for 2Q-2018 as compared to net cash outflow of S\$114.1 mil in 2Q-2017. Group cash and cash equivalents stood at S\$308.9 mil as of 30 June 2018.

1H-2018

The group generated a negative operating cash flow of S\$11.1 mil in 1H-2018 as compared to S\$4.2 mil in 1H-2017. The increase was mainly attributable to lower profit for the period and cash outflow from working capital changes.

Net cash used in investing activities in 1H-2018 was S\$12.4 mil compared to net cash inflow of S\$12.9 mil in 1H-2017. The variance was due to net cash proceeds from disposal of investment property of S\$13.0 mil in 1Q-2017, and increased capital expenditure recorded by the Group's Environmental Services division and lower dividends and interest received by the Company in 1H-2018.

A total of S\$15.8 mil (1H-2017: S\$113.0 mil) was used in financing activities in 1H-2018. The decrease was due mainly to decrease in dividends paid to shareholders of the Company.

Overall, the Group recorded a net cash outflow of S\$39.4 mil for 1H-2018 as compared to net cash outflow of S\$104.3 mil in 1H-2017. Group cash and cash equivalents stood at S\$308.9 mil as of 30 June 2018.



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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								
	Share Capital	Revenue Reserve	Foreign Currency Translation Reserve	Capital Reserve	Fair Value Reserve	General Reserve	Total	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
THE GROUP									
Balance as at 31 December 2017	193,839	405,258	(14,374)	(1,944)	1,520	947	585,246	4,803	590,049
Adoption of SFRS(I) 1	-	(14,088)	14,088	-	-	-	-	-	-
Balance as restated at 31 December 2017	193,839	391,170	(286)	(1,944)	1,520	947	585,246	4,803	590,049
Adoption of SFRS(I) 9	-	(231)	-	-	-	-	(231)	(25)	(256)
Balance as restated at 1 January 2018	193,839	390,939	(286)	(1,944)	1,520	947	585,015	4,778	589,793
(Loss) / profit for the period	-	(3,155)	-	-	-	-	(3,155)	60	(3,095)
Other comprehensive income for the period	-	-	2,360	-	934	-	3,294	112	3,406
Total comprehensive (losses) / income for the period	-	(3,155)	2,360	-	934	-	139	172	311
Balance as at 31 March 2018	193,839	387,784	2,074	(1,944)	2,454	947	585,154	4,950	590,104
(Loss) / profit for the period	-	(1,598)	-	-	-	-	(1,598)	77	(1,521)
Other comprehensive income / (losses) for the period	-	-	712	-	(809)	-	(97)	(178)	(275)
Total comprehensive (losses) / income for the period	-	(1,598)	712	-	(809)	-	(1,695)	(101)	(1,796)
Dividends paid	-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
Total transactions with owners, recognised directly in equity	-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
Disposal of associate	-	-	(569)	-	-	-	(569)	-	(569)
Balance as at 30 June 2018	193,839	367,508	2,217	(1,944)	1,645	947	564,212	4,849	569,061



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Balance as at 1 January 2017

Adoption of SFRS(I) 1

Balance as restated at 1 January 2017

Profit / (loss) for the period

Other comprehensive (losses) / income for the period

Total comprehensive income / (losses) for the period

Balance as at 31 March 2017

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Transfer of reserves

Dividends paid

Total transactions with owners, recognised directly in equity

Balance as at 30 June 2017

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	493,689	(14,088)	(1,944)	2,002	300	673,798	4,577	678,375
-	(14,088)	14,088	-	-	-	-	-	-
193,839	479,601	-	(1,944)	2,002	300	673,798	4,577	678,375
-	2,585	-	-	-	-	2,585	(213)	2,372
-	-	(3,181)	-	574	-	(2,607)	166	(2,441)
-	2,585	(3,181)	-	574	-	(22)	(47)	(69)
193,839	482,186	(3,181)	(1,944)	2,576	300	673,776	4,530	678,306
-	983	-	-	-	-	983	(220)	763
-	-	3,092	-	(1,364)	-	1,728	43	1,771
-	983	3,092	-	(1,364)	-	2,711	(177)	2,534
-	(547)	-	-	-	547	-	-	-
-	(93,390)	-	-	-	-	(93,390)	-	(93,390)
-	(93,390)	-	-	-	-	(93,390)	-	(93,390)
193,839	389,232	(89)	(1,944)	1,212	847	583,097	4,353	587,450

	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
THE COMPANY				
Balance as at 1 January 2018	193,839	183,405	1,247	378,491
Total comprehensive income for the period	-	7	934	941
Balance as at 31 March 2018	193,839	183,412	2,181	379,432
Total comprehensive income / (losses) for the period	-	937	(777)	160
Dividends paid	-	(18,678)	-	(18,678)
Balance as at 30 June 2018	193,839	165,671	1,404	360,914
Balance as at 1 January 2017	193,839	268,266	1,702	463,807
Total comprehensive (losses) / income for the period	-	(12)	583	571
Balance as at 31 March 2017	193,839	268,254	2,285	464,378
Total comprehensive income / (losses) for the period	-	5,547	(1,327)	4,220
Dividends paid	-	(93,390)	-	(93,390)
Balance as at 30 June 2017	193,839	180,411	958	375,208

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

There have been no changes to the issued share capital of the Company since 31 March 2018.

There were no outstanding options and convertibles as at 30 June 2018 (30 June 2017: Nil).

The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2018 (30 June 2017: Nil).

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

	30 June 2018	31 December 2017
Number of issued shares excluding treasury shares	373,558,237	373,558,237

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

There were no sales, transfers, cancellation and/or use of treasury shares as at 30 June 2018 (30 June 2017: Nil).

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2018.

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

In accordance with the listing requirements of the Singapore Exchange, the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018 and has issued its first set of financial information under SFRS(I) for the quarter ended 31 March 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group has also concurrently applied new major SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers*. The Group's opening balance sheet under SFRS(I) has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I).

(a) Application of SFRS(I) 1

Cumulative translation differences

The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, revenue reserve was reduced by S\$14,088,000 in order to reset foreign currency translation reserve from a deficit of S\$14,088,000 to zero.

(b) Adoption of SFRS(I) 9

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempt the Group from applying SFRS(I) 9 to comparative information. Accordingly, requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* continued to apply to financial instruments up to the financial year ended 31 December 2017.

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirement and changes in presentation.

(i) Classification and measurement

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into appropriate categories under SFRS(I) 9. As a result, certain balance sheet items were adjusted as at 1 January 2018.

(ii) Impairment of financial assets

Certain financial assets are subject to the expected credit loss model under SFRS(I) 9. As a result, there was an increase in provision for impairment for financial assets and corresponding decrease in opening retained earnings from the application of the expected credit loss impairment model.

(c) Adoption of SFRS(I) 15

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group has adopted SFRS(I) 15 retrospectively. The main adjustments are as follows:

(i) Accounting for costs incurred to fulfill contracts

Under SFRS(I) 15, as cost of contract-specific moulds used in production of building material in Precast & PBU segment relate directly to the Group's contracts with customers and are expected to be recovered, they are capitalised as contract assets.

(ii) Accounting for contracts with multiple performance obligations

The Group has assessed the accounting for contracts to identify multiple performance obligations under the requirements of SFRS(I) 15 and concluded that there is no significant impact under SFRS(I).

(iii) Presentation of contract assets and liabilities

The Group has changed the presentation of certain amounts in the balance sheet to reflect the terminology in SFRS(I) 15:

- Costs of contract-specific moulds used in production in Precast & PBU segment are reclassified to be presented as part of contract assets.
- Advances received from customers arising from contracts are reclassified to be presented as part of contract liabilities.

Summary of financial impact arising from adoption of SFRS(I):

	The Group		
	1.1.18 S\$'000 Increase / (decrease)	31.12.17 S\$'000 Increase / (decrease)	1.1.17 S\$'000 Increase / (decrease)
Available-for-sale financial assets	(7,805)	-	-
Financial assets, at FVOCI	7,805	-	-
Held-to-maturity financial assets	(2,551)	-	-
Other investments at amortised cost	2,551	-	-
Trade and other receivables	(280)	(1,489)	(720)
Inventories	-	(98)	-
Contract assets	-	1,587	720
Deferred tax assets	24	-	-
Total assets	(256)	-	-
Trade and other payables	-	(9,999)	(7,537)
Contract liabilities	-	9,999	7,537
Total liabilities	-	-	-
Foreign currency translation reserve	-	14,088	14,088
Revenue reserve	(231)	(14,088)	(14,088)
Non-controlling interests	(25)	-	-
Total equity	(256)	-	-

Correspondingly, adjustments have been made to the consolidated statement of comprehensive income and statement of cash flows to reflect changes arising from the adoption of SFRS(I).

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

THE GROUP (Aggregate)

	Quarter ended 30 June		6 months ended 30 June	
	2018	2017	2018	2017
(a) Based on the weighted average number of ordinary shares in issue (cents)	(0.43)	0.26	(1.27)	0.96
(b) On fully diluted basis (cents)	(0.43)	0.26	(1.27)	0.96

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

	THE GROUP		THE COMPANY	
	30.06.18	31.12.17	30.06.18	31.12.17
	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	1.51	1.57	0.97	1.01

The Company does not have any treasury shares.

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

Group Overview

	THE GROUP			THE GROUP		
	Quarter ended 30 June			6 months ended 30 June		
	2018 S\$'000	2017 S\$'000	Change %	2018 S\$'000	2017 S\$'000	Change %
Group Turnover	94,679	83,519	13	201,747	169,623	19
Group (Loss) / Profit Before Tax	(1,622)	963	n/m	(4,038)	3,683	n/m
Group (Loss) / Profit attributable to equity holders of the Company	(1,598)	983	n/m	(4,753)	3,568	n/m

n/m: not meaningful

2Q-2018 vs 2Q-2017

Group turnover increased by 13% to S\$94.7 mil in 2Q-2018 from S\$83.5 mil in 2Q-2017, on the back of higher revenue from both the Precast & PBU and Environmental Services divisions.

Notwithstanding the increase in turnover, the Group incurred a loss before tax of S\$1.6 mil in 2Q-2018 compared to profit before tax of S\$1.0 mil in 2Q-2017. This was due to the decline in gross profit margin of the Precast & PBU division and the unabsorbed overhead costs incurred prior to the closure of the Singapore precast plant. Dividend income from a financial asset was also lower.

After taking into account income tax and non-controlling interests, the Group reported a loss attributable to equity holders of S\$1.6 mil in 2Q-2018 compared to a profit of S\$1.0 mil in 2Q-2017.

1H-2018 vs 1H-2017

Group turnover in 1H-2018 was S\$201.7 mil, a 19% increase from S\$169.6 mil in 1H-2017, due to higher revenue from both the Precast & PBU and Environmental Services divisions.

Notwithstanding the increase in turnover, the Group incurred a loss before tax of S\$4.0 mil in 1H-2018 compared to profit before tax of S\$3.7 mil (which included a one-off gain of S\$3.5 mil from disposal of an investment property) in 1H-2017. This was due to the decline in gross profit margin of the Precast & PBU division and the unabsorbed overhead costs incurred prior to the closure of the Singapore precast plant. The division also incurred one-off restructuring costs of S\$2.2 mil for the closure of the Singapore precast plant.

After taking into account income tax and non-controlling interests, the Group reported a loss attributable to equity holders of S\$4.8 mil in 1H-2018 compared to a profit of S\$3.6 mil in 1H-2017.

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

Turnover

Turnover (S\$ mil)	THE GROUP			THE GROUP		
	Quarter ended 30 June			6 months ended 30 June		
	2018	2017	Change (%)	2018	2017	Change (%)
Precast & PBU	54.7	44.7	22	124.4	95.8	30
Environmental Services	35.0	33.4	5	66.8	63.0	6
Others	5.0	5.4	(7)	10.5	10.8	(3)
	94.7	83.5	13	201.7	169.6	19

Precast & Prefabricated Bathroom Unit ("PBU")

Turnover of the Precast & PBU division in 2Q-2018 and 1H-2018 were higher by 22% and 30% respectively on the back of revenue growth in Singapore, Dubai and Finland.

Environmental Services

Environmental Services turnover rose by 5% and 6% in 2Q-2018 and 1H-2018 respectively driven by higher sales from recycled fuel oil ("RFO") and waste treatment businesses.

Attributable (loss) / profit before tax

Attributable (loss) / profit before tax (S\$ mil)	THE GROUP			THE GROUP		
	Quarter ended 30 June			6 months ended 30 June		
	2018	2017	Change (%)	2018	2017	Change (%)
Precast & PBU	(2.4)	0.1	n/m	(4.5)	1.5	n/m
Environmental Services	0.8	(0.4)	n/m	1.5	(1.7)	n/m
Share of SMAG / PSLT results	(0.3)	0.2	n/m	(0.3)	(0.2)	50
Others	0.3	1.1	(72)	(0.7)	4.1	n/m
	(1.6)	1.0	n/m	(4.0)	3.7	n/m

n/m: not meaningful

Precast & Prefabricated Bathroom Unit ("PBU")

The division's pre-tax losses of S\$2.4 mil and S\$4.5 mil recorded in 2Q-2018 and 1H-2018 respectively were primarily due to poor performance by its Singapore and Malaysia precast operations and cessation of production at the Singapore plant since 23 May'18 in preparation for the return of the property to the landlord in early Jul'18. Gross profit margin for the division declined from 10% to 3% and 4% for 2Q-2018 and 1H-2018 respectively due to depressed prices in Singapore and Malaysia markets and the unabsorbed overhead costs incurred prior to the closure of the Singapore precast plant. In addition, the division incurred a one-off restructuring cost of S\$2.2 mil in 1H-2018 following the completion of the restructuring of its Singapore and Malaysia operations in end June 2018.

However, the performance of the precast operations in Dubai, and the division's PBU business in Finland improved.

Environmental Services

The division reported a profit of S\$0.8 mil in 2Q-2018 compared to a loss of S\$0.4 mil in 2Q-2017, and a profit of S\$1.5 mil in 1H-2018 compared to a loss of S\$1.7 mil in 1H-2017. The improvements were partly attributable to the division's RFO business, which recorded higher pre-tax profit on the back of improved sales volume and prices. The division performance was also lifted by insurance income of S\$2.3 mil in 1H-2018, of which S\$0.8 mil was recognized in 2Q-2018. The insurance income was related to the fire incident in March last year.

Others

The variance between 2Q-2018 and the corresponding period last year was mainly attributable to lower dividend income from a financial asset. For 1H-2018, the lower performance was due to a one-off disposal gain of S\$3.5 mil from sale of an investment property recorded in 1H-2017.

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

Not applicable.

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

The precast business in Singapore and Malaysia would remain challenging amidst very competitive market conditions. However, the business would benefit from the improved cost competitiveness following the restructuring of the operations in Singapore and Malaysia. Dubai operation has healthy order book subject to risk of project delay. Business outlook for the division's PBU business in Finland is expected to remain favorable with healthy order book and full-year contribution from the plant expansion.

Business outlook for the Environmental Services division is likely to continue to improve driven by growth in the RFO business with 2 additional slop barges coming into operation and the full resumption of the waste management services, both expected by end of 3Q-2018. The construction of the division's organic wastewater treatment facility in Tuas is progressing on schedule for completion by end of 2018.

11. Dividend

(a) Current Financial Period Reported On

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

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the six months ended 30 June 2018.

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

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

14. Negative confirmation pursuant to Rule 705 (5)

Please see confirmation below on page 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).



NSL LTD

(Reg. no.: 196100107C)

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

Not applicable.

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

Not applicable.

- 18. A breakdown of sales**

Not applicable.

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

Not applicable.

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

Not applicable.

CONFIRMATION BY THE BOARD

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results for the six months ended 30 June 2018 to be false or misleading.

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
8 August 2018



NSL LTD

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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.