



NSL LTD

(Reg. no.: 196100107C)

Half Year 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			
6 months ended 30 June			
Note	2020	2019	Change
	S\$'000	S\$'000	%
<u>Continuing operations</u>			
Sales	119,464	119,670	-
Cost of sales	(110,874)	(110,330)	-
Gross profit	8,590	9,340	(8)
Other income			
- Interest	(2) 2,327	2,745	(15)
- Others	(2) 3,630	4,723	(23)
Other gains and losses	(3) (317)	237	n/m
Distribution costs	(4) (4,059)	(4,752)	(15)
Administrative expenses	(5) (14,178)	(16,854)	(16)
Impairment on financial assets	(6) 12	(443)	n/m
Finance costs	(7) (1,143)	(523)	n/m
Share of results of associated companies, net of tax	(8) (2,136)	(322)	n/m
Loss before income tax	(1) (7,274)	(5,849)	24
Income tax expense	(9) (988)	(200)	n/m
Loss from continuing operations	(8,262)	(6,049)	37
<u>Discontinued operations</u>			
Profit from discontinued operations	(10) -	338	n/m
Total loss for the financial period	(8,262)	(5,711)	45
Loss attributable to equity holders of the Company:			
- from continuing operations	(8,007)	(5,063)	58
- from discontinued operations	-	280	n/m
	(8,007)	(4,783)	67
Loss attributable to non-controlling interest:			
- from continuing operations	(255)	(986)	(74)
- from discontinued operations	-	58	n/m
	(255)	(928)	(73)
Basic and fully diluted earnings / (loss) per share (cents)			
- from continuing operations	(2.14)	(1.36)	57
- from discontinued operations	-	0.07	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:

THE GROUP			
6 months ended			
30 June			
	Note	2020	2019
		S\$'000	S\$'000
Dividend income		8	6
Interest income	(i)	2,327	2,745
Insurance compensation	(ii)	-	3,300
Amortisation of intangible assets	(iii)	(393)	(511)
Depreciation of property, plant and equipment		(6,509)	(6,685)
Depreciation of right-of-use assets	(iv)	(2,025)	(1,491)
Allowance for stock obsolescence, net	(v)	(351)	(66)
Write off of inventories, net	(v)	-	(261)
Allowance for impairment of trade receivables, net	(vi)	12	(443)
Amortisation of deferred income		34	51

- (i) Decrease in 1H-2020 was due to lower interest income recorded by the Company as a result of lower interest rates.
(ii) Recognised by the Environmental Services division relating to the fire incident in March 2017.
(iii) Decrease in 1H-2020 was attributable to precast operations in Malaysia.
(iv) Increase in 1H-2020 was attributable to assets of the Environmental Services division.
(v) Mainly attributable to finished goods in the precast operations in Dubai.
(vi) Mainly attributable to the precast operations in Dubai.

- (2) Other income

The decrease in interest income for 1H-2020 was due to lower interest income recorded by the Company as a result of lower interest rates. The decrease in other income for FY-2020 was due mainly to insurance compensation of S\$3.3 mil recognized in 1H-2019 by the Environmental Services division relating to the fire incident in March 2017, offset by wage subsidies from government received amounting to S\$2.4 mil by the Singapore entities of the Group in 1H-2020.

- (3) Other gains and losses

THE GROUP		
6 months ended		
30 June		
	2020	2019
	S\$'000	S\$'000
Currency exchange loss - net	(164)	(296)
<u>Property, plant and equipment</u>		
- Gain on disposal, net	37	77
Loss on disposal of a subsidiary company	-	(37)
Restructuring costs	(135)	-
Fair value gain on redemption liability	-	476
Others	(55)	17
	(317)	237

Notes to the Group's Income Statement (continued)

(4) Distribution costs

The reduction in distribution costs for 1H-2020 was attributable to the decrease in staff costs in the precast operations in Malaysia and decrease in marketing costs in the PBU operations in Finland.

(5) Administrative expenses

The decrease in administrative expenses for 1H-2020 was attributable to group wide cost-cutting measures to mitigate the adverse impact of Covid-19 pandemic. Major reductions were in staff costs, rental expense, property tax and traveling expenses.

(6) Impairment loss on financial assets

The small reversal of impairment loss on financial assets for 1H-2020 compared to the higher impairment loss on financial assets for 1H-2019 was mainly due to impairment of trade receivables recorded in prior period by the precast operations in Dubai.

(7) Finance costs

THE GROUP
6 months ended
30 June
2020 2019
S\$'000 S\$'000

Interest expense on lease liabilities	(411)	(422)
Interest expense on bank loans	(562)	(76)
Other interest expense	(170)	(25)
	(1,143)	(523)

The increase in finance costs for 1H-2020 was mainly attributable to interest expense on bank loans for the construction of the new organic wastewater treatment facility in Tuas.

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

The higher loss reported for 1H-2020 was attributable to associate companies Salzgitter Maschinenbau AG ("SMAG") and two others with operations in Malaysia and Vietnam.

(9) Income tax expense

THE GROUP
6 months ended
30 June
Note 2020 2019
S\$'000 S\$'000

Taxation charge for the financial period comprises:		
- Current period taxation	(i)	(980) (235)
- (Under) / over-provision in respect of prior years		(8) 35
		(988) (200)

(i) The Group incurred a net tax charge in 1H-2020 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.

Notes to the Group's Income Statement (continued)
(10) Profit from discontinued operations

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

	<u>THE GROUP</u>	
	6 months ended	
	30 June	
	2020	2019
	S\$'000	S\$'000
Sales	-	35,337
Net expenses	-	(34,934)
Profit before tax from discontinued operations	-	403
Income tax expense	-	(65)
Profit after tax from discontinued operations	-	338

On 5 August 2019, the Company's 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 and its subsidiaries, 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 June 2020

	THE GROUP	
	6 months ended	
	30 June	
	2020	2019
	S\$'000	S\$'000
Total loss for the financial period	(8,262)	(5,711)
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	2,626	(1,648)
Share of other comprehensive income of associated companies	70	194
Income tax relating to components of other comprehensive income	-	-
	2,696	(1,454)
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Gains arising from financial assets at FVOCI*	53	1,474
Exchange differences on translating foreign operations		
- (Losses) / gains arising during the period	(153)	59
Other comprehensive income for the period, net of tax	2,596	79
Total comprehensive loss for the period, net of tax	(5,666)	(5,632)
Total comprehensive income attributable to:		
Equity holders of the Company	(5,258)	(4,763)
Non-controlling interests	(408)	(869)
	(5,666)	(5,632)

*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

		THE GROUP		THE COMPANY	
	Note	30.06.20 S\$'000	31.12.19 S\$'000	30.06.20 S\$'000	31.12.19 S\$'000
Equity					
Share capital		193,839	193,839	193,839	193,839
Reserves		292,532	316,468	137,827	155,566
Shareholders' equity		486,371	510,307	331,666	349,405
Non-controlling interests		(1,541)	(1,133)	-	-
Total equity		484,830	509,174	331,666	349,405
Current Assets					
Inventories	(1)	53,704	45,726	-	-
Receivables, prepayments and other current assets		84,243	92,556	49,644	49,226
Other investments at amortised cost		500	500	500	500
Tax recoverable		1,718	1,708	-	-
Cash and cash equivalents		273,951	281,592	223,782	224,221
		414,116	422,082	273,926	273,947
Non-Current Assets					
Property, plant and equipment		122,369	124,859	447	446
Right-of-use assets		36,457	38,439	1,265	1,415
Investments in subsidiaries		-	-	85,232	85,232
Investments in associated companies		46,356	47,569	-	-
Long term receivables and prepayments	(2)	7,776	5,130	28,111	28,051
Financial assets, at FVOCI*		11,255	11,202	10,964	10,911
Other investments at amortised cost		2,013	2,021	2,013	2,021
Intangible assets		10,136	10,341	32	71
Deferred tax assets		3,278	3,081	-	-
Other non-current assets		105	105	-	-
		239,745	242,747	128,064	128,147
Total Assets		653,861	664,829	401,990	402,094
Current Liabilities					
Borrowings		(10,705)	(10,872)	-	-
Trade, other payables and other current liabilities	(3)	(107,004)	(91,795)	(58,932)	(41,556)
Lease liabilities	(4)	(2,384)	(3,206)	(267)	(266)
Current income tax liabilities		(1,265)	(295)	(309)	-
Deferred income		(199)	(183)	-	-
		(121,557)	(106,351)	(59,508)	(41,822)
Non-Current Liabilities					
Provision for retirement benefits		(4,150)	(3,901)	-	-
Deferred tax liabilities		(2,075)	(2,111)	(211)	(129)
Borrowings		(23,107)	(23,107)	-	-
Deferred income		(351)	(377)	-	-
Other non-current liabilities	(5)	(1,446)	(2,399)	(9,678)	(9,679)
Lease liabilities	(4)	(16,345)	(17,409)	(927)	(1,059)
		(47,474)	(49,304)	(10,816)	(10,867)
Total Liabilities		(169,031)	(155,655)	(70,324)	(52,689)
Net Assets		484,830	509,174	331,666	349,405

*Financial assets measured at fair value through other comprehensive income

Explanatory notes on consolidated statement of financial position

- (1) **Inventories**
The increase in inventories was mainly due to build-up of finished goods in the Precast division in Malaysia and PBU division in Finland.
- (2) **Long term receivables and prepayments**
The increase in long term receivables and prepayments was mainly attributable to retention sums in the Precast division in Singapore and Dubai.
- (3) **Trade, other payables and other current liabilities**
Increase in trade, other payables and other current liabilities was mainly due to increase in dividends payable by the Company. The dividends were paid to shareholders of the Company after 30 June 2020.
- (4) **Lease liabilities**
The decrease was attributable to lease payments for a leased property in the Environmental Services division.
- (5) **Other non-current liabilities**
The decrease was attributable to settlement of payment for a vessel in the Environmental Services division during the period.

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 2020		As at 31 December 2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
7,712	5,377	9,480	4,598

Amount repayable after one year

As at 30 June 2020		As at 31 December 2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
39,452	-	40,516	-

Details of any collateral

Included in the Group's property, plant and equipment are property, plant and equipment and right-of-use assets of subsidiaries of net book value of S\$56,726,000 (31 December 2019: S\$58,910,000) charged by way of debentures to banks for overdraft and term loan facilities granted. Included in secured borrowings are current lease liabilities of S\$2,384,000 and non-current lease liabilities of S\$16,345,000 which are secured over the right-of-use assets of S\$16,832,000.

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	
		6 months ended	30 June
		2020	2019
		S\$'000	S\$'000
Cash Flows from Operating Activities			
Loss from continuing operations		(8,262)	(6,049)
Profit from discontinued operations		-	338
Loss for the financial period		(8,262)	(5,711)
<i>Adjustments for:</i>			
Taxation		988	264
Amortisation of intangible assets		393	596
Amortisation of deferred income		(34)	(51)
Depreciation of properties, plant and equipment		6,509	6,905
Depreciation of right-of-use assets		2,025	1,492
Interest expense		1,143	575
Interest income		(2,327)	(2,745)
Dividend income from financial assets, at FVOCI/ available-for-sale		(8)	(6)
Gain on disposal including write-off of property, plant and equipment (net)		(37)	(76)
Insurance compensation		-	(3,300)
Provision for retirement benefits (net)		262	292
Share of results of associated companies, net of tax		2,136	322
Loss on disposal of subsidiaries		-	37
Exchange differences and other adjustments		390	441
<i>Operating cash flows before working capital changes</i>		<u>3,178</u>	<u>(965)</u>
<i>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</i>			
Inventories		(7,978)	(2,222)
Receivables and prepayments		7,379	5,089
Deferred income		24	15
Trade and other payables		(4,057)	(8,977)
<i>Cash used in operations</i>		<u>(1,454)</u>	<u>(7,060)</u>
Income tax paid		(229)	(1,243)
Retirement benefits paid		(119)	(67)
<i>Net cash used in operating activities</i>		<u>(1,802)</u>	<u>(8,370)</u>
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		54	352
Insurance compensation received		-	906
Net cash inflow from disposal of subsidiaries	(1)	-	422
Purchases of property, plant and equipment		(3,951)	(13,686)
Purchases of intangible assets		(166)	(447)
Interest received		1,394	2,146
Dividends received from non-current financial assets		8	6
<i>Net cash used in investing activities</i>		<u>(2,661)</u>	<u>(10,301)</u>


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The Group
6 months ended
30 June

2020 **2019**
S\$'000 **S\$'000**

Cash Flows from Financing Activities

Proceeds from borrowings	685	10,099
Repayment of borrowings	(852)	(1,135)
Principal payment of lease liabilities	(2,228)	(1,536)
Interest paid	(1,142)	(573)
Bank deposits pledged	137	-
Dividends paid to shareholders	-	(18,678)
Dividends paid to non-controlling interests	-	(93)
<i>Net cash used in financing activities</i>	<u>(3,400)</u>	<u>(11,916)</u>

Net decrease in cash and cash equivalents

	(7,863)	(30,587)
Cash and cash equivalents at beginning of the period	264,055	298,161
Effects of exchange rate changes on cash and cash equivalents	359	(204)
Cash and cash equivalents at end of the period	<u>256,551</u>	<u>267,370</u>

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

- Cash and bank balances	273,951	272,551
- Cash classified as disposal group asset held for sale	-	1,319
- Less: bank deposits pledged	(17,400)	(6,500)
	<u>256,551</u>	<u>267,370</u>

Notes to the Group's cash flow statement

(1) Disposal of subsidiaries

THE GROUP
6 months ended
30 June

2020 **2019**
S\$'000 **S\$'000**

Carrying amounts of assets and liabilities disposed of

Cash and cash equivalents	-	176
Trade and other receivables	-	81
Inventories	-	350
Property, plant and equipment	-	38
Intangible assets	-	-
Total assets	<u>-</u>	<u>645</u>
Total liabilities	<u>-</u>	<u>(4)</u>
Net assets disposed of	<u>-</u>	<u>641</u>

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

Net assets disposed of	-	641
Loss on disposal	-	(37)
Total sale consideration, net of transaction costs	-	604
Less: Cash and cash equivalents in subsidiaries disposed of	-	(176)
Add: Professional fees payable	-	(6)
Net cash inflow on disposal of subsidiaries	<u>-</u>	<u>422</u>

Analysis of consolidated statement of cash flows

The Group recorded a negative operating cash flow of S\$1.8 mil in 1H-2020, mainly attributable to cash outflow from working capital changes.

Net cash used in investing activities in 1H-2020 was S\$2.7 mil compared to S\$10.3 mil in 1H-2019. This was due to lower purchases of property, plant and equipment.

A total of S\$3.4 mil (1H-2019: S\$11.9 mil) was used in financing activities in 1H-2020. The decrease was due to dividends paid to shareholders by the Company after 30 June 2020.

Overall, the Group recorded a net cash outflow of S\$7.8 mil for 1H-2020 as compared to S\$30.6 mil in 1H-2019. Group cash and cash equivalents stood at S\$256.6 mil as of 30 June 2020.

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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 and other Reserves	Total	Non-controlling interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
THE GROUP								
Balance as at 1 January 2020	193,839	316,435	(4,381)	-	4,973	(559)	510,307	(1,133)
Loss for the period	-	(8,007)	-	-	-	-	(8,007)	(255)
Other comprehensive income / (losses) for the period	-	-	2,696	-	53	-	2,749	(153)
Total comprehensive (losses) / income for the period	-	(8,007)	2,696	-	53	-	(5,258)	(408)
Dividends payable	-	(18,678)	-	-	-	-	(18,678)	-
Total transactions with owners, recognised directly in equity	-	(18,678)	-	-	-	-	(18,678)	-
Balance as at 30 June 2020	193,839	289,750	(1,685)	-	5,026	(559)	486,371	(1,541)



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THE GROUP

Balance as at 1 January 2019

Loss for the period

Other comprehensive (losses) / income for the period

Total comprehensive (losses) / income for the period

Dividends paid

Dividends paid to non-controlling interests of subsidiaries

Total transactions with owners, recognised directly in equity

Balance as at 30 June 2019

Attributable to Equity Holders of the Company								
Share Capital S\$'000	Revenue Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Capital Reserve S\$'000	Fair Value Reserve S\$'000	General and other Reserves S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total Equity S\$'000
193,839	368,372	(1,050)	(1,944)	1,556	981	561,754	4,572	566,326
-	(4,783)	-	-	-	-	(4,783)	(928)	(5,711)
-	-	(1,454)	-	1,474	-	20	59	79
-	(4,783)	(1,454)	-	1,474	-	(4,763)	(869)	(5,632)
-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
-	-	-	-	-	-	-	(93)	(93)
-	(18,678)	-	-	-	-	(18,678)	(93)	(18,771)
193,839	344,911	(2,504)	(1,944)	3,030	981	538,313	3,610	541,923

	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
THE COMPANY				
Balance as at 1 January 2020	193,839	150,884	4,682	349,405
Total comprehensive income for the period	-	886	53	939
Dividends payable	-	(18,678)	-	(18,678)
Balance as at 30 June 2020	<u>193,839</u>	<u>133,092</u>	<u>4,735</u>	<u>331,666</u>
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	<u>193,839</u>	<u>149,769</u>	<u>2,739</u>	<u>346,347</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 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 December 2019.

There were no outstanding options and convertibles as at 30 June 2020 (30 June 2019: Nil).

The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2020 (30 June 2019: 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 2020	31 December 2019
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 2020 (30 June 2019: 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 2020.

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

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

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial year compared with the audited financial statements for the year ended 31 December 2019.

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)

	6 months ended	
	30 June	
	2020	2019
(a) Based on the weighted average number of ordinary shares in issue (cents)		
- from continuing operations	(2.14)	(1.36)
- from discontinued operations	-	0.07
Total (including discontinued operations)	<u>(2.14)</u>	<u>(1.29)</u>
(b) On fully diluted basis (cents)		
- from continuing operations	(2.14)	(1.36)
- from discontinued operations	-	0.07
Total (including discontinued operations)	<u>(2.14)</u>	<u>(1.29)</u>

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

	THE GROUP		THE COMPANY	
	30.06.20	31.12.19	30.06.20	31.12.19
	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	1.30	1.37	0.89	0.94
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		
	6 months ended 30 June		
	2020 S\$'000	2019 S\$'000	Change %
<u>Continuing Operations</u>			
Group Turnover	119,464	119,670	-
Group Loss Before Tax	(7,274)	(5,849)	24
Group Loss attributable to equity holders of the Company	(8,007)	(5,063)	58

n/m: not meaningful

Group turnover in 1H-2020 was S\$119.5 mil, comparable to S\$119.7 mil in 1H-2019.

The Group incurred a loss before tax of S\$7.3 mil in 1H-2020, due to higher share of losses from associated company of S\$2.1 mil (1H-2019: loss of S\$0.3 mil). Excluding losses from associates, loss before tax was S\$5.1 mil in 1H-2020, a slight improvement compared to the loss of S\$5.5 mil reported in 1H-2019.

The increased share of associate losses in 1H-2020 was due to higher losses from SMAG, Malaysian associate Southern Rubber Works Sdn. Bhd. ("SRW") and Planergo Pte Ltd ("Planergo") with operation in Vietnam.

After taking into account income tax and non-controlling interests, the Group reported a loss attributable to equity holders of S\$8.0 mil in 1H-2020 as compared to S\$5.1 mil in 1H-2019.

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

Turnover

Turnover (S\$'mil)	THE GROUP		
	6 months ended 30 June		
	2020	2019	Change (%)
<u>Continuing Operations</u>			
Precast & PBU	93.5	94.3	(1)
Environmental Services	19.8	15.3	29
Investment Holdings and Others	6.2	10.1	(39)
	119.5	119.7	-

Precast & Prefabricated Bathroom Unit ("PBU")

Turnover of the Precast & PBU division declined by 1% to S\$93.5 mil in 1H-2020. The precast operations in Singapore & Malaysia reported a 24% decline in revenue due to plant closures as a result of the circuit breaker period and Movement Control Order ("MCO") introduced by the Singapore and Malaysia governments respectively to contain the Covid-19 pandemic. However, there was higher revenue from Dubai precast operations as both delivery volume and average selling price increased during the period. Performance of the division's PBU business in Finland was stable.

Environmental Services

Turnover of the Environmental Services division increased by 29% to S\$19.8 mil in 1H-2020 due to additional revenue from the new organic wastewater treatment facility in Tuas, with steady volume increase since commencement of full operations in 4Q-2019, and from incinerator operation which was reinstated from April 2019. There was also higher demand from the slop and recycled fuel oil ("RFO") business.

Attributable loss before tax

Attributable loss before tax (S\$'mil)	THE GROUP		
	6 months ended 30 June		
	2020	2019	Change (%)
<u>Continuing Operations</u>			
Precast & PBU	(3.0)	(3.1)	(3)
Environmental Services	(0.7)	(1.1)	(38)
Investment Holdings and Others	(3.6)	(1.6)	n/m
	(7.3)	(5.8)	25

n/m: not meaningful

Precast & Prefabricated Bathroom Unit ("PBU")

The Precast & PBU operation recorded a loss of S\$3.0 mil in 1H-2020, comparable to S\$3.1 mil previously. Higher losses were incurred by the precast operations in Singapore & Malaysia as a result of the stoppage of production, disruptions of delivery of existing projects during MCO in Malaysia and during the circuit breaker in Singapore as well as operating inefficiencies which are currently undergoing review. However, Dubai precast operations turned around on the back of higher revenue and improved margin from higher value product-mix. Performance of the division's PBU business in Finland was stable.

Environmental Services

The division recorded a lower loss of S\$0.7 mil in 1H-2020 compared to loss of S\$1.1 mil in 1H-2019. This was mainly due to improvement in the slop and RFO businesses on the back of higher revenue, and a leaner cost structure post restructuring and cost savings from government subsidies. The new organic wastewater treatment facility in Tuas also contributed to the improved performance.

Investment Holdings and Others

The higher loss in 1H-2020 was mainly attributable to increased share of losses from associates SMAG, SRW and Planergo due to the Covid-19 pandemic.

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

Operating condition for the precast business in Singapore and Malaysia is expected to remain uncertain amid the Covid-19 pandemic. Despite the gradual easing of circuit breaker from June, deliveries to Singapore projects remained low as many construction sites had not resumed operations. However, deliveries for secured projects are expected to pick up in the later part of 2H-2020 when construction works resume. In Dubai, demand is expected to weaken due to the Covid-19 pandemic. Performance of the division's PBU business in Finland is expected to remain satisfactory.

In the Environmental Services division, plant utilization of the division's new organic wastewater treatment facility in Tuas is expected to increase gradually with more new customers being secured. However, the slop and RFO business is expected to remain challenging despite the recovery of RFO price from its bottom.

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 2020.

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. 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)

Please see confirmation below.

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

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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**

For discussion of material changes, please refer to paragraph 8.

- 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 2020 to be false or misleading

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
13 August 2020



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; avian flu, swine flu, coronaviruses (alpha and beta) (including but not limited to MERS-CoV, SARS-CoV, SARS-CoV-2 and 2019-nCoV) 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.