



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			
	2018	2017	Change	2018	2017	Change	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Sales	88,387	80,816	9	290,134	250,439	16	
Cost of sales	(79,194)	(75,228)	5	(266,865)	(228,348)	17	
Gross profit	(2)	9,193	5,588	65	23,269	22,091	5
Other income	(3)	1,870	2,319	(19)	9,621	9,109	6
Other gains and losses	(4)	142	(550)	n/m	(1,742)	2,420	n/m
Distribution costs	(5)	(3,465)	(2,967)	17	(9,929)	(9,003)	10
Administrative expenses	(6)	(8,219)	(7,423)	11	(25,052)	(22,941)	9
Finance costs	(7)	(72)	(137)	(47)	(231)	(618)	(63)
Share of results of associated companies, net of tax	(8)	(40)	(188)	(79)	(564)	(733)	(23)
(Loss) / Profit before income tax	(1)	(591)	(3,358)	(82)	(4,628)	325	n/m
Income tax expense	(9)	(678)	472	n/m	(1,256)	(76)	n/m
Total (loss) / profit for the financial period		(1,269)	(2,886)	(56)	(5,884)	249	n/m
Attributable to:							
Equity holders of the Company		(1,136)	(2,692)	(58)	(5,888)	876	n/m
Non-controlling interest		(133)	(194)	(31)	4	(627)	n/m
		(1,269)	(2,886)	(56)	(5,884)	249	n/m
Basic and fully diluted earnings per share (cents)		(0.30)	(0.72)	(58)	(1.58)	0.23	n/m
n/m: not meaningful							

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 September		9 months ended 30 September		
	2018	2017	2018	2017	
	S\$'000	S\$'000	S\$'000	S\$'000	
Dividend income	(i)	5	-	1,038	1,909
Interest income	(ii)	1,086	1,132	3,260	3,856
Amortisation of intangible assets	(iii)	(627)	(154)	(1,411)	(450)
Depreciation of property, plant and equipment	(iv)	(3,726)	(3,110)	(10,488)	(9,337)
Allowance for stocks obsolescence, net		(22)	-	(34)	-
Write down of inventories to net realisable value, net	(v)	(278)	-	(278)	(570)
(Allowance) / write back of allowance of impairment for trade receivables, net	(vi)	(281)	49	(731)	327
Amortisation of deferred income		54	56	183	170

- (i) Lower dividend income in 9M-2018 was due to lower dividend income recorded by the Company from non-current financial assets.
- (ii) Decrease in 9M-2018 was due to lower interest income recorded by the Company as a result of lower cash balances.
- (iii) Mainly arose from additions of intangible assets in the Precast and Prefabricated Bathroom Unit ("PBU") division in Malaysia and Environmental Services division.
- (iv) Mainly attributable to the precast operations in Malaysia.
- (v) Increase in 3Q-2018 was attributable to write down of finished goods in the Dubai precast operation.
- (vi) Mainly attributable to Singapore precast operation and Environmental Services division.

- (2) Cost of sales
Gross profit

The increase in gross profit for 3Q-2018 was due mainly to higher revenue and improved gross profit margin, mostly from the Singapore and Malaysia precast operations and the waste treatment business.

- (3) Other income

The decrease for 3Q-2018 was due mainly to lower service income and lower interest income from lower cash balance.

- (4) Other gains and losses

THE GROUP					
	Quarter ended 30 September		9 months ended 30 September		
	2018	2017	2018	2017	
	S\$'000	S\$'000	S\$'000	S\$'000	
Fair value gains on derivative financial instruments	-	-	-	7	
Currency exchange loss - net	(100)	(103)	(507)	(846)	
Insurance claim	165	-	965	1,049	
Gain on disposal of investment properties	-	(11)	-	3,568	
<u>Property, plant and equipment</u>					
- Gain / (loss) on disposal and write-off, net	199	(23)	(155)	(13)	
- Impairment, net	-	-	(512)	(758)	
Plant closure and restructuring costs	11	-	(2,160)	-	
Gain / (loss) on disposal of an associated company	(80)	-	680	-	
Others	(53)	(413)	(53)	(587)	
	142	(550)	(1,742)	2,420	

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

The increase was attributable to the precast operation in Malaysia and the Environmental Services division, in line with higher sales.

(6) Administrative expenses

The increase in 3Q-18 was attributable to an increase in staff costs and allowance for doubtful trade debts.

(7) Finance costs

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

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

The variance in 3Q-2018 was due largely to the share of profits 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 in 2Q-2018.

(9) Income tax expense

		<u>THE GROUP</u>			
		Quarter ended 30 September		9 months ended 30 September	
	Note	2018	2017	2018	2017
		S\$'000	S\$'000	S\$'000	S\$'000
Taxation (charge) / credit for the financial period comprises:					
- Current period taxation	(i)	(678)	522	(1,270)	(1)
- (Under) / over-provision in respect of prior years	(ii)	-	(50)	14	(75)
		<u>(678)</u>	<u>472</u>	<u>(1,256)</u>	<u>(76)</u>

(i) Tax expense increased due mainly to higher pre-tax contribution from our PBU unit in Finland. The effective tax rate of the Group 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 9M-2018 comprised mainly of reversal of deferred tax liabilities.



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Statement of Comprehensive Income for Period ended 30 September 2018

	THE GROUP			
	Quarter ended 30 September		9 months ended 30 September	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Total (loss) / profit for the financial period	(1,269)	(2,886)	(5,884)	249
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	(965)	66	2,041	537
Gains / (losses) arising from available-for-sale financial assets	-	586	-	(215)
Share of other comprehensive losses of associated companies	(534)	(875)	(534)	(1,226)
Income tax relating to components of other comprehensive income	49	-	56	10
	(1,450)	(223)	1,563	(894)
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Gains arising from financial assets at FVOCI*	788	-	906	-
Other comprehensive (losses) / gains for the period, net of tax	(662)	(223)	2,469	(894)
Total comprehensive income for the period, net of tax	(1,931)	(3,109)	(3,415)	(645)
Total comprehensive income attributable to:				
Equity holders of the Company	(1,790)	(3,018)	(3,345)	(330)
Non-controlling interests	(141)	(91)	(70)	(315)
	(1,931)	(3,109)	(3,415)	(645)

*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	
	30.9.18 S\$'000	31.12.17 S\$'000 (restated)	1.1.17 S\$'000 (restated)	30.9.18 S\$'000	31.12.17 S\$'000
Equity					
Share capital	193,839	193,839	193,839	193,839	193,839
Reserves	368,583	391,407	479,959	168,085	184,652
Shareholders' equity	562,422	585,246	673,798	361,924	378,491
Non-controlling interests	4,616	4,803	4,577	-	-
Total equity	567,038	590,049	678,375	361,924	378,491
Current Assets					
Inventories	(1) 56,442	50,119	36,552	-	-
Receivables and prepayments	121,086	113,332	102,671	38,078	26,315
Contract assets	1,418	1,587	720	-	-
Tax recoverable	1,642	1,588	1,236	-	-
Cash and cash equivalents	(2) 298,226	347,810	461,763	254,964	283,904
	478,814	514,436	602,942	293,042	310,219
Investment properties classified as held-for-sale	-	-	9,493	-	-
Investment in an associated company classified as held-for-sale	(3) -	44,369	-	-	-
	478,814	558,805	612,435	293,042	310,219
Non-Current Assets					
Property, plant and equipment	(4) 139,960	125,611	123,251	204	283
Investments in subsidiaries	-	-	-	85,232	85,232
Investments in associated companies	(3) 51,040	6,520	50,529	-	-
Long term receivables and prepayments	4,197	3,945	5,216	30,892	32,298
Available-for-sale financial assets	-	7,805	8,387	-	7,476
Financial assets, at FVOCI*	8,711	-	-	8,420	-
Held-to-maturity financial assets	-	2,551	1,523	-	2,551
Other investments at amortised cost	2,540	-	-	2,540	-
Intangible assets	11,075	11,584	10,351	173	248
Deferred tax assets	(5) 3,488	3,044	3,044	-	-
Other non-current assets	107	111	95	-	-
	221,118	161,171	202,396	127,461	128,088
Total Assets	699,932	719,976	814,831	420,503	438,307
Current Liabilities					
Borrowings	(6) (5,143)	(3,647)	(16,010)	-	-
Trade and other payables	(92,590)	(97,260)	(85,641)	(48,647)	(49,906)
Contract liabilities	(10,581)	(9,999)	(7,537)	-	-
Current income tax liabilities	(297)	(496)	(999)	-	-
Deferred income	(189)	(244)	(423)	-	-
	(108,800)	(111,646)	(110,610)	(48,647)	(49,906)
Non-Current Liabilities					
Provision for retirement benefits	(3,343)	(2,957)	(2,735)	-	-
Deferred tax liabilities	(2,620)	(2,623)	(3,718)	(333)	(280)
Borrowings	(5) (14,531)	(9,054)	(15,512)	-	-
Deferred income	(563)	(668)	(834)	-	-
Other non-current liabilities	(3,037)	(2,979)	(3,047)	(9,599)	(9,630)
	(24,094)	(18,281)	(25,846)	(9,932)	(9,910)
Total Liabilities	(132,894)	(129,927)	(136,456)	(58,579)	(59,816)
Net Assets	567,038	590,049	678,375	361,924	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) **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.
- (3) **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 interest in SMAG was accounted for as investment in associated company. Both transactions were completed in 2Q-2018.
- (4) **Property, plant and equipment**
The increase was largely due to purchase of fixed assets by the Environmental Services division.
- (5) **Deferred tax assets**
The increase was mainly due to recognition of deferred tax assets for the Group's Singapore and Malaysia Precast operation.
- (6) **Borrowings**
The increase in borrowings was largely due to funding for the ongoing construction of organic wastewater treatment facility in Tuas.

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 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
5,143	-	3,647	-

Amount repayable after one year

As at 30 September 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
14,531	-	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\$25,313,000 (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\$568,000 (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		9 months ended	
	30 September		30 September	
	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	(1,269)	(2,886)	(5,884)	249
<i>Adjustments for:</i>				
Taxation	678	(472)	1,256	76
Amortisation of intangible assets	627	154	1,411	450
Amortisation of deferred income	(54)	(56)	(183)	(170)
Depreciation of properties, plant and equipment	3,726	3,110	10,488	9,337
Property, plant and equipment written off	30	15	225	48
Interest expense	72	138	231	618
Interest income	(1,086)	(1,132)	(3,260)	(3,856)
Dividend income from available-for-sale financial assets	(5)	-	(1,038)	(1,909)
Allowance for impairment of property, plant and equipment	-	-	512	758
Loss / (gain) on disposal of property, plant and equipment (net)	(229)	7	(70)	(35)
Plant closure and restructuring costs	(11)	-	2,160	-
Insurance compensation	(165)	-	(2,465)	(1,049)
Provision for retirement benefits (net)	135	128	463	441
Share of results of associated companies, net of tax	40	188	564	733
Gain on disposal of investment property	-	11	-	(3,568)
Gain on disposal of an associated company	80	-	(680)	-
Exchange differences and other adjustments	(582)	(4)	(161)	116
<i>Operating cash flows before working capital changes</i>	1,987	(799)	3,569	2,239
<i>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</i>				
Inventories	(816)	(7,390)	(6,225)	(8,952)
Receivables and prepayments	(343)	(7,267)	(7,313)	(2,990)
Contract assets	(47)	(425)	169	(600)
Deferred income	8	(96)	23	22
Contract liabilities	(534)	1,953	576	(1,815)
Trade and other payables	(4,814)	7,416	(4,437)	2,953
<i>Cash used in operations</i>	(4,559)	(6,608)	(13,638)	(9,143)
Income tax paid	(502)	(534)	(1,931)	(2,108)
Insurance compensation received	-	-	1,500	-
Plant closure and restructuring costs	-	-	(2,020)	-
Retirement benefits paid	(22)	(38)	(136)	(129)
<i>Net cash used in operating activities</i>	(5,083)	(7,180)	(16,225)	(11,380)
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	76	-	877	159
Insurance compensation received	-	900	-	900
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	(9,567)	(3,793)	(25,619)	(10,338)
Purchases of intangible assets	(306)	(8)	(583)	(101)
Interest received	553	723	2,606	4,387
Dividends received from non-current financial assets	5	-	1,038	1,909
<i>Net cash (used in) / generated from investing activities</i>	(9,239)	(2,178)	(21,681)	10,715

	The Group			
	Quarter ended		9 months ended	
	30 September		30 September	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(restated)		(restated)	
Cash Flows from Financing Activities				
Proceeds from borrowings	7,833	850	16,458	6,307
Repayment of borrowings	(3,716)	(856)	(8,987)	(25,300)
Hire purchases and finance lease liabilities	(91)	(302)	(381)	(1,042)
Interest paid	(71)	(138)	(231)	(624)
Bank deposits pledged	-	1,938	-	2,504
Dividends paid to shareholders	-	-	(18,678)	(93,390)
Dividends paid to non-controlling interests	(92)	-	(92)	-
<i>Net cash generated from / (used in) financing activities</i>	3,863	1,492	(11,911)	(111,545)
Net decrease in cash and cash equivalents	(10,459)	(7,866)	(49,817)	(112,210)
Cash and cash equivalents at beginning of the period	302,390	353,222	341,310	457,664
Effects of exchange rate changes on cash and cash equivalents	(205)	2	233	(96)
Cash and cash equivalents at end of the period	291,726	345,358	291,726	345,358
Cash and cash equivalents at end of the financial year comprise:				
- Cash and bank balances	298,226	346,953	298,226	346,953
- Less: bank deposits pledged	(6,500)	(1,595)	(6,500)	(1,595)
	291,726	345,358	291,726	345,358

Notes to the Group's Cash Flow statement

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

	Quarter ended		9 months ended	
	30 September		30 September	
	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

Analysis of consolidated statement of cash flows**3Q-2018**

The group recorded a negative operating cash flow of S\$5.1 mil in 3Q-2018 as compared to \$7.2 mil in 3Q-2017. The variance was mainly attributable to lower loss for the period.

Net cash used in investing activities in 3Q-2018 was S\$9.2 mil compared to S\$2.2 mil in 3Q-2017, due to increased capital expenditure recorded by the Group's Environmental Services division.

A total of S\$3.9 mil (2Q-2017: S\$1.5 mil) was generated from financing activities in 3Q-2018. The increase was due mainly to net proceeds from borrowings for purchases of property, plant and equipment.

Overall, the Group recorded a net cash outflow of S\$10.5 mil for 3Q-2018 as compared to net cash outflow of S\$7.9 mil in 3Q-2017. Group cash and cash equivalents stood at S\$298.2 mil as of 30 September 2018.

9M-2018

The group recorded a negative operating cash flow of S\$16.2 mil in 9M-2018 as compared to S\$11.4 mil in 9M-2017. The increase was mainly attributable to loss for the period and cash outflow from working capital changes.

Net cash used in investing activities in 9M-2018 was S\$21.7 mil compared to net cash inflow of S\$10.7 mil in 9M-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 9M-2018.

A total of S\$11.9 mil (9M-2017: S\$111.5 mil) was used in financing activities in 9M-2018. The decrease was due mainly to decrease in dividends paid to shareholders of the Company and an increase in net proceeds from borrowings.

Overall, the Group recorded a net cash outflow of S\$49.9 mil for 9M-2018 as compared to net cash outflow of S\$112.2 mil in 9M-2017. Group cash and cash equivalents stood at S\$298.2 mil as of 30 September 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							Non-controlling interests	Total Equity
	Share Capital	Revenue Reserve	Foreign Currency	Capital Reserve	Fair Value Reserve	General Reserve	Total		
			Translation Reserve						
	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 restated at 31 December 2017	193,839	391,170	(286)	(1,944)	1,520	947	585,246	4,803	590,049
Adotion of SFRS(I) 9	-	(231)	-	-	-	-	(231)	(25)	(256)
Balance 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	-	(4,753)	-	-	-	-	(4,753)	137	(4,616)
Other comprehensive (losses) / income for the period	-	-	3,072	-	125	-	3,197	(66)	3,131
Total comprehensive income / (losses) for the period	-	(4,753)	3,072	-	125	-	(1,556)	71	(1,485)
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
(Loss) / profit for the period	-	(1,136)	-	-	-	-	(1,136)	(133)	(1,269)
Other comprehensive income for the period	-	-	(1,491)	-	837	-	(654)	(8)	(662)
Total comprehensive income for the period	-	(1,136)	(1,491)	-	837	-	(1,790)	(141)	(1,931)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(92)	(92)
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	(92)	(92)
Balance as at 30 September 2018	193,839	366,372	726	(1,944)	2,482	947	562,422	4,616	567,038



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THE GROUP

Balance as at 1 January 2017

Profit for the period

Other comprehensive (losses) / income for the period

Total comprehensive income / (losses) for the period

Transfer of reserves

Dividends paid

Total transactions with owners, recognised directly in equity

Balance as at 30 June 2017

Profit for the year

Other comprehensive (losses) / income for the year

Total comprehensive income for the year

Other changes in equity of an associated company

Transfer of reserves

Balance as at 30 September 2017

Attributable to Equity Holders of the Company								
Share Capital S\$'000	Revenue Reserve S\$'000	Foreign Currency	Capital Reserve S\$'000	Fair Value Reserve S\$'000	General Reserves S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total Equity S\$'000
		Translation Reserve S\$'000						
193,839	493,689	(14,088)	(1,944)	2,002	300	673,798	4,577	678,375
-	3,568	-	-	-	-	3,568	(433)	3,135
-	-	(89)	-	(790)	-	(879)	209	(670)
-	3,568	(89)	-	(790)	-	2,689	(224)	2,465
-	(547)	-	-	-	547	-	-	-
-	(93,390)	-	-	-	-	(93,390)	-	(93,390)
-	(93,390)	-	-	-	-	(93,390)	-	(93,390)
193,839	403,320	(14,177)	(1,944)	1,212	847	583,097	4,353	587,450
-	(2,692)	-	-	-	-	(2,692)	(194)	(2,886)
-	-	(912)	-	585	-	(327)	103	(224)
-	(2,692)	(912)	-	585	-	(3,019)	(91)	(3,110)
-	1,483	-	-	-	-	1,483	-	1,483
-	6	-	-	-	(6)	-	-	-
193,839	402,117	(15,089)	(1,944)	1,797	841	581,561	4,262	585,823

	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	-	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	-	222	788	1,010
Balance as at 30 September 2018	193,839	165,893	2,192	361,924
Balance as at 1 January 2017	193,839	268,266	1,702	463,807
Total comprehensive income / (losses) for the period	-	5,535	(744)	4,791
Dividends paid	-	(93,390)	-	(93,390)
Balance as at 30 June 2017	193,839	180,411	958	375,208
Total comprehensive income for the period	-	98	590	688
Balance as at 30 September 2017	193,839	180,509	1,548	375,896

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 2018.

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

The Company did not hold any treasury shares and subsidiary holdings as at 30 September 2018 (30 September 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 September 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 September 2018 (30 September 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 September 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 September		9 months ended 30 September	
	2018	2017	2018	2017
(a) Based on the weighted average number of ordinary shares in issue (cents)	(0.30)	(0.72)	(1.58)	0.23
(b) On fully diluted basis (cents)	(0.30)	(0.72)	(1.58)	0.23

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	
	30.09.18	31.12.17	30.09.18	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 September			9 months ended 30 September		
	2018	2017	Change	2018	2017	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Group Turnover	88,387	80,816	9	290,134	250,439	16
Group (Loss) / Profit Before Tax	(591)	(3,358)	n/m	(4,628)	325	n/m
Group (Loss) / Profit attributable to equity holders of the Company	(1,136)	(2,692)	n/m	(5,888)	876	n/m

n/m: not meaningful

3Q-2018 vs 3Q-2017

Group turnover increased by 9% to S\$88.4 mil in 3Q-2018 from S\$80.8 mil in 3Q-2017, largely from improved contribution from both the Precast & PBU and Environmental Services divisions.

The Group reported a loss before tax of S\$0.6 mil in 3Q-2018 compared to loss before tax of S\$3.4 mil in 3Q-2017. This was largely due to lower losses incurred by the Singapore and Malaysia precast operations following the restructuring exercise in 2Q-2018 and the waste treatment business which resumed full operation during the quarter.

Consequently, the Group reported a lower loss attributable to equity holders of S\$1.1 mil in 3Q-2018 compared to a loss of S\$2.7 mil in 3Q-2017.

9M-2018 vs 9M-2017

Group turnover in 9M-2018 was S\$290.1 mil, a 16% increase from S\$250.4 mil in 9M-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\$4.6 mil in 9M-2018 compared to profit before tax of S\$0.3 mil (which included a one-off gain of S\$3.5 mil from disposal of an investment property) in 9M-2017. This was due to restructuring costs of S\$2.1 mil for the closure of the Singapore precast plant in June and unabsorbed overhead costs incurred prior to the plant closure.

Consequently, the Group reported a loss attributable to equity holders of S\$5.9 mil in 9M-2018 compared to a profit of S\$0.9 mil in 9M-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 September			9 months ended 30 September		
	2018	2017	Change (%)	2018	2017	Change (%)
Precast & PBU	50.0	45.7	9	174.5	141.5	23
Environmental Services	32.9	29.7	11	99.7	92.7	8
Others	5.5	5.4	2	15.9	16.2	(2)
	88.4	80.8	9	290.1	250.4	16

Precast & Prefabricated Bathroom Unit ("PBU")

Turnover of the Precast & PBU division in 3Q-2018 was higher by 9% due to increased project delivery in Singapore and Malaysia. For 9M-2018, turnover was higher by 23% on the back of revenue growth across all geographical locations.

Environmental Services

Environmental Services turnover rose by 11% in 3Q-2018 driven by higher sales from waste treatment and fuel management businesses. For 9M-2018, turnover rose by 8% driven by higher slop collection volume, waste treatment services and fuel management business.

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		
	2018	2017	Change (%)	2018	2017	Change (%)
Precast & PBU	0.6	(0.9)	n/m	(3.9)	0.6	n/m
Environmental Services	(0.6)	(1.6)	n/m	0.5	(3.1)	n/m
Share of SMAG / PSLT results	0.1	(0.1)	n/m	(0.2)	(0.3)	(33)
Others	(0.7)	(0.8)	(13)	(1.0)	3.1	n/m
	(0.6)	(3.4)	n/m	(4.6)	0.3	n/m

n/m: not meaningful

Precast & Prefabricated Bathroom Unit ("PBU")

The division reported a pre-tax profit of S\$0.6 mil in 3Q-2018 as compared to a loss of S\$0.9m previously. The improvement was mainly contributed by lower losses by the Singapore and Malaysia precast operation on the back of higher revenue and a leaner cost structure after the restructuring in 2Q.

For 9M-2018, the Singapore and Malaysia precast operations reported higher pre-tax loss due to low project margin amidst very competitive market conditions, and further impacted by costs relating to cessation of production at the Singapore plant including one-off restructuring cost of S\$2.1 mil and unabsorbed overhead costs incurred prior to the Singapore plant closure.

However, the performance of the precast operations in Dubai, and the division's PBU business in Finland improved for 9M-2018.

Environmental Services

The division reported a loss of S\$0.6 mil in 3Q-2018 compared to a loss of S\$1.6 mil in 3Q-2017. This was due mainly to lower loss reported by the waste treatment operation, which resumed its full operation in Sep '18 after 18 months of disruption.

For 9M-2018 the division recorded a profit of S\$0.5 mil compared to a loss of S\$3.1 mil in the same period last year. The improvement was partly attributable to the division's recycled fuel oil ("RFO") business, which recorded higher pre-tax profit driven by improved sales volume and product price in the first half of 2018 against the same period last year. The division performance was also lifted by insurance income of S\$2.5 mil related to the fire incident in March '17 which was recognized during this period.

Others

The variance between the results recorded in 9M-2018 and the corresponding period last year was mainly attributable to a one-off disposal gain of S\$3.5 mil from sale of an investment property recorded in 9M-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 is expected to remain challenging amidst very competitive market conditions. However, the business should continue to benefit from lower cost following the relocation of its Singapore operation to Malaysia. Dubai operation faces increasingly difficult market conditions with downward pressure on selling price. Business outlook for the division's PBU business in Finland is expected to remain favorable with healthy order book.

In the Environmental Services division, improvements are expected from increased slop collection from the 2 additional slop barges and the full reinstatement of all operating licenses of the waste treatment service. However, the current weak RFO demand is likely to dampen selling price. The construction of the division's organic wastewater treatment facility in Tuas is progressing on schedule for commissioning 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 nine months ended 30 September 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 21.

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 nine months ended 30 September 2018 to be false or misleading.

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
14 November 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.