



NSL LTD

(Reg. no.: 196100107C)

First Quarter Financial Statements Announcement

The figures have not been audited

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

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

THE GROUP			
Quarter ended 31 March			
Note	1Q-2018	1Q-2017	Change
	S\$'000	S\$'000	%
Sales	107,068	86,104	24
Cost of sales	(2) (98,851)	(77,174)	28
Gross profit	(2) 8,217	8,930	(8)
Other income	(3) 3,820	2,540	50
Other gains and losses	(4) (2,567)	2,976	n/m
Distribution costs	(3,325)	(3,201)	4
Administrative expenses	(8,411)	(7,782)	8
Finance costs	(5) (96)	(309)	(69)
Share of results of associated companies, net of tax	(6) (54)	(434)	(88)
(Loss) / Profit before income tax	(1) (2,416)	2,720	n/m
Income tax expense	(7) (679)	(348)	95
Total (loss) / profit for the financial period	(3,095)	2,372	n/m
Attributable to:			
Equity holders of the Company	(3,155)	2,585	n/m
Non-controlling interest	60	(213)	n/m
	(3,095)	2,372	n/m
Basic and fully diluted earnings per share (cents)	(0.84)	0.69	n/m

n/m: not meaningful

Notes to the Group's Income Statement

(1) Profit before taxation is arrived at after crediting / (charging) the following items:

		THE GROUP	
		1Q-2018	1Q-2017
	Note	S\$'000	S\$'000
Interest income	(i)	1,134	1,588
Amortisation of intangible assets	(ii)	(328)	(146)
Depreciation of property, plant and equipment		(3,321)	(3,132)
Allowance for stocks obsolescence, net		(12)	-
Write down of inventories to net realisable value, net		-	(361)
Write back of allowance of impairment for trade receivables, net	(iii)	27	179
Amortisation of deferred income		63	46

- (i) Decrease was due to lower interest income recorded by the Company as a result of lower cash balances.
(ii) Increase was attributable to additions of intangible assets in the Precast and Prefabricated Bathroom Unit ("PBU") division in Malaysia and Environmental Services division.
(iii) Decrease in write back of allowance for impairment of trade receivables 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 lower selling prices in Singapore.

(3) Other income

The increase 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, offset by lower interest income recorded by the Company.

(4) Other gains and losses

		THE GROUP	
		1Q-2018	1Q-2017
		S\$'000	S\$'000
Fair value gains on derivative financial instruments		-	6
Currency exchange losses - net		(505)	(123)
Gain on disposal of investment properties		-	3,506
<u>Property, plant and equipment</u>			
- Loss on disposal and write-off, net		(141)	(2)
- Impairment, net		-	(385)
Provision for restructuring costs		(1,850)	-
Others		(71)	(26)
		(2,567)	2,976

Notes to the Group's Income Statement (continued)

(5) Finance costs

The decrease in finance costs was attributable to a reduction in average borrowings during the first quarter ended 31 March 2018 compared to the corresponding period last year.

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

The reduction of losses in 1Q-2018 was due largely to the reclassification of associate PEINER SMAG Lifting Technologies GmbH ("PSLT") as investment held-for-sale since 31 December 2017, as a result of the proposed Share Swap which was announced on 13 February 2018. The transaction was completed on 9 May 2018 resulting in the Group holding a 30% equity interest in Salzgitter Maschinenbau AG ("SMAG"). Going forward, SMAG would be accounted for based on the equity method.

(7) Income tax expense

		<u>THE GROUP</u>	
		1Q-2018	1Q-2017
		S\$'000	S\$'000
Taxation (charge) / credit for the financial period comprises:			
- Current period taxation	(i)	(645)	38
- Under-provision in respect of prior years	(ii)	(34)	(386)
		<u>(679)</u>	<u>(348)</u>
(i) Tax expenses increased due to higher pre-tax contribution from our PBU unit in Finland and lower deferred tax assets recognised. The effective tax rate of the Group in 1Q-2018 was higher than the Singapore corporate tax rate due mainly to losses incurred by certain subsidiaries which could not be set off against the profits earned by other subsidiaries in the Group.			
(ii) Under-provision in respect of prior years in 1Q-2018 comprised mainly deferred tax liabilities of the Company not recognised in FY2017.			

Statement of Comprehensive Income for Period ended 31 March 2018

	<u>THE GROUP</u>	
	1Q-2018	1Q-2017
	S\$'000	S\$'000
Total (loss) / profit for the financial period	(3,095)	2,372
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	2,472	(2,687)
Gains arising from available-for-sale financial assets	-	574
Share of other comprehensive losses of associated companies	-	(329)
Income tax relating to components of other comprehensive income	-	1
	2,472	(2,441)
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Gains arising from financial assets at FVOCI*	934	-
Other comprehensive gains / (losses) for the period, net of tax	3,406	(2,441)
Total comprehensive income for the period, net of tax	311	(69)
Total comprehensive income attributable to:		
Equity holders of the Company	139	(22)
Non-controlling interests	172	(47)
	311	(69)

*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	
	31.3.18 S\$'000	31.12.17 S\$'000 (restated)	1.1.17 S\$'000 (restated)	31.3.18 S\$'000	31.12.17 S\$'000
Equity					
Share capital	193,839	193,839	193,839	193,839	193,839
Reserves	391,315	391,407	479,959	185,593	184,652
Shareholders' equity	585,154	585,246	673,798	379,432	378,491
Non-controlling interests	4,950	4,803	4,577	-	-
Total equity	590,104	590,049	678,375	379,432	378,491
Current Assets					
Inventories	51,212	50,119	36,552	-	-
Receivables and prepayments	119,138	113,332	102,671	29,675	26,315
Contract assets	1,453	1,587	720	-	-
Tax recoverable	1,662	1,588	1,236	-	-
Cash and cash equivalents	339,962	347,810	461,763	280,130	283,904
	513,427	514,436	602,942	309,805	310,219
Investment properties classified as held-for-sale	-	-	9,493	-	-
Investment in an associated company classified as held-for-sale	44,924	44,369	-	-	-
	558,351	558,805	612,435	309,805	310,219
Non-Current Assets					
Property, plant and equipment	129,672	125,611	123,251	246	283
Investments in subsidiaries	-	-	-	85,232	85,232
Investments in associated companies	6,502	6,520	50,529	-	-
Long term receivables and prepayments	3,184	3,945	5,216	32,094	32,298
Available-for-sale financial assets	-	7,805	8,387	-	7,476
Financial assets, at FVOCI*	8,739	-	-	8,409	-
Held-to-maturity financial assets	-	2,551	1,523	-	2,551
Other investments at amortised cost	2,547	-	-	2,547	-
Intangible assets	11,455	11,584	10,351	223	248
Deferred tax assets	3,008	3,044	3,044	-	-
Other non-current assets	113	111	95	-	-
	165,220	161,171	202,396	128,751	128,088
Total Assets	723,571	719,976	814,831	438,556	438,307
Current Liabilities					
Borrowings	(7,749)	(3,647)	(16,010)	-	-
Trade and other payables	(96,090)	(97,260)	(85,641)	(49,190)	(49,906)
Contract liabilities	(11,203)	(9,999)	(7,537)	-	-
Current income tax liabilities	(207)	(496)	(999)	-	-
Deferred income	(225)	(244)	(423)	-	-
	(115,474)	(111,646)	(110,610)	(49,190)	(49,906)
Non-Current Liabilities					
Provision for retirement benefits	(3,027)	(2,957)	(2,735)	-	-
Deferred tax liabilities	(2,646)	(2,623)	(3,718)	(304)	(280)
Borrowings	(8,686)	(9,054)	(15,512)	-	-
Deferred income	(633)	(668)	(834)	-	-
Other non-current liabilities	(3,001)	(2,979)	(3,047)	(9,630)	(9,630)
	(17,993)	(18,281)	(25,846)	(9,934)	(9,910)
Total Liabilities	(133,467)	(129,927)	(136,456)	(59,124)	(59,816)
Net Assets	590,104	590,049	678,375	379,432	378,491

*Financial assets measured at fair value through other comprehensive income

Explanatory notes on consolidated statement of financial position

- a) Long term receivables and prepayments
The decrease was attributable to decrease in long term retention receivables in Dubai precast operation.
- b) Available-for-sale financial assets and Financial assets, at FVOCI
Available-for-sale financial assets were reclassified to Financial assets, at FVOCI in accordance with SFRS(I) 9 with effect from 1 January 2018. The increase in fair value was attributable to a long term financial asset held by the Company.
- c) Borrowings
Group borrowings increased by S\$4.1 mil due to funding for the ongoing construction of organic wastewater treatment facility in Tuas.
- d) 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 31 March 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
7,749	-	3,647	-

Amount repayable after one year

As at 31 March 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
8,686	-	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\$25,161,000 (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\$1,441,000 (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

	The Group	
	1Q-2018	1Q-2017
Note	S\$'000	S\$'000
		(restated)
Cash Flows from Operating Activities		
(Loss) / Profit for the financial period	(3,095)	2,372
<i>Adjustments for:</i>		
Taxation	679	348
Amortisation of intangible assets	328	146
Amortisation of deferred income	(63)	(46)
Depreciation of properties, plant and equipment	3,321	3,132
Property, plant and equipment written off	194	17
Interest expense	96	309
Interest income	(1,134)	(1,588)
Allowance for impairment of property, plant and equipment	-	385
Gain on disposal of property, plant and equipment (net)	(53)	(14)
Provision for restructuring costs	1,850	-
Insurance compensation	(1,500)	-
Provision for retirement benefits (net)	183	172
Share of results of associated companies, net of tax	54	434
Gain on disposal of investment property	-	(3,506)
Exchange differences and other adjustments	802	(448)
<i>Operating cash flows before working capital changes</i>	<u>1,662</u>	<u>1,713</u>
<i>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</i>		
Inventories	(995)	2,245
Receivables and prepayments	(4,098)	876
Contract assets	134	(172)
Deferred income	8	112
Contract liabilities	1,204	(4,041)
Trade and other payables	(3,077)	(6,253)
<i>Cash used in operations</i>	<u>(5,162)</u>	<u>(5,520)</u>
Income tax paid	(906)	(395)
Insurance compensation received	675	-
Retirement benefits paid	(55)	(24)
<i>Net cash used in operating activities</i>	<u>(5,448)</u>	<u>(5,939)</u>
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	169	58
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	(7,346)	(2,294)
Purchases of intangible assets	(166)	(24)
Interest received	828	2,790
<i>Net cash (used in) / generated from investing activities</i>	<u>(6,515)</u>	<u>14,329</u>

	The Group	
	1Q-2018	1Q-2017
	S\$'000	S\$'000
	(restated)	
Cash Flows from Financing Activities		
Proceeds from borrowings	6,417	4,711
Repayment of borrowings	(2,529)	(3,216)
Hire purchases and finance lease liabilities	(167)	(430)
Interest paid	(97)	(315)
Bank deposits pledged	-	615
<i>Net cash generated from financing activities</i>	<u>3,624</u>	<u>1,365</u>
Net (decrease) / increase in cash and cash equivalents	(8,339)	9,755
Cash and cash equivalents at beginning of the period	341,310	457,664
Effects of exchange rate changes on cash and cash equivalents	491	(1,095)
Cash and cash equivalents at end of the period	<u>333,462</u>	<u>466,324</u>
Cash and cash equivalents at end of the financial year comprise:		
- Cash and bank balances	339,962	469,808
- Less: bank deposits pledged	(6,500)	(3,484)
	<u>333,462</u>	<u>466,324</u>

Notes to the Group's Cash Flow statement

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

	Quarter ended	
	31 March	
	1Q-2018	1Q-2017
	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	<u>-</u>	<u>802</u>

Analysis of consolidated statement of cash flows

Net cash used in operating activities of S\$5.4 mil in 1Q-2018 was lower than net cash outflow of S\$5.9 mil in 1Q-2017 due to insurance compensation of S\$0.7 mil received.

Net cash used in investing activities in 1Q-2018 was S\$6.5 mil compared to net cash inflow of S\$14.3 mil in 1Q-2017, which included net proceeds of S\$13.0 mil from disposal of an investment property. During 1Q-2018, the Group's Environmental Services division recorded increased capital expenditure.

A total of S\$3.6 mil (1Q-2017: S\$1.4 mil) was generated from financing activities in 1Q-2018. The increase was due mainly to higher proceeds from bank borrowings taken by Environmental Services division to finance the ongoing construction of its organic wastewater treatment facility in Tuas.

Overall, the Group recorded a net cash outflow of S\$8.3 mil for 1Q-2018 as compared to net cash inflow of S\$9.8 mil in 1Q-2017. Group cash and cash equivalents stood at S\$333.5 mil as of 31 March 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 S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Revenue Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Capital Reserve S\$'000	Fair Value Reserve S\$'000	General Reserve S\$'000	Total 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
Balance as at 1 January 2017	193,839	493,689	(14,088)	(1,944)	2,002	300	673,798	4,577	678,375
Adoption of SFRS(I) 1	-	(14,088)	14,088	-	-	-	-	-	-
Balance as restated at 1 January 2017	193,839	479,601	-	(1,944)	2,002	300	673,798	4,577	678,375
Profit / (loss) for the period	-	2,585	-	-	-	-	2,585	(213)	2,372
Other comprehensive (losses) / income for the period	-	-	(3,181)	-	574	-	(2,607)	166	(2,441)
Total comprehensive income / (losses) for the period	-	2,585	(3,181)	-	574	-	(22)	(47)	(69)
Balance as at 31 March 2017	193,839	482,186	(3,181)	(1,944)	2,576	300	673,776	4,530	678,306

	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
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

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 2017.

There were no outstanding options as at 31 March 2018 (31 March 2017: Nil).

The Company did not hold any treasury shares and subsidiary holdings as at 31 March 2018 (31 March 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:-

	31 March 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 31 March 2018 (31 March 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 31 March 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)

	1Q-2018	1Q-2017
(a) Based on the weighted average number of ordinary shares in issue (cents)	(0.84)	0.69
(b) On fully diluted basis (cents)	(0.84)	0.69

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	
	31.03.18	31.12.17	31.03.18	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	1.57	1.57	1.02	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		
	1Q-2018 S\$'000	1Q-2017 S\$'000	Change %
Group Turnover	107,068	86,104	24
Group (Loss) / Profit Before Tax	(2,416)	2,720	n/m
Group (Loss) / Profit attributable to equity holders of the Company	(3,155)	2,585	n/m

n/m: not meaningful

Group turnover in 1Q-2018 was S\$107.1 mil, a 24% increase from S\$86.1 mil in 1Q-2017, due to higher revenue from both the Precast & PBU and Environmental Services divisions.

However, the Group incurred a loss before tax of S\$2.4mil in 1Q-2018 compared to profit before tax of S\$2.7 mil (which included a one-off gain of S\$3.5 mil from disposal of an investment property) in 1Q-2017. During 1Q-2018, S\$1.9 mil of restructuring costs were recorded 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\$3.2 mil in 1Q-2018 compared to a profit of S\$2.6 mil in 1Q-2017.

Turnover

Turnover (S\$ mil)	THE GROUP		
	1Q-2018	1Q-2017	Change (%)
Precast & PBU	69.8	51.1	37
Environmental Services	31.8	29.6	7
Others	5.5	5.4	2
	107.1	86.1	24

Precast & Prefabricated Bathroom Unit ("PBU")

The Precast & PBU division turnover increased by 37% to S\$69.8 mil with growth across all geographical segments.

Environmental Services

Environmental Services turnover rose by 7% to S\$31.8 mil, due to higher sales from recycled fuel oil ("RFO") and waste management services.

Attributable (loss) / profit before tax

Attributable (loss) / profit before tax (S\$ mil)	THE GROUP		
	1Q-2018	1Q-2017	Change (%)
Precast & PBU	(2.1)	1.5	n/m
Environmental Services	0.7	(1.2)	n/m
Share of PSLT results	-	(0.4)	n/m
Others	(1.0)	2.8	n/m
	(2.4)	2.7	n/m

n/m: not meaningful

Precast & Prefabricated Bathroom Unit ("PBU")

The pre-tax loss of S\$2.1 mil in the quarter was primarily due to poor performance by its Singapore precast operation. Plant loading for Singapore market was low due to weak construction demand coupled with depressed prices. The division is restructuring its operation that involves plant closure and retrenchment of its operating staff in Singapore to improve cost competitiveness. This exercise is expected to complete by end June 2018, resulting in a one-off restructuring cost of S\$1.9 mil that was recognised in this quarter.

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

Environmental Services

The division reported a profit of S\$0.7 mil in 1Q-2018 compared to loss of S\$1.2 mil in 1Q-2017. Profit for 1Q-2018 was contributed by interim payout of S\$1.5 mil from business interruption insurance for the losses arising from the fire incident in March last year. The division's waste treatment business continued to be negatively impacted by the operational disruption of its incineration and fixation plants. However, the RFO business improved as a result of higher sales volume and prices.

Others

In Others, the variance between 1Q-2018 and corresponding period last year was due to a one-off disposal gain of S\$3.5 mil from sale of an investment property recorded in 1Q-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 is expected to remain challenging from weak construction demand. The restructuring of the Singapore and Malaysia precast operations would lead to a leaner and more competitive cost structure to meet this challenging environment. 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 full-year contribution from the plant expansion.

Business outlook for the Environmental Services division is expected to continue to improve driven by growth in the RFO business and the full resumption of the waste management services which has been delayed from 1Q-2018 to 2Q-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 three months ended 31 March 2018.



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- 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 18.

- 15. Confirmation that issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has procured undertakings from all directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).



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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

Not applicable.

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

Not applicable.

- 18. A breakdown of sales**

Not applicable.

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

Not applicable.

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

Not applicable.

CONFIRMATION BY THE BOARD

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results for the three months ended 31 March 2018 to be false or misleading

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
11 May 2018



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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.