



**NSL LTD (formerly known as NATSTEEL LTD)**

(Reg. no.: 196100107C)

**Full Year Financial Statements and Dividend 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

		<u>THE GROUP</u>		
		FY 2008	FY 2007	Change
		S\$'000	S\$'000	%
	Notes			
<b><u>CONTINUING OPERATIONS</u></b>				
Sales		357,834	345,570	4
Cost of sales		(286,685)	(278,449)	
<b>Gross profit</b>		<b>71,149</b>	<b>67,121</b>	<b>6</b>
Other income		2,681	3,043	
Distribution costs		(14,361)	(14,872)	
Administrative expenses		(36,469)	(31,261)	
Other expenses		(5,781)	(5,128)	
<b>Profit before investment income, interest income and finance costs</b>	1	<b>17,219</b>	<b>18,903</b>	(9)
Investment income		4,981	12	
Interest income		1,867	4,645	
Finance costs		(1,816)	(3,371)	
Share of results of associated companies after taxation		53,010	31,402	
<b>Profit before taxation and exceptional items</b>		<b>75,261</b>	<b>51,591</b>	<b>46</b>
Exceptional items	2	4,517	55,351	
<b>Profit before taxation</b>		<b>79,778</b>	<b>106,942</b>	(25)
Taxation		(4,393)	(6,470)	
<b>Profit after taxation from continuing operations</b>		<b>75,385</b>	<b>100,472</b>	(25)
<b><u>DISCONTINUED OPERATIONS</u></b>				
Loss from discontinued operations	3	-	(984)	
Gain on disposal of discontinued operations				
- Exceptional items		-	10,717	
		-	9,733	
<b>Total profit for the year</b>		<b>75,385</b>	<b>110,205</b>	
<b>Attributable to :</b>				
Equity holders of the Company		76,745	109,379	(30)
Minority interests		(1,360)	826	
		<b>75,385</b>	<b>110,205</b>	
<b>Earnings per ordinary share attributable to the equity holders of the Company</b>				
- from Continuing operations – Basic and fully diluted		20.54 cents	26.67 cents	
- from Discontinued operations – Basic and fully diluted		0.00 cent	2.61 cents	



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### Comments on Income Statement

#### **Continuing Operations**

- a) Administrative expenses  
The higher administrative expenses in FY 2008 was mainly attributable to higher provision for impairment of trade receivables, higher cost from the implementation of new IT systems and the impact of a one-off expense in FY 2008.
- b) Other income  
The lower other income in FY 2008 was due mainly to lower gain on sale of fixed assets.
- c) Other expenses  
The higher other expenses in FY2008 was due mainly to higher property, plant and equipment written off.
- d) Investment income  
The higher investment income in FY 2008 as compared to FY 2007 was mainly attributable to higher dividend income from available-for-sale financial assets.
- e) Interest income  
Interest income was lower in FY 2008 as compared to FY 2007 due mainly to lower interest rates and lower Group cash balance following the payment of dividend totaling S\$74.7 mil in FY 2008.
- f) Finance costs  
Finance cost was lower in FY 2008 as compared to FY 2007 due mainly to lower borrowing rates and lower average Group borrowings in FY 2008.
- g) Share of result of associated companies  
The higher contribution from associated companies in FY 2008 was due mainly to higher profit from the Group's Thai petrochemical associate.
- h) Taxation  
Taxation for FY 2008 differs from the amount that would arise by applying the Singapore corporate tax rate due mainly to:  
i) Certain income not being subject to tax or are subject to lower withholding tax rate  
ii) Write back of S\$5.2 mil for overprovision of tax in respect of prior years.

**Note 1** – Profit before investment income, interest income and finance costs from Continuing operations is arrived at after (charging) / crediting the following items:

	<b>THE GROUP</b>	
	<b>FY 2008</b>	<b>FY 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amortisation of intangible assets	(594)	(502)
Depreciation of property, plant and equipment and investment properties	(14,811)	(15,171)
Property, plant and equipment written off	(424)	(140)
Net foreign exchange gain / (loss )	610	(596)
Fair value loss of derivative financial instruments	(539)	(141)
Net (write down) / reversal of write down of inventories to net realisable value	(298)	89
Net provision for impairment of trade receivables	(1,107)	(9)
Net gain on sale of property, plant and equipment	644	1,064
Amortisation of deferred income	343	341

**Note 2** – Exceptional items comprise the following:

	<b>THE GROUP</b>	
	<b>FY 2008</b>	<b>FY 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Net (loss) / gain on disposal / liquidation of		
- subsidiaries (net of translation)	(317)	4,676
- associated companies (net of translation)	(288)	-
- available-for-sale financial assets	421	5,205
(Loss) / gain on cessation of business of a subsidiary company	(21)	824
Gain on debt restructuring of a subsidiary	-	15,810
Gain on redemption of redeemable preference shares of a subsidiary	-	15,645
Recognition of deferred income upon expiry of options	868	1,302
Write back of impairment of investment in associated companies	1,213	1,877
Net impairment of property, plant and equipment	(4,548)	(3,286)
Impairment of available-for-sale financial assets	(1,595)	(14)
Reversal of provision for claims from customers	-	1,245
Write back of provision for loss on capital commitment of an associated company	-	9,324
Insurance compensation	2,500	3,570
Net write back / (impairment) of long term receivables	7,000	(650)
Others	(716)	(177)
<b>Net gain</b>	<b>4,517</b>	<b>55,351</b>



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### Note 3 – Discontinued Operations

- (a) On 5 March 2007, the Company completed the sale of its entire stake in NSL China Investments Pte Ltd, (“NSL China”) for US\$36.5 mil (S\$55.7 mil) (“disposal”). The group recorded an exceptional gain of S\$11 mil from the disposal in 1Q 2007.

The operating performance of NSL China up to 5 March 2007 was presented separately on the income statement as “discontinued operations”.

- (b) An analysis of the results of discontinued operations (disposal group held for sale) is as follows:

	<b>FY 2008</b>	<b>FY 2007</b>
	<b>S\$’000</b>	<b>S\$’000</b>
Revenue	-	6,472
Net expenses	-	(7,238)
Loss before taxation of discontinued operations	-	(766)
Taxation	-	(218)
<b>Loss after taxation from discontinued operations</b>	<b>-</b>	<b>(984)</b>
<b>Gain on disposal of discontinued operations</b>	<b>-</b>	<b>10,717</b>

- (c) The impact of the discontinued operations on the cash flows of the Group is as follows:

	<b>FY 2008</b>	<b>FY 2007</b>
	<b>S\$’000</b>	<b>S\$’000</b>
<b>Net cash generated from:</b>		
Operating activities	-	4,493
Investing activities	-	48
Financing activities	-	-
<b>Total cash flows</b>	<b>-</b>	<b>4,541</b>



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**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	THE GROUP		THE COMPANY	
	31.12.08 S\$'000	31.12.07 S\$'000	31.12.08 S\$'000	31.12.07 S\$'000
Share capital	193,839	193,839	193,839	193,839
Reserves	306,476	326,182	130,826	115,108
Shareholders' equity	500,315	520,021	324,665	308,947
Minority interests	13,184	14,016	-	-
Total equity	513,499	534,037	324,665	308,947
<b>Current Assets</b>				
Inventories	69,730	52,380	-	-
Receivables and prepayments	107,198	87,614	74,355	28,620
Tax recoverable	20,151	23,928	19,234	22,621
Available-for-sale financial assets	15,709	-	-	-
Cash and bank balances	171,452	198,834	88,882	49,866
	384,240	362,756	182,471	101,107
<b>Non Current Assets</b>				
Property, plant and equipment	138,944	138,484	67	349
Investment properties	4,109	4,296	-	-
Subsidiaries	-	-	73,402	73,402
Associated companies	144,853	147,852	-	-
Available-for-sale financial assets	15,852	34,495	14,814	18,274
Long term receivables	6,629	8,102	93,440	156,569
Intangible assets	9,760	9,654	-	-
Deferred tax assets	1,195	1,651	-	-
Other non current assets	595	618	-	-
	321,937	345,152	181,723	248,594
<b>Total Assets</b>	706,177	707,908	364,194	349,701
<b>Current Liabilities</b>				
Amounts due to bankers	(26,604)	(25,299)	-	-
Trade and other payables	(96,757)	(77,519)	(18,048)	(17,018)
Provision for other liabilities and charges	(1,792)	(2,519)	-	-
Taxation	(24,670)	(29,080)	(20,674)	(22,884)
Deferred income	(341)	(1,209)	-	-
	(150,164)	(135,626)	(38,722)	(39,902)
<b>Non Current Liabilities</b>				
Provision for retirement benefits	(293)	(326)	(293)	(265)
Deferred tax liabilities	(17,471)	(18,212)	(514)	(587)
Long term bank loans	(20,591)	(15,361)	-	-
Deferred income	(3,458)	(3,686)	-	-
Other non current liabilities	(701)	(660)	-	-
	(42,514)	(38,245)	(807)	(852)
<b>Total Liabilities</b>	(192,678)	(173,871)	(39,529)	(40,754)
	513,499	534,037	324,665	308,947



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**Explanatory notes on Consolidated Balance Sheet**

- a) Cash and bank balances was lower at S\$171.5 mil as compared to S\$198.8 mil as at end December 2007 due mainly to total dividend payout of S\$74.7 mil, comprising of FY 2007 final dividend of 10 cents per share paid in May 2008 and FY 2008 interim dividend of 10 cents per share paid in September 2008.
- b) Inventories increased to S\$69.7 mil from S\$52.4 mil due mainly to increase in the purchase of key raw materials.
- c) The increase in both the receivables and trade payables was in line with higher turnover in 4Q 2008.

**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 December 2008		As at 31 December 2007	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
4,696	22,068	3,949	21,498

**Amount repayable after one year**

As at 31 December 2008		As at 31 December 2007	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
8,152	12,720	9,307	6,320

**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\$29,715,000 (31 December 2007: S\$29,356,000) charged by way of debentures to banks for overdraft and term loan facilities granted.



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

	<b>THE GROUP</b>	
	<b>FY 2008</b>	<b>FY 2007</b>
	<b>SS'000</b>	<b>SS'000</b>
<b>Cash flows from operating activities</b>		
Profit after tax for the year	75,385	110,205
Non-cash and reclassified items	(44,835)	(77,044)
Working capital changes	(26,322)	(7,391)
Income taxes paid	(3,851)	(1,196)
Insurance compensation received	5,000	500
<b>Net cash generated from operating activities</b>	<b>5,377</b>	<b>25,074</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	2,027	7,857
Proceeds from sale of available-for-sale financial assets, investment properties and other non current assets	1,066	7,105
Cash advances received from investment	3,509	2,718
Proceeds from disposal of subsidiaries, net of cash disposed of	-	33,437
Purchases of property, plant and equipment	(22,466)	(22,760)
Purchases of available-for-sale financial assets	(74)	(116)
Acquisition of a new subsidiary, net of cash acquired	-	(845)
Acquisition of additional interest in an associated company	(2,760)	-
Proceeds from capital reduction of an associated company	6,884	-
Interest received	2,115	4,531
Dividends received from associated companies	34,249	46
Dividend received from available-for-sale financial assets	4,981	12
Decreased in long term receivables	8,848	3,962
Amount due from associated companies	-	(2,785)
<b>Net cash generated from investing activities</b>	<b>38,379</b>	<b>33,162</b>
<b>Cash flows from financing activities</b>		
Amounts due to bankers	7,286	(16,564)
Acquisition of long term bank loan of a subsidiary	-	(6,696)
Interest paid	(1,940)	(3,670)
Dividends paid to shareholders	(74,712)	(37,356)
Dividends paid to minority interests	(128)	(135)
Distribution to minority interests upon liquidation of a subsidiary	-	(161)
Other financing cash flow	73	(132)
<b>Net cash used in financing activities</b>	<b>(69,421)</b>	<b>(64,714)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(25,665)</b>	<b>(6,478)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>197,841</b>	<b>204,690</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(966)</b>	<b>(371)</b>
<b>Cash and cash equivalents at end of year*</b>	<b>171,210</b>	<b>197,841</b>

\* comprise cash and bank balances net of bank overdrafts



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**Disposal of subsidiaries**

The attributable net assets and proceeds from disposal of subsidiaries, net of cash disposed of during the year were as follows:

	<b>THE GROUP</b>	
	<b>FY 2008</b>	<b>FY 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Property, plant and equipment	-	18,358
Deferred tax assets	-	324
Inventories	-	5,568
Receivables and prepayments	-	11,514
Cash and bank balances	-	26,220
Trade and other payables	-	(7,869)
Taxation	-	(71)
Other non current liabilities	-	(108)
Attributable net assets disposed	-	53,936
Translation reserve released upon disposal of subsidiaries	-	(12,540)
Gain on disposal of subsidiaries	-	15,305
Total consideration, net of transaction costs	-	56,701
Cash and bank balances of the subsidiaries disposed	-	(26,220)
Repayment of loan due from disposed subsidiary	-	2,956
Net cash inflow on disposal of subsidiaries	-	33,437

**Acquisition of a new subsidiary**

The attributable net assets and purchase consideration of the subsidiary acquired during the year were as follows:

	<b>THE GROUP</b>	
	<b>FY 2008</b>	<b>FY 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Property, plant and equipment	-	799
Receivables and prepayments	-	11
Deferred tax liabilities	-	(176)
Attributable net assets acquired	-	634
Goodwill on consolidation	-	211
Net cash outflow on acquisition of a subsidiary	-	845

**Analysis of consolidated cash flow statement**

The Group generated S\$5.4 mil of operating cash flow in FY 2008 compared to S\$25.1 mil in FY 2007. The lower operating cash flow was due mainly to the increase in working capital as a result of higher turnover.

The Group generated a positive cash flow of S\$38.4 mil from investing activities in FY 2008 compared to S\$33.2 mil in FY 2007, due mainly to higher dividend income from an associated company, partially offset by lower proceeds from disposal of subsidiaries.

Total dividend paid in FY 2008 amounting to S\$74.7 mil resulted in a net cash outflow of S\$69.4 mil from financing activities in FY 2008.

Overall, the Group recorded a net decrease in cash of S\$25.7 mil in FY 2008 as compared to the decrease of S\$6.5 mil in FY 2007. Group cash and cash equivalents at end of FY 2008 stood at S\$171.2 mil.



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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						Minority Interests	Total Equity	
	Share Capital S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Revaluation Reserve S\$'000	Other Reserves S\$'000			Total Reserves S\$'000
<b>THE GROUP</b>									
<b>Balance as at 1 January 2008</b>	193,839	299,521	(7,062)	6,853	1,946	24,924	520,021	14,016	534,037
Exchange differences arising on consolidation	-	-	(10,167)	-	-	-	(10,167)	(88)	(10,255)
Available-for-sale financial assets	-	-	-	-	-	(2,480)	(2,480)	-	(2,480)
- Fair value losses taken to equity, net of deferred tax	-	-	-	-	-	1,595	1,595	-	1,595
- Fair value reserve transferred to income statement on impairment	-	-	-	-	-	(12,711)	(12,711)	-	(12,711)
- Share of fair value reserve movement of associated companies, net of deferred tax	-	-	-	-	-	(13,596)	(23,763)	(88)	(23,851)
Net losses recognised directly in equity	-	76,745	-	-	-	-	76,745	(1,360)	75,385
Profit / (loss) for the year	-	76,745	(10,167)	-	-	(13,596)	52,982	(1,448)	51,534
Total recognised gains / (losses) for the year	-	76,745	(10,167)	-	-	(13,596)	52,982	(1,448)	51,534
Dividend paid	-	(74,712)	-	-	-	-	(74,712)	-	(74,712)
Dividend paid to minority interest of subsidiaries	-	-	-	-	-	-	-	(128)	(128)
Reserves released / transferred upon disposal of subsidiary / associated company	-	-	2,024	-	-	-	2,024	-	2,024
Changes in group structure	-	-	-	-	-	-	-	744	744
<b>Balance as at 31 December 2008</b>	<b>193,839</b>	<b>301,554</b>	<b>(15,205)</b>	<b>6,853</b>	<b>1,946</b>	<b>11,328</b>	<b>500,315</b>	<b>13,184</b>	<b>513,499</b>



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	Attributable to equity holders of the Company							Minority Interests	Total Equity
	Share Capital	Revenue Reserve	Translation Reserve	Capital Reserve	Revaluation Reserve	Other Reserves	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>THE GROUP</b>									
<b>Balance as at 1 January 2007</b>	193,839	217,769	7,335	9,832	1,946	20,602	451,323	29,243	480,566
Exchange differences arising on consolidation	-	-	(1,769)	-	-	-	(1,769)	(112)	(1,881)
Available-for-sale financial assets	-	-	-	-	-	8,922	8,922	-	8,922
- Fair value gains taken to equity, net of deferred tax	-	-	-	-	-	(4,149)	(4,149)	-	(4,149)
- Fair value reserve transferred to income statement on sale	-	-	-	-	-	14	14	-	14
- Fair value reserve transferred to income statement on impairment	-	-	-	-	-	6,285	6,285	-	6,285
- Share of fair value reserve movement of associated companies, net of deferred tax	-	-	(1,769)	-	-	11,072	9,303	(112)	9,191
Net (losses) / gains recognised directly in equity	-	109,379	-	-	-	-	109,379	826	110,205
Profit for the year	-	109,379	(1,769)	-	-	11,072	118,682	714	119,396
Total recognised gains / (losses) for the year	-	2,979	-	(2,979)	-	-	-	-	-
Transfer of capital reserve to revenue reserve	-	(37,356)	-	-	-	-	(37,356)	-	(37,356)
Dividend paid	-	-	-	-	-	-	-	(135)	(135)
Dividend paid to minority interest of subsidiaries	-	6,750	(12,628)	-	-	(6,750)	(12,628)	-	(12,628)
Reserves released / transferred upon disposal and liquidation of subsidiaries	-	-	-	-	-	-	-	(15,806)	(15,806)
Changes in group structure	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2007</b>	<b>193,839</b>	<b>299,521</b>	<b>(7,062)</b>	<b>6,853</b>	<b>1,946</b>	<b>24,924</b>	<b>520,021</b>	<b>14,016</b>	<b>534,037</b>



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	<b>Share Capital S\$'000</b>	<b>Revenue Reserve S\$'000</b>	<b>Other Reserves S\$'000</b>	<b>Total S\$'000</b>
<b>THE COMPANY</b>				
<b>Balance as at 1 January 2008</b>	193,839	103,256	11,852	308,947
Available-for-sale financial assets				
- Fair value loss taken to equity	-	-	(2,913)	(2,913)
- Fair value reserve transferred to income statement on impairment	-	-	192	192
Net loss recognised directly in equity	-	-	(2,721)	(2,721)
Profit for the year	-	93,151	-	93,151
Total recognised gains for the year	-	93,151	(2,721)	90,430
Dividend paid	-	(74,712)	-	(74,712)
<b>Balance as at 31 December 2008</b>	<b>193,839</b>	<b>121,695</b>	<b>9,131</b>	<b>324,665</b>

	<b>Share Capital S\$'000</b>	<b>Revenue Reserve S\$'000</b>	<b>Other Reserves S\$'000</b>	<b>Total S\$'000</b>
<b>THE COMPANY</b>				
<b>Balance as at 1 January 2007</b>	193,839	45,065	6,458	245,362
Available-for-sale financial assets				
- Fair value gain taken to equity	-	-	5,394	5,394
Profit for the year	-	95,547	-	95,547
Total recognised gains for the year	-	95,547	5,394	100,941
Dividend paid	-	(37,356)	-	(37,356)
<b>Balance as at 31 December 2007</b>	<b>193,839</b>	<b>103,256</b>	<b>11,852</b>	<b>308,947</b>



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**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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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**

There have been no changes to the issued share capital of the Company since 31 December 2007.

There were no outstanding options as at 31 December 2008 (30 December 2007: nil).

The Company did not hold any treasury shares.

**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:-**

	<b>31 December 2008</b>	<b>31 December 2007</b>
Number of issued shares excluding treasury shares	373,558,237	373,558,237

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

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 31 December 2008 (31 December 2007: Nil).

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

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**

Not applicable.



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**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**

<b>THE GROUP (Aggregate)</b>	<b>FY 2008</b>	<b>FY 2007</b>
(a) Based on the weighted average number of ordinary shares in issue (cents)		
- Excluding exceptional items	19.01	11.66
- Including exceptional items	20.54	29.28
(b) On fully diluted basis (cents)		
- Excluding exceptional items	19.01	11.66
- Including exceptional items	20.54	29.28

The Group's earning per share from continuing and discontinued operations are disclosed separately in the income statement on page 1.

**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**

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>31.12.08</b>	<b>31.12.07</b>	<b>31.12.08</b>	<b>31.12.07</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	1.34	1.39	0.87	0.83

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. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

<b><u>CONTINUING OPERATIONS</u></b>	<b><u>THE GROUP</u></b>		
	<b>FY 2008</b>	<b>FY 2007</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Group Turnover</b>	357,834	345,570	4
<b>Group Profit Before Tax (excluding exceptional items)</b>	75,261	51,591	46
<b>Exceptional Items</b>	4,517	55,351	(92)
<b>Group Profit for the period attributable to equity holders of the Company</b>	76,745	99,646	(23)
<b>Group Earnings Before Interest, Taxation, Depreciation and Amortisation (excluding exceptional items)</b>	90,272	65,649	38



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Group's turnover from continuing operations increased 4% to S\$357.8 mil in FY 2008 from S\$345.6 mil in FY 2007 on the back of higher turnover recorded by both the Chemicals and Engineering divisions.

Group's pre-tax profit for FY 2008 of S\$75.3 mil was 46% higher than that recorded in FY 2007. All divisions recorded higher pre-tax profits in FY 2008.

Below is the summary of the performance of the Group's three business divisions:

<b>Turnover (S\$'mil)</b>	<b>FY 2008 S\$'mil</b>	<b>FY 2007 S\$'mil</b>	<b>Change %</b>
Chemicals Division	91.5	70.1	31
Construction Products Division	179.8	200.2	(10)
Engineering Division	70.9	61.7	15

<b>Attributable profit / (loss) before tax (S\$'mil)</b>	<b>FY 2008 S\$'mil</b>	<b>FY 2007* S\$'mil</b>	<b>Change %</b>
<b>Profit before tax</b>			
- Chemicals Division	52.9	34.6	53
- Construction Products Division	13.6	11.2	21
- Engineering Division	4.1	3.9	5
	70.6	49.7	42
<b>Exceptional items</b>			
- Chemicals Division	(1.1)	0.7	n/m
- Construction Products Division	5.0	5.2	(4)
- Engineering Division	(0.4)	0.4	n/m
	3.5	6.3	(44)
<b>Total</b>			
- Chemicals Division	51.8	35.3	47
- Construction Products Division	18.6	16.4	13
- Engineering Division	3.7	4.3	(14)
	74.1	56.0	32

n/m: not meaningful

\* The comparative figures have been restated to include allocation of corporate expenses, to conform with current year presentation.



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### Chemicals Division

Turnover of the Chemical division increased to S\$91.5 mil in FY 2008 from S\$70.1 mil in FY 2007 due mainly to higher sales recorded by both the operations of its lime and environmental services business.

Pre-tax profit increased 53% to S\$52.9 mil from S\$34.6 mil previously due mainly to higher profit contribution from its Thai petrochemical associate, Bangkok Synthetic Co (“BST”), which benefited from exceptionally high prices of its petrochemicals products in the FY 2008. Improved operating performance by the refractory business also contributed to the higher pre-tax profit in FY 2008. While the Singapore environmental chemicals operations turned around in FY 2008, the China operations continued to face severe market weakness.

### Construction Products Division

Turnover of the Construction Products division decreased 10% to S\$179.8 mil in FY 2008 from S\$200.2 mil previously due mainly to lower project volumes delivered by its operation in Finland, which faced severe slowdown in its markets.

Despite lower turnover, pre-tax profit increased to S\$13.6 mil in FY 2008 from S\$11.2 mil previously due mainly to improved margin from its Singapore and Malaysia operations as a result of higher project deliveries.

Higher profit contribution from its associate in Dubai, which commenced operation in 2007, also contributed to higher pre-tax profit in FY 2008.

### Engineering Division

Turnover of the Engineering division grew 15% to S\$70.9 mil in FY 2008 on the back of higher spreader deliveries. However, pre-tax profit increased by only 5% to S\$4.1 mil in FY 2008 due mainly to the weakness of the USD and higher provision for doubtful debts.

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

Not applicable.



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**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**

Business outlook for the Group's businesses will be affected by the worsening global economic downturn. Whilst the current order book could still keep the Construction Products and Engineering divisions busy in FY2009, any unexpected project delays and order cancellation would adversely impact their bottom line. The Chemicals division's lime business will continue to operate in an already competitive environment in the face of weakening customer demand and production slow down. More significantly, BST which benefited from exceptionally high product prices in FY2008, is anticipating a sharp decline in profitability in FY2009 as a result of the depressed market environment.

Given the worsening state of the markets in which the Group operates, it expects its pre-tax profit in FY2009 to be significantly lower than that of FY2008.



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**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim FY2008	Final FY2008	Special FY2008
Dividend Type	Cash	Cash	Cash
Dividend amount per share	S\$0.10 per ordinary share	S\$0.10 per ordinary share	S\$0.10 per ordinary share
Tax Rate	Exempt – one tier	Exempt – one tier	Exempt – one tier
Date paid	30 September 2008	Refer to para 11 (c)	Refer to para 11 (c)

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Name of Dividend	Final FY2007
Dividend Type	Cash
Dividend amount per share	S\$0.10 per ordinary share
Tax Rate	Exempt – one tier
Date paid	21 May 2008

**(c) Date payable**

Subject to the requisite approvals from shareholders at the annual general meeting (“AGM”) of the Company to be held on or about 22 April 2009, the dividend of S\$0.20 per ordinary share comprising of S\$0.10 final and S\$0.10 special will be paid on or about 26 May 2009 or such other date to be determined by the Directors.

**(d) Books closure date**

To be announced after the said AGM on or about 22 April 2009.

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

Not applicable.



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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)**

**13. 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**

Financial year ended 31 December 2008	Chemicals S\$'000	Construction S\$'000	Engineering S\$'000	Others S\$'000	Total for Continuing Operations S\$'000
<b>REVENUE</b>					
External sales	91,543	179,753	70,887	15,651	357,834
Inter-segment sales	832	157	83	15	1,087
Total revenue	<u>92,375</u>	<u>179,910</u>	<u>70,970</u>	<u>15,666</u>	<u>358,921</u>
Elimination					<u>(1,087)</u>
					<u>357,834</u>
<b>RESULT</b>					
Segment results	766	12,698	4,383	390	18,237
Unallocated corporate expenses					<u>(1,018)</u>
					17,219
Investment and interest income					6,848
Finance costs					<u>(1,816)</u>
Share of results of associated companies	52,967	1,837	-	(1,794)	53,010
Exceptional items	(1,075)	5,003	(355)	944	4,517
Profit before taxation					<u>79,778</u>
Taxation					<u>(4,393)</u>
Profit after taxation					<u>75,385</u>
<b>OTHER INFORMATION</b>					
Capital expenditure (property, plant and equipment)	10,624	8,958	2,139	1,127	22,848
Depreciation	(5,092)	(7,295)	(940)	(1,484)	(14,811)
Amortisation	-	(131)	(463)	343	(251)
Impairment charge of property, plant and equipment and investment properties	(2,358)	-	-	(2,190)	(4,548)
	<b>Chemicals S\$'000</b>	<b>Construction S\$'000</b>	<b>Engineering S\$'000</b>	<b>Others S\$'000</b>	<b>Total Consolidated S\$'000</b>
Segment assets	83,599	145,436	57,974	42,732	329,741
Investment in associated companies	136,049	4,654	1	4,149	144,853
Unallocated corporate assets					<u>231,583</u>
Total assets					<u>706,177</u>
Segment liabilities	(16,274)	(42,536)	(24,037)	(15,702)	(98,549)
Unallocated corporate liabilities					<u>(94,129)</u>
Total liabilities					<u>(192,678)</u>
Net assets					<u>513,499</u>



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Financial year ended 31 December 2007	Chemicals S\$'000	Construction S\$'000	Engineering S\$'000	Others S\$'000	Total for Continuing Operations S\$'000	Discontinued Operations S\$'000
<b>REVENUE</b>						
External sales	70,101	200,169	61,740	13,560	345,570	6,472
Inter-segment sales	404	458	287	13	1,162	-
Total revenue	<u>70,505</u>	<u>200,627</u>	<u>62,027</u>	<u>13,573</u>	<u>346,732</u>	<u>6,472</u>
Elimination					(1,162)	-
					<u>345,570</u>	<u>6,472</u>
<b>RESULT</b>						
Segment results	2,016	16,698	5,314	1,572	25,600	(844)
Unallocated corporate expenses					(6,697)	-
					<u>18,903</u>	<u>(844)</u>
Investment and interest income					4,657	78
Finance costs					(3,371)	-
Share of results of associated companies	34,135	(416)	-	(2,317)	31,402	-
Exceptional items	733	5,227	425	48,966	55,351	10,717
Profit before taxation					<u>106,942</u>	<u>9,951</u>
Taxation					(6,470)	(218)
Profit after taxation					<u>100,472</u>	<u>9,733</u>
<b>OTHER INFORMATION</b>						
Capital expenditure (property, plant and equipment)	13,037	4,043	5,306	154	22,540	-
Depreciation	(4,992)	(7,912)	(776)	(1,491)	(15,171)	-
Amortisation	-	(143)	(359)	341	(161)	-
Reversal of impairment charge / (impairment charge) of property, plant and equipment and investment properties	(3,938)	652	-	-	(3,286)	-
<b>Assets and Liabilities</b>						
	Chemicals S\$'000	Construction S\$'000	Engineering S\$'000	Others S\$'000	Total Consolidated S\$'000	
Segment assets	82,899	123,438	41,052	45,039	292,428	
Investment in associated companies	136,983	2,793	1	8,075	147,852	
Unallocated corporate assets					263,782	
Total assets					<u>704,062</u>	
Segment liabilities	(15,316)	(30,944)	(21,225)	(8,707)	(76,192)	
Unallocated corporate liabilities					(93,833)	
Total liabilities					<u>(170,025)</u>	
Net assets					<u>534,037</u>	



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**14. 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.

**15. A breakdown of sales**

<u>Continuing Operations</u>	2008	THE GROUP	Change
	S\$'000	2007 S\$'000	
Sales reported for first half year	160,694	167,275	(4)
Operating profit after tax before deducting minority interests reported for first half year	32,149	30,714	5
Sales reported for second half year	197,140	178,295	11
Operating profit after tax before deducting minority interests reported for second half year	43,236	69,758	(38)

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

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (2008)	Previous Full Year (2007)
	S\$'000	S\$'000
Ordinary	112,067	37,356
Preference	-	-
Total:	112,067	37,356

**BY ORDER OF THE BOARD**

LIM Su-Ling  
Company Secretary  
18 February 2009



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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; 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 in Southern Thailand or 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.