



NSL LTD (formerly known as NATSTEEL LTD)

(Reg. no.: 196100107C)

Second Quarter Financial Statements Announcement

The figures have not been audited

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

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

	Notes	THE GROUP					
		Quarter ended 30 June			Half year ended 30 June		
		2010	2009	Change	2010	2009	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales		81,211	90,960	(11)	154,001	187,001	(18)
Cost of sales		(62,299)	(70,686)		(118,102)	(144,543)	
Gross profit		18,912	20,274	(7)	35,899	42,458	(15)
Other income		268	1,571		1,484	2,011	
Distribution costs		(3,293)	(3,289)		(6,434)	(6,365)	
Administrative expenses		(7,761)	(8,000)		(16,076)	(17,842)	
Other expenses		(133)	(489)		(371)	(231)	
Finance costs		(157)	(400)		(416)	(827)	
Share of results of associated companies and joint ventures, net of tax		10,344	4,114		19,849	9,455	
Profit before taxation and exceptional items	1	18,180	13,781	32	33,935	28,659	18
Exceptional items	2	937	(213)		661	515	
Profit before taxation		19,117	13,568		34,596	29,174	
Taxation	3	(2,269)	(1,889)		(4,541)	(3,833)	
Total profit for the period		16,848	11,679	44	30,055	25,341	19
Profit attributable to:							
Shareholders of the Company		16,341	11,263	45	29,213	25,147	16
Minority interests		507	416		842	194	
		16,848	11,679		30,055	25,341	
Earnings per ordinary share attributable to the shareholders of the Company							
- Basic and fully diluted		4.37 cents	3.02 cents		7.82 cents	6.73 cents	



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Comments on Income Statement

- a) Other income
The decrease in other income in 2Q 2010 was attributable to a lower fair value gain from marked- to- market revaluation of outstanding forward currency contracts for hedging purpose. A fair value gain of S\$32k was reported in 2Q 2010 as compared to a gain of S\$1.1mil in the previous quarter.
- b) Other expenses
Other expenses was lower due mainly to lower unrealized foreign exchange loss which decreased to S\$ 0.1mil in 2Q 2010 from S\$0.4mil previously.
- c) Finance costs
Finance costs was lower in 2Q 2010 due mainly to lower average Group borrowings.
- d) Share of results of associated companies and joint ventures
Improved performance from Bangkok Synthetic Co. Ltd (“BST”), the Group’s petrochemical associate in Thailand, contributed to the higher share of results of associated companies and joint ventures in 2Q 2010.

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

	THE GROUP			
	Quarter ended		Half year ended	
	30 June		30 June	
	2010	2009	2010	2009
	S\$’000	S\$’000	S\$’000	S\$’000
Investment income	-	-	803	-
Interest income	121	122	249	337
Amortisation of intangible assets	(103)	(123)	(199)	(240)
Depreciation of property, plant and equipment and investment properties	(3,847)	(3,849)	(7,684)	(7,552)
Property, plant and equipment written off	(8)	(5)	(11)	(30)
Net foreign exchange (loss) / gain	(86)	(385)	77	357
Fair value gain / (loss) of derivative financial instruments	32	1,132	(214)	741
Net write down of inventories to net realisable value	(4)	(8)	(88)	(148)
Net write back of impairment / (provision for impairment) of trade receivables	206	(58)	153	(2,075)
Net gain on sale of property, plant and equipment	19	28	8	83
Amortisation of deferred income	88	86	175	171



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Note 2 – Exceptional items comprise the following:

	THE GROUP			
	Quarter ended		Half year ended	
	30 June		30 June	
	2010	2009	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000
Gain / (loss) on disposal of				
- available-for-sale financial assets	219	4	219	763
- investment property	-	-	77	-
- subsidiary	(19)	-	(19)	-
- other non-current assets	766	-	766	-
(Impairment) / reversal of impairment of investment in associated companies	-	(189)	220	21
Impairment of property, plant and equipment	-	-	(378)	-
Impairment of available-for-sale financial assets	-	-	(66)	(180)
Others	(29)	(28)	(158)	(89)
Net gain / (loss)	<u>937</u>	<u>(213)</u>	<u>661</u>	<u>515</u>

Note 3 – Taxation

	THE GROUP			
	Quarter ended		Half year ended	
	30 June		30 June	
	2010	2009	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000
Taxation charge for the financial period comprises:				
- current period taxation	2,550	1,912	4,852	3,878
- over provision of prior years	(281)	(23)	(311)	(45)
	<u>2,269</u>	<u>1,889</u>	<u>4,541</u>	<u>3,833</u>



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Statement of Comprehensive Income for Half Year ended 30 June 2010

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Total profit for the period	16,848	11,679	30,055	25,341
Other comprehensive income:				
Exchange differences on translating foreign operations				
- (Losses) / gains arising during the period	(1,368)	(1,662)	2,935	6,511
- Less: losses included in profit or loss on disposal of a subsidiary company	31	-	31	-
Available-for-sale financial assets				
- Gains / (losses) arising during the period	395	73	(210)	2,746
- Less: losses / (gains) included in profit or loss	-	-	66	(579)
Available-for-sale financial assets classified as held for sale				
- Gain recognised directly in equity	-	11,066	-	11,066
Share of other comprehensive income of associate	1,448	3,576	4,729	3,391
Income tax relating to components of other comprehensive income	(110)	(227)	(457)	(337)
Other comprehensive income for the period, net of tax	396	12,826	7,094	22,798
Total comprehensive income for the period	17,244	24,505	37,149	48,139
Total comprehensive income attributable to:				
Shareholders of the Company	16,718	24,221	36,168	47,901
Minority interests	526	284	981	238
	17,244	24,505	37,149	48,139



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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

	THE GROUP		THE COMPANY	
	30.06.10 S\$'000	31.12.09 S\$'000	30.06.10 S\$'000	31.12.09 S\$'000
Share capital	193,839	193,839	193,839	193,839
Reserves	300,216	301,444	54,299	90,287
Shareholders' equity	494,055	495,283	248,138	284,126
Minority interests	13,872	13,727	-	-
Total equity	507,927	509,010	248,138	284,126
Current Assets				
Inventories	54,076	53,514	-	-
Receivables and prepayments	71,745	76,924	40,595	43,370
Available-for-sale financial assets	277	543	-	-
Tax recoverable	2,462	2,655	1,544	1,544
Cash and bank balances	111,942	146,520	18,543	52,437
Other assets	303	584	-	-
	240,805	280,740	60,682	97,351
Non-Current Assets				
Property, plant and equipment	132,836	135,645	90	95
Investment properties	3,719	3,920	-	-
Subsidiaries	-	-	73,402	73,402
Associated companies and joint ventures	200,464	171,943	-	-
Available-for-sale financial assets	14,491	14,435	14,195	14,139
Long term receivables	24,398	24,366	121,171	121,366
Intangible assets	9,529	9,559	-	-
Deferred tax assets	1,228	1,728	155	273
Other non-current assets	162	159	-	-
	386,827	361,755	209,013	209,275
Total Assets	627,632	642,495	269,695	306,626
Current Liabilities				
Amounts due to bankers	(5,729)	(12,387)	-	-
Trade and other payables	(60,509)	(69,375)	(17,819)	(18,942)
Provision for other liabilities and charges	(2,148)	(1,950)	-	-
Taxation	(7,397)	(8,068)	(3,422)	(3,271)
Deferred income	(341)	(341)	-	-
	(76,124)	(92,121)	(21,241)	(22,213)
Non-Current Liabilities				
Provision for retirement benefits	(316)	(287)	(316)	(287)
Deferred tax liabilities	(20,525)	(17,815)	-	-
Long term bank loans	(17,646)	(16,958)	-	-
Deferred income	(3,171)	(3,326)	-	-
Other non-current liabilities	(1,923)	(2,978)	-	-
	(43,581)	(41,364)	(316)	(287)
Total Liabilities	(119,705)	(133,485)	(21,557)	(22,500)
Net Assets	507,927	509,010	248,138	284,126



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Explanatory notes on consolidated statement of financial position

a) Associated companies and joint ventures

The increase in the carrying value of associated companies and joint ventures was mainly attributable to the Group's share of half year's profit, fair value reserve of its associated companies and translation gain.

b) Cash and bank balances

Cash and bank balances was lower following the payment of FY2009 final dividend of S\$37.4 mil in May 2010.

c) Amounts due to bankers

The reduction in amounts due to bankers was due to repayment of short term bank loans with surplus cash generated from operations in 1Q 2010.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2010		As at 31 December 2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,776	3,549	3,294	9,824

Amount repayable after one year

As at 30 June 2010		As at 31 December 2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
12,049	7,520	10,406	9,120

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\$28,185,000 (31 December 2009: S\$27,559,000) charged by way of debentures to banks for overdraft and term loan facilities granted.



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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			
	Quarter ended 30 June		Half year ended 30 June	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Cash flows from operating activities				
Profit after tax for the period	16,848	11,679	30,055	25,341
Non-cash and reclassified items	(5,163)	2,377	(8,734)	1,529
Working capital changes	805	3,837	(1,818)	7,672
Income taxes paid	(1,454)	(2,588)	(3,022)	(3,649)
Net cash generated from operating activities	11,036	15,305	16,481	30,893
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	10	30	13	92
Proceeds from sale of available-for-sale financial assets, investment property and other non-current assets	711	608	902	608
Purchases of property, plant and equipment	(3,730)	(4,922)	(5,956)	(8,194)
Additional investment in a subsidiary company	(21)	-	(21)	-
Disposal of a subsidiary company, net of cash disposed	(958)	-	(958)	-
Interest received	45	133	178	408
Dividends received from associated company	-	17,023	-	17,068
Dividends received from available-for-sale financial assets	-	-	803	-
Amount due from associated companies	-	(19,802)	-	(19,802)
Decrease in long term receivables	-	628	-	1,254
Net cash used in investing activities	(3,943)	(6,302)	(5,039)	(8,566)
Cash flows from financing activities				
Proceeds from borrowings	2,575	-	3,189	-
Amounts due to bankers	(2,654)	(4,372)	(9,159)	(6,390)
Finance leases and hire purchases	(404)	2,717	(780)	2,662
Interest paid	(195)	(352)	(593)	(762)
Dividends paid to shareholders	(37,356)	(74,712)	(37,356)	(74,712)
Dividends paid to minority interests	(7)	(154)	(7)	(176)
Other financing cash flow	-	33	-	4
Net cash used in financing activities	(38,041)	(76,840)	(44,706)	(79,374)
Net decrease in cash and cash equivalents	(30,948)	(67,837)	(33,264)	(57,047)
Cash and cash equivalents at beginning of period	143,714	182,306	146,520	171,210
Effects of exchange rate changes on cash and cash equivalents	(824)	74	(1,314)	380
Cash and cash equivalents at end of period*	111,942	114,543	111,942	114,543

* comprise cash and bank balances net of bank overdrafts



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Disposal of a subsidiary

	<u>THE GROUP</u>			
	Quarter ended		Half year ended	
	30 June		30 June	
	2010	2009	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000
Property, plant and equipment	2,770	-	2,770	-
Inventories	683	-	683	-
Receivables and prepayments	647	-	647	-
Cash and bank balances	937	-	937	-
Trade and other payables	(2,327)	-	(2,327)	-
Taxation	(117)	-	(117)	-
Other non-current liabilities	(410)	-	(410)	-
Minority interests	(848)	-	(848)	-
Attributable net assets disposed	1,335	-	1,335	-
Translation reserve released upon disposal of subsidiary	31	-	31	-
Loss on disposal	(19)	-	(19)	-
Total consideration, net of transaction costs	1,347	-	1,347	-
Less: cash and bank balances of subsidiary disposed	(937)	-	(937)	-
	410	-	410	-
Less: amount receivable at balance sheet date	(1,368)	-	(1,368)	-
Cash outflow from disposal of a subsidiary company	(958)	-	(958)	-

Analysis of consolidated statement of cash flows

The Group generated S\$11.0 mil of operating cash flow in 2Q 2010 as compared to S\$15.3 mil in the same period last year. The lower operating cash flow was due mainly to lower operating performance (excluding associated companies and joint ventures) and the effect of a lower reduction in the working capital of the Group in the current quarter as compared to the corresponding period last year.

The Group recorded a S\$38.0 mil cash outflow from financing activities in 2Q 2010 due mainly to the payment of FY2009 final dividend totaling S\$37.4 mil in May 2010.

Overall, the Group recorded a net cash outflow of S\$30.9 mil in 2Q 2010 as compared to S\$67.8 mil in 2Q 2009. Group cash and cash equivalents stood at S\$111.9 mil as at 30 June 2010.



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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 owners of the Company							Minority	Total Equity	
	Share Capital S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Revaluation Reserve S\$'000	Fair Value Reserve S\$'000	Other Reserves S\$'000	Total S\$'000	S\$'000	S\$'000
THE GROUP										
Balance as at 1 January 2010	193,839	299,531	(13,932)	-	1,946	13,599	300	495,283	13,727	509,010
Transfer of reserves	-	4	-	-	-	-	(4)	-	-	-
Total comprehensive income for the period	-	12,872	4,183	-	-	2,395	-	19,450	455	19,905
Balance as at 31 March 2010	193,839	312,407	(9,749)	-	1,946	15,994	296	514,733	14,182	528,915
Transfer of reserves	-	9	-	-	-	-	(9)	-	-	-
Changes in group structure	-	(40)	-	-	-	-	-	(40)	(829)	(869)
Dividends paid	-	(37,356)	-	-	-	-	-	(37,356)	-	(37,356)
Dividends paid to minority interests of subsidiaries	-	-	-	-	-	-	-	-	(7)	(7)
Total comprehensive income for the period	-	16,341	(1,356)	-	-	1,733	-	16,718	526	17,244
Balance as at 30 June 2010	193,839	291,361	(11,105)	-	1,946	17,727	287	494,055	13,872	507,927
Balance as at 1 January 2009	193,839	301,554	(15,205)	6,853	1,946	11,328	-	500,315	13,184	513,499
Transfer of reserves	-	(222)	-	-	-	-	222	-	-	-
Dividends paid to minority interests of subsidiaries	-	-	-	-	-	-	-	-	(22)	(22)
Total comprehensive income for the period	-	13,884	7,997	-	-	1,799	-	23,680	(46)	23,634
Balance as at 31 March 2009	193,839	315,216	(7,208)	6,853	1,946	13,127	222	523,995	13,116	537,111
Transfer of reserves	-	(10)	-	-	-	-	10	-	-	-
Dividends paid	-	(74,712)	-	-	-	-	-	(74,712)	-	(74,712)
Dividends paid to minority interests of subsidiaries	-	-	-	-	-	-	-	-	(154)	(154)
Total comprehensive income for the period	-	11,263	(1,530)	-	-	14,488	-	24,221	284	24,505
Balance as at 30 June 2009	193,839	251,757	(8,738)	6,853	1,946	27,615	232	473,504	13,246	486,750



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	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
THE COMPANY				
Balance as at 1 January 2010	193,839	82,376	7,911	284,126
Total comprehensive income for the period	-	518	(551)	(33)
Balance as at 31 March 2010	193,839	82,894	7,360	284,093
Dividends paid	-	(37,356)	-	(37,356)
Total comprehensive income for the period	-	794	607	1,401
Balance as at 30 June 2010	193,839	46,332	7,967	248,138
Balance as at 1 January 2009	193,839	121,695	9,131	324,665
Total comprehensive income for the period	-	486	177	663
Balance as at 31 March 2009	193,839	122,181	9,308	325,328
Dividends paid	-	(74,712)	-	(74,712)
Total comprehensive income for the period	-	7,296	748	8,044
Balance as at 30 June 2009	193,839	54,765	10,056	258,660

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 March 2010. There were no outstanding options as at 30 June 2010 (30 June 2009: 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:-

	31 March 2010	31 December 2009
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 30 June 2010 (31 December 2009: Nil).



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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, except for those disclosed under paragraph 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group adopted the new/revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) that are effective for annual periods beginning on or after 1 January 2010. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new and amended FRS that are relevant to the Group:

FRS 27 (Revised)	Consolidated and Separate Financial Statements
FRS 39	Financial Instruments: Recognition and Measurement
FRS 102	Share-Based Payment
FRS 103 (Revised)	Business Combinations
INT FRS 117	Distributions of Non-Cash Assets to Owners

The adoption of the above FRS and INT FRS did not have any significant impact on the financial statements of the Group.



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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

THE GROUP (Aggregate)	Quarter ended		Half year ended	
	30 June		30 June	
	2010	2009	2010	2009
(a) Based on the weighted average number of ordinary shares in issue (cents)				
- Excluding exceptional items	4.12	3.07	7.62	6.59
- Including exceptional items	4.37	3.02	7.82	6.73
(b) On fully diluted basis (cents)				
- Excluding exceptional items	4.12	3.07	7.62	6.59
- Including exceptional items	4.37	3.02	7.82	6.73

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

	THE GROUP		THE COMPANY	
	30.06.10	31.12.09	30.06.10	31.12.09
	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 period	1.32	1.33	0.66	0.76

The Company does not have any treasury shares.



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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

	THE GROUP					
	Quarter ended 30 June			Half year ended 30 June		
	2010 S\$'000	2009 S\$'000	Change %	2010 S\$'000	2009 S\$'000	Change %
Group Turnover	81,211	90,960	(11)	154,001	187,001	(18)
Group Profit Before Tax (excluding exceptional items)	18,180	13,781	32	33,935	28,659	18
Exceptional Items	937	(213)	n/m	661	515	28
Group Profit for the period attributable to equity holders of the Company	16,341	11,263	45	29,213	25,147	16
Group Earnings Before Interest, Taxation, Depreciation and Amortisation (excluding exceptional items)	22,078	17,945	23	41,810	36,770	14

Group turnover in 2Q 2010 was S\$81.2 mil as compared to S\$91.0 mil in the previous corresponding period. The 11% year-on-year decline in Group turnover was due mainly to a significant decrease in the sales recorded by the Engineering division which fell 69% to S\$5 mil from S\$16.2 mil previously. Higher turnover by the Chemicals division in 2Q 2010 fully offset the lower sales performance by the Construction Products division.

Group profit before tax rose 32% to S\$18.2 mil in 2Q 2010 from S\$13.8 mil previously, driven by a significantly stronger performance from the Chemicals division, which more than offset the lower operating performance by both the Construction Products and Engineering divisions.

The exceptional gain of S\$0.9 mil in 2Q 2010 arose mainly from the disposal of non-core assets of the Group.

EBIDTA (excluding exceptional items) which measures the underlying earnings of the Group before interest, depreciation, taxation and amortisation was S\$22.1 mil for the reporting quarter, 23% higher than that of the previous corresponding period.



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

Turnover (S\$'mil)	Quarter ended 30 June			Half year ended 30 June		
	2010	2009	Change (%)	2010	2009	Change (%)
Chemicals Division	27.8	22.7	22	51.7	40.3	28
Construction Products Division	44.7	48.7	(8)	83.6	105.3	(21)
Engineering Division	5.0	16.2	(69)	11.4	34.5	(67)
Others	3.7	3.4	9	7.3	6.9	6
	81.2	91.0	(11)	154.0	187.0	(18)

Attributable profit / (loss) before tax (S\$'mil)	Quarter ended 30 June			Half year ended 30 June		
	2010	2009	Change (%)	2010	2009	Change (%)
Profit before tax						
- Chemicals Division	16.1	6.3	156	29.3	10.4	182
- Construction Products Division	4.0	6.1	(34)	7.0	16.2	(57)
- Engineering Division	(0.6)	2.7	n/m	(0.6)	5.0	n/m
- Others	(1.3)	(1.3)	-	(1.8)	(2.9)	(38)
	18.2	13.8	32	33.9	28.7	18
Exceptional items						
- Chemicals Division	(0.1)	-	n/m	(0.6)	(0.1)	500
- Construction Products Division	-	-	-	-	-	-
- Engineering Division	-	-	-	-	-	-
- Others	1.0	(0.2)	n/m	1.3	0.6	117
	0.9	(0.2)	n/m	0.7	0.5	40
Total						
- Chemicals Division	16.0	6.3	154	28.7	10.3	179
- Construction Products Division	4.0	6.1	(34)	7.0	16.2	(57)
- Engineering Division	(0.6)	2.7	n/m	(0.6)	5.0	n/m
- Others	(0.3)	(1.5)	(80)	(0.5)	(2.3)	(78)
	19.1	13.6	40	34.6	29.2	18

n/m: not meaningful

Chemicals Division

Turnover of the Chemicals division rose 22% to S\$27.8 mil, driven mainly by higher revenue recorded by its environmental services on the back of higher volume and firmer average selling prices.

In tandem with the higher turnover, pre-tax profit (excluding BST) of the Chemicals division rose to S\$5.3 mil in 2Q 2010 from S\$2.2 mil previously. Profit contribution from BST increased significantly to S\$10.9 mil from S\$4.1 mil previously, driven by higher selling prices for its key petrochemical products.



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Construction Products Division

Turnover of the Construction Products division decreased 8% to S\$44.7 mil in 2Q 2010 from S\$48.7 mil previously due mainly to lower project volume delivered by its Singapore precast operations, which continued to experience slow progress in some of its ongoing jobs as a result of site delays. For the period under review, the Singapore unit reported a 53% year-on-year decline in turnover but the fall was partially mitigated by higher sales delivered by its operations in Malaysia and Finland.

Pre-tax profit fell 34% to S\$4.0 mil from S\$6.1 mil due mainly to lower operating performance by its Singapore unit as a result of lower turnover and reduced operating margins. Contribution from Dubai Precast was also lower as a result of projects delay and higher provision for doubtful debts. However, its Malaysian operations reported a stronger pre-tax performance, underpinned by higher margins from higher production volume.

Engineering Division

Turnover of the Engineering division decreased 69% to S\$5 mil in this quarter from S\$16.2 mil previously due to the combined effect of significantly lower spreader deliveries and depressed average selling prices. Sales and order intake for spreaders in the current quarter was low given the continuing weakness in new port projects and expenditures. In line with the significantly lower turnover, the division reported a pre-tax loss of S\$0.6 mil in 2Q 2010.

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

Business conditions within the Group's Chemicals division is expected to remain favorable, underpinned by the improving Asian economies. However, rising energy costs and increasing competition remain key concerns and may erode the margins seen in the last 2 quarters. Notwithstanding stronger competition for its products, BST is expected to remain a key profit contributor to the Group.

Order book for the Construction Products division across all its geographical locations is healthy. While prices for key raw materials are expected to remain stable, the performance of this division is highly dependent on timely project progress.

In the Engineering division, spreaders sale will remain subdued at least in the next 2 quarters. Most major port operators are still operating with excess capacities and have generally held back spending on equipment capex since the onset of the economic downturn in FY2008. However, medium term business outlook has started to improve at a slow pace.



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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

Name of Dividend
Dividend Type
Dividend amount per share
Tax Rate
Date paid

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

Name of Dividend
Dividend Type
Dividend amount per share
Tax Rate
Date paid

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the three months ended 30 June 2010.



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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

Not applicable.

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

Not applicable.

15. A breakdown of sales

Not applicable.

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*) Not applicable.

	Latest Full Year (2010) S\$'000	Previous Full Year (2009) S\$'000
Ordinary		
Preference		
Total:		

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 30 June 2010 to be false or misleading.

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
10 August 2010



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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, H1N1 flu 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.