



NSL LTD (formerly known as NATSTEEL LTD)

(Co. 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> | | |
|---|-------|--------------------|--------------------|-------------|
| | Notes | FY 2011 S\$'000 | FY 2010 S\$'000 | Change % |
| Sales | | 382,301 | 312,728 | 22 |
| Cost of sales | | (302,225) | (238,656) | 27 |
| Gross profit | | 80,076 | 74,072 | 8 |
| Other income | | 3,330 | 4,291 | (22) |
| Distribution costs | | (14,704) | (13,705) | 7 |
| Administrative expenses | | (36,966) | (37,604) | (2) |
| Other expenses | | (873) | (1,636) | (47) |
| Finance costs | | (946) | (874) | 8 |
| Share of results of associated companies and joint ventures, net of tax | | 80,913 | 41,000 | 97 |
| Profit before taxation and exceptional items | 1 | 110,830 | 65,544 | 69 |
| Exceptional items | 2 | 2,820 | 2,177 | 30 |
| Profit before taxation | | 113,650 | 67,721 | 68 |
| Taxation | 3 | (10,817) | (9,758) | 11 |
| Total profit for the year | | <u>102,833</u> | <u>57,963</u> | <u>77</u> |
| Profit attributable to : | | | | |
| Equity holders of the Company | | 100,269 | 56,053 | 79 |
| Non-controlling interests | | 2,564 | 1,910 | 34 |
| | | <u>102,833</u> | <u>57,963</u> | <u>77</u> |
| Earnings per ordinary share attributable to the shareholders of the Company | | | | |
| - Basic and fully diluted | | <u>26.84 cents</u> | <u>15.01 cents</u> | <u>79</u> |



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Comments on Income Statement

- a) Share of results of associated companies and joint ventures
Significant contribution from Bangkok Synthetic Co. Ltd (“BST”), the Group’s petrochemical associate in Thailand, resulted in the substantially higher share of results of associated companies and joint ventures in FY2011.
- b) Other income
The decrease in other income in FY2011 was due mainly to lower dividend income from available-for-sale investments.
- c) Other expenses
The decrease in other expenses was due mainly to lower foreign exchange loss in FY2011 as compared to FY2010.
- d) Taxation
The effective tax rate for the Group is lower than the Singapore corporate tax rate due mainly to certain income being subject to a lower withholding tax rate.

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

| | THE GROUP | |
|--|------------------|----------------|
| | FY 2011 | FY 2010 |
| | S\$’000 | S\$’000 |
| Investment income | - | 2,849 |
| Interest income | 423 | 432 |
| Amortisation of intangible assets | (468) | (427) |
| Depreciation of property, plant and equipment and investment properties | (16,631) | (15,269) |
| Property, plant and equipment written off | (119) | (15) |
| Net foreign exchange gain / (loss) | 1,589 | (1,420) |
| Fair value (loss) / gain of derivative financial instruments | (582) | 67 |
| Net (write down) / write back of impairment of inventories to net realisable value | (1,663) | 154 |
| Net (provision for impairment) / write back of impairment of trade receivables | (1,176) | 92 |
| Net gain on sale of property, plant and equipment | 70 | 222 |
| Amortisation of deferred income | 449 | 807 |



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Note 2 – Exceptional items comprise the following:

| | THE GROUP | |
|---|------------------|----------------|
| | FY 2011 | FY 2010 |
| | S\$'000 | S\$'000 |
| Gain / (loss) on disposal of | | |
| - available-for-sale financial assets | 1,419 | 843 |
| - investment property | - | 77 |
| - subsidiary | - | (19) |
| - joint venture | (6,083)* | - |
| - other non-current assets | - | 940 |
| Reversal of impairment / (impairment) of investment in associated companies | 37 | (180) |
| Reversal of impairment of loans to associated company | 66 | 602 |
| Reversal of impairment / (impairment) of property, plant and equipment | 5,406 | (782) |
| Impairment of available-for-sale financial assets | (77) | (121) |
| Insurance compensation | 2,384 | 1,000 |
| Others | (332) | (183) |
| Net gain | <u>2,820</u> | <u>2,177</u> |

*In accordance with FRS 103, arising from the business combination which resulted in Dubai Precast LLC (“DP”) effectively becoming an 80% owned subsidiary of the Group from 1 July 2011, currency translation loss of S\$6.1 mil relating to the Group’s net investment in DP up to 30 June 2011, previously recognized in other comprehensive income was recognized in the income statement as a loss from disposal of joint venture. The accounting loss has no impact to the Group’s net tangible assets in the current financial year.

Note 3 – Taxation

| | THE GROUP | |
|---|------------------|----------------|
| | FY 2011 | FY 2010 |
| | S\$'000 | S\$'000 |
| Taxation charge for the financial year comprises: | | |
| - current year taxation | 13,094 | 9,679 |
| - (over provision) / under provision of prior years | (2,277) | 79 |
| | <u>10,817</u> | <u>9,758</u> |



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Statement of Comprehensive Income for Financial Year ended 31 December 2011

| | THE GROUP | |
|---|------------------|----------------|
| | FY 2011 | FY 2010 |
| | S\$'000 | S\$'000 |
| Total profit for the year | 102,833 | 57,963 |
| Other comprehensive income: | | |
| Exchange differences on translating foreign operations | | |
| - Losses arising during the year | (10,426) | (2,931) |
| - Less: losses included in profit or loss on disposal of a joint venture / a subsidiary | 6,083 | 31 |
| Available-for-sale financial assets | | |
| - Gains / (losses) arising during the year | 1,808 | (1,079) |
| - Less: gains included in profit or loss | (1,342) | (421) |
| Share of other comprehensive income of associate | (10,551) | 18,799 |
| Income tax relating to components of other comprehensive income | 388 | (1,159) |
| Other comprehensive income for the year, net of tax | (14,040) | 13,240 |
| Total comprehensive income for the year | 88,793 | 71,203 |
| Total comprehensive income attributable to: | | |
| Shareholders of the Company | 86,315 | 69,426 |
| Non-controlling interests | 2,478 | 1,777 |
| | 88,793 | 71,203 |



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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 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31.12.11 S\$'000 | 31.12.10 S\$'000 | 31.12.11 S\$'000 | 31.12.10 S\$'000 |
| Share capital | 193,839 | 193,839 | 193,839 | 193,839 |
| Reserves | 382,433 | 333,474 | 75,548 | 76,265 |
| Shareholders' equity | 576,272 | 527,313 | 269,387 | 270,104 |
| Non-controlling interests | 14,439 | 14,245 | - | - |
| Total equity | 590,711 | 541,558 | 269,387 | 270,104 |
| Current Assets | | | | |
| Inventories | 62,759 | 56,528 | - | - |
| Receivables and prepayments | 110,097 | 75,162 | 29,961 | 36,285 |
| Available-for-sale financial assets | 153 | 220 | - | - |
| Tax recoverable | 2,330 | 2,666 | 1,581 | 1,910 |
| Cash and bank balances | 136,734 | 145,284 | 51,494 | 54,944 |
| Other assets | 124 | 295 | - | - |
| | 312,197 | 280,155 | 83,036 | 93,139 |
| Non-Current Assets | | | | |
| Property, plant and equipment | 161,131 | 132,031 | 368 | 150 |
| Investment properties | 3,460 | 3,633 | - | - |
| Subsidiaries | - | - | 61,851 | 73,098 |
| Associated companies and joint ventures | 229,416 | 216,400 | - | - |
| Available-for-sale financial assets | 13,593 | 13,137 | 13,297 | 12,841 |
| Long term receivables and prepayments | 3,316 | 16,510 | 127,798 | 123,757 |
| Intangible assets | 9,573 | 9,690 | - | - |
| Deferred tax assets | 1,175 | 1,044 | - | 103 |
| Other non-current assets | 123 | 126 | - | - |
| | 421,787 | 392,571 | 203,314 | 209,949 |
| Total Assets | 733,984 | 672,726 | 286,350 | 303,088 |
| Current Liabilities | | | | |
| Amounts due to bankers | (8,984) | (13,282) | - | - |
| Trade and other payables | (85,039) | (70,346) | (14,442) | (29,004) |
| Provision for other liabilities and charges | (1,760) | (1,859) | - | - |
| Taxation | (5,180) | (6,639) | (2,304) | (3,636) |
| Deferred income | (344) | (226) | - | - |
| | (101,307) | (92,352) | (16,746) | (32,640) |
| Non-Current Liabilities | | | | |
| Provision for retirement benefits | (1,107) | (344) | - | (344) |
| Deferred tax liabilities | (26,083) | (21,816) | (217) | - |
| Long term bank loans | (10,933) | (12,211) | - | - |
| Deferred income | (2,221) | (2,711) | - | - |
| Other non-current liabilities | (1,622) | (1,734) | - | - |
| | (41,966) | (38,816) | (217) | (344) |
| Total Liabilities | (143,273) | (131,168) | (16,963) | (32,984) |
| Net Assets | 590,711 | 541,558 | 269,387 | 270,104 |



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Explanatory notes on consolidated balance sheet

a) New subsidiary

The Group consolidated Dubai Precast LLC (“DP”) as a subsidiary (previously equity accounted for as a joint venture) during the year following an internal reorganization, as announced by the Company on 4 July 2011. The assets and liabilities of DP were consolidated in the Group balance sheet as of 31 December 2011, resulting in the increase in assets and liabilities of the Group when compared to the position as of 31 December 2010. The increase in property, plant & equipment and trade & other payables, and the decrease in long term receivables and prepayments were mainly as a result of the consolidation of DP as a subsidiary. Please refer to page 8 for details of assets and liabilities acquired.

b) Associated companies and joint ventures

The increase in the carrying value of associated companies and joint ventures was due mainly to the Group’s share of profit contribution from BST in FY2011 (net of dividend received), partially offset by a reduction in Group’s carrying value in DP following the internal reorganization of DP {see note (a) above}.

c) Receivables and prepayments

The increase was mainly attributable to the consolidation of DP during the year. Excluding the effect of DP, receivables and prepayment increased by S\$11.9 mil due to higher sales in the current financial year.

d) Amounts due to bankers

The decrease in amount due to bankers was due to repayment of short term bank borrowings from operating cash flow.

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 2011 | | As at 31 December 2010 | |
|------------------------|----------------------|------------------------|----------------------|
| Secured S\$’000 | Unsecured S\$’000 | Secured S\$’000 | Unsecured S\$’000 |
| 5,978 | 3,721 | 4,149 | 9,691 |

Amount repayable after one year

| As at 31 December 2011 | | As at 31 December 2010 | |
|------------------------|----------------------|------------------------|----------------------|
| Secured S\$’000 | Unsecured S\$’000 | Secured S\$’000 | Unsecured S\$’000 |
| 11,855 | 700 | 11,645 | 2,300 |

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\$35,034,000 (31 December 2010: S\$33,037,000) 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 | |
|---|------------------|----------------|
| | FY 2011 | FY 2010 |
| | S\$'000 | S\$'000 |
| Cash flows from operating activities | | |
| Profit after tax for the financial year | 102,833 | 57,963 |
| <i>Adjustments for:</i> | | |
| Taxation | 10,817 | 9,758 |
| Amortisation of intangible assets | 468 | 427 |
| Amortisation of deferred income | (449) | (807) |
| Depreciation of property, plant and equipment and investment properties | 16,631 | 15,269 |
| Property, plant and equipment written off | 119 | 15 |
| Interest expense | 946 | 874 |
| Interest income | (423) | (432) |
| Dividend income | - | (2,849) |
| Gain on sale of property, plant and equipment (net) | (70) | (222) |
| Provision of retirement benefits (net) | 486 | 57 |
| Share of results of associated companies and joint ventures, net of tax | (80,913) | (41,000) |
| Exceptional items | (2,820) | (2,177) |
| Exchange differences | (72) | 51 |
| <i>Operating cash flows before working capital changes</i> | <u>47,553</u> | <u>36,927</u> |
| Changes in working capital, net of effects from acquisition and disposal of subsidiaries | (18,462) | 666 |
| Income taxes paid | (7,379) | (8,278) |
| Insurance compensation received | 2,384 | 1,000 |
| Retirement benefits paid | (521) | - |
| Net cash generated from operating activities | <u>23,575</u> | <u>30,315</u> |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment | 596 | 274 |
| Proceeds from sale of available-for-sale financial assets, investment property and other non-current assets | 1,585 | 2,416 |
| Purchases of property, plant and equipment | (21,298) | (14,645) |
| Purchases of intangible assets | (358) | (604) |
| Additional investment in a subsidiary company | - | (21) |
| Net cash outflow from acquisition of a subsidiary company | (110) | - |
| Proceeds from disposal of a subsidiary company, net of cash disposed | - | 410 |
| Interest received | 410 | 520 |
| Dividends received from associated companies | 33,053 | 17,522 |
| Dividends received from available-for-sale financial assets | - | 2,849 |
| Decrease in long term receivables and prepayments | - | 5,268 |
| Decrease in amounts due from associated companies and joint ventures | 302 | - |
| Net cash generated from investing activities | <u>14,180</u> | <u>13,989</u> |



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| | THE GROUP | |
|--|------------------|-----------------|
| | FY 2011 | FY 2010 |
| | S\$'000 | S\$'000 |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 1,490 | 5,818 |
| Amounts due to bankers | (9,721) | (9,670) |
| Finance leases and hire purchases | 42 | (1,007) |
| Interest paid | (955) | (1,086) |
| Dividends paid to shareholders | (37,356) | (37,356) |
| Dividends / distribution paid to non-controlling interests | (348) | (430) |
| Net cash used in financing activities | (46,848) | (43,731) |
| Net (decrease) / increase in cash and cash equivalents | (9,093) | 573 |
| Cash and cash equivalents at beginning of year | 145,284 | 146,520 |
| Effects of exchange rate changes on cash and cash equivalents | (162) | (1,809) |
| Cash and cash equivalents at end of year | 136,029 | 145,284 |
| Cash and cash equivalents at end of year comprise: | | |
| - Cash and bank balances | 136,734 | 145,284 |
| - Bank overdrafts | (705) | - |
| | 136,029 | 145,284 |

Acquisition of a subsidiary

| | THE GROUP | |
|--|------------------|----------------|
| | FY 2011 | FY 2010 |
| | S\$'000 | S\$'000 |
| Property, plant and equipment | 18,268 | - |
| Inventories | 4,687 | - |
| Receivables and prepayments | 27,445 | - |
| Cash and bank balances | 506 | - |
| Trade and other payables | (16,882) | - |
| Bank Borrowings | (2,566) | - |
| Other liabilities | (775) | - |
| Non-controlling interests | 117 | - |
| Attributable net assets acquired | 30,800 | - |
| Less: Investment in / loan to a joint venture | (30,800) | - |
| Total consideration | - | - |
| Less: cash and cash equivalents of a subsidiary acquired | 110 | - |
| Cash flow from acquisition of a subsidiary company | (110) | - |



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Disposal of a subsidiary

| | <u>THE GROUP</u> | |
|--|------------------|----------------|
| | <u>FY 2011</u> | <u>FY 2010</u> |
| | <u>S\$'000</u> | <u>S\$'000</u> |
| Property, plant and equipment | - | 2,770 |
| Inventories | - | 683 |
| Receivables and prepayments | - | 647 |
| Cash and bank balances | - | 937 |
| Trade and other payables | - | (2,327) |
| Taxation | - | (117) |
| Other liabilities | - | (410) |
| Non-controlling interests | - | (848) |
| Attributable net assets disposed | - | 1,335 |
| Translation reserve released upon disposal of a subsidiary | - | 31 |
| Loss on disposal | - | (19) |
| Total consideration, net of transaction costs | - | 1,347 |
| Less: cash and cash equivalents of a subsidiary disposed | - | (937) |
| Cash flow from disposal of a subsidiary company | - | 410 |

Analysis of consolidated statement of cash flows

The Group generated S\$23.6 mil of operating cash flow in FY2011 as compared to S\$30.3 mil in FY2010. The lower operating cash flow was mainly attributable to the increase in working capital as a result of higher sales.

Net cash inflow from investing activities in FY2011 was S\$14.2 mil, mainly from dividend income received from associated companies and partially offset by purchase of property, plant and equipment.

A total of S\$46.8 mil (FY2010: S\$43.7 mil) was used in financing activities in FY2011, mainly for the payment of dividends to shareholders and repayment of bank borrowings.

Overall, the Group recorded a net cash outflow of S\$9.1 mil in FY2011 as compared to an inflow of S\$0.6 mil in FY2010. Group cash and cash equivalent stood at S\$136 mil as at 31 December 2011.



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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 | | | | | | Non-controlling | Total Equity | |
|--|---------------------------------------|----------------------------|--------------------------------|--------------------------------|-------------------------------|---------------------------|------------------|---------------|----------------|
| | Share Capital S\$'000 | Revenue Reserve S\$'000 | Translation 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 2011 | 193,839 | 318,188 | (16,699) | 1,946 | 29,739 | 300 | 527,313 | 14,245 | 541,558 |
| Changes in group structure | - | - | - | - | - | - | - | (117) | (117) |
| Dividends paid | - | (37,356) | - | - | - | - | (37,356) | - | (37,356) |
| Dividends paid to non-controlling interests of subsidiaries | - | - | - | - | - | - | - | (335) | (335) |
| Distribution to non-controlling interests of a subsidiary upon liquidation | - | - | - | - | - | - | - | (1,832) | (1,832) |
| Total comprehensive income for the period | - | 100,269 | (4,257) | - | (9,697) | - | 86,315 | 2,478 | 88,793 |
| Balance as at 31 December 2011 | 193,839 | 381,101 | (20,956) | 1,946 | 20,042 | 300 | 576,272 | 14,439 | 590,711 |
| | | | | | | | | | |
| Balance as at 1 January 2010 | 193,839 | 299,531 | (13,932) | 1,946 | 13,599 | 300 | 495,283 | 13,727 | 509,010 |
| Changes in group structure | - | (40) | - | - | - | - | (40) | (829) | (869) |
| Dividends paid | - | (37,356) | - | - | - | - | (37,356) | - | (37,356) |
| Dividends paid to non-controlling interests of subsidiaries | - | - | - | - | - | - | - | (430) | (430) |
| Total comprehensive income for the period | - | 56,053 | (2,767) | - | 16,140 | - | 69,426 | 1,777 | 71,203 |
| Balance as at 31 December 2010 | 193,839 | 318,188 | (16,699) | 1,946 | 29,739 | 300 | 527,313 | 14,245 | 541,558 |



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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 2011 | 193,839 | 69,704 | 6,561 | 270,104 |
| Dividends paid | - | (37,356) | - | (37,356) |
| Total comprehensive income for the period | - | 36,171 | 468 | 36,639 |
| Balance as at 31 December 2011 | 193,839 | 68,519 | 7,029 | 269,387 |
| Balance as at 1 January 2010 | 193,839 | 82,376 | 7,911 | 284,126 |
| Dividends paid | - | (37,356) | - | (37,356) |
| Total comprehensive income for the period | - | 24,684 | (1,350) | 23,334 |
| Balance as at 31 December 2010 | 193,839 | 69,704 | 6,561 | 270,104 |

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 2010.

There were no outstanding options as at 31 December 2011 (31 December 2010: 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 December 2011 | 31 December 2010 |
|---|------------------|------------------|
| 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 2011 (31 December 2010: 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.



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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 has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with the audited financial statements for the year ended 31 December 2010, except for the adoption of new or amended Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) applicable for the financial period beginning 1 January 2011.

The new and amended FRS and INT FRS include:

| | |
|----------------------|---|
| Amendments to FRS 24 | Related party disclosures |
| INT FRS 119 | Extinguishing financial liabilities with equity instruments |

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

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 | |
|--|-----------|---------|
| | FY 2011 | FY 2010 |
| Earnings per ordinary share: | | |
| (a) Based on the weighted average number of ordinary shares in issue (cents) | | |
| - Excluding exceptional items | 26.34 | 14.42 |
| - Including exceptional items | 26.84 | 15.01 |
| (b) On fully diluted basis (cents) | | |
| - Excluding exceptional items | 26.34 | 14.42 |
| - Including exceptional items | 26.84 | 15.01 |



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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 | |
|---|-----------|----------|-------------|----------|
| | 31.12.11 | 31.12.10 | 31.12.11 | 31.12.10 |
| | 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 | 1.54 | 1.41 | 0.72 | 0.72 |

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

| | THE GROUP | | |
|---|-----------|---------|--------|
| | FY 2011 | FY 2010 | Change |
| | S\$'000 | S\$'000 | % |
| Group Turnover | 382,301 | 312,728 | 22 |
| Group Profit Before Tax (excluding exceptional items) | 110,830 | 65,544 | 69 |
| Exceptional Items | 2,820 | 2,177 | 30 |
| Group Profit for the period attributable to equity holders of the Company | 100,269 | 56,053 | 79 |

Group turnover grew 22% to S\$382.3 mil in FY2011 from S\$312.7 mil, driven by strong revenue growth reported by 3 of its four business divisions – led by Engineering which reported a 64% increase in revenue while Environmental Services and Construction Products achieved revenue growth of 31% and 23% respectively.

At the pre-tax profit level, Group profit before tax rose to S\$110.8 mil in FY2011 from S\$65.5 mil previously. The 69% year-on-year growth was mainly due to the substantial profit contribution from BST.

After taking into account exceptional items and income tax expenses, profit attributable to shareholders increased 79% to S\$ 100.3 mil in FY2011.



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

| Turnover (S\$'mil) | FY 2011 S\$'mil | FY 2010 S\$'mil | Change % |
|---------------------------------|----------------------------|----------------------------|---------------------|
| Chemicals Division | 49.3 | 50.8 | (3) |
| Environmental Services Division | 67.1 | 51.1 | 31 |
| Construction Products Division | 210.2 | 171.4 | 23 |
| Engineering Division | 39.8 | 24.2 | 64 |
| Others | 15.9 | 15.2 | 5 |
| | 382.3 | 312.7 | 22 |

| Attributable profit / (loss) before tax (S\$'mil) | FY 2011 S\$'mil | FY 2010 S\$'mil | Change % |
|--|----------------------------|----------------------------|---------------------|
| Profit before tax | | | |
| Chemicals Division excluding BST | 7.4 | 7.7 | (4) |
| Chemicals Division | 90.2 | 49.5 | 82 |
| Environmental Services Division | 11.3 | 9.5 | 19 |
| Construction Products Division | 10.6 | 13.9 | (24) |
| Engineering Division | 4.8 | 0.1 | n/m |
| Others (including unallocated corporate expenses) | (6.1) | (7.5) | (19) |
| | 110.8 | 65.5 | 69 |
| Exceptional items | | | |
| Chemicals Division | - | - | n/m |
| Environmental Services Division | 7.6 | - | n/m |
| Construction Products Division | (6.1) | - | n/m |
| Engineering Division | 0.1 | - | n/m |
| Others | 1.2 | 2.2 | (45) |
| | 2.8 | 2.2 | 30 |
| Total | | | |
| Chemicals Division | 90.2 | 49.5 | 82 |
| Environmental Services Division | 18.9 | 9.5 | 99 |
| Construction Products Division | 4.5 | 13.9 | (68) |
| Engineering Division | 4.9 | 0.1 | n/m |
| Others (including unallocated corporate expenses) | (4.9) | (5.3) | (8) |
| | 113.6 | 67.7 | 68 |

n/m: not meaningful



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Chemicals Division

Turnover of the Chemicals division declined 3 % to S\$49.3 mil in FY 2011 due mainly to lower sales recorded by its lime business. Lime sales was lower in FY2011 following the divestment of the division's lime operation in Changshu, China in August 2010. However, revenue from refractory products was higher benefiting from higher export sales and better product mix. In line with the lower turnover, pre-tax profit of the division excluding BST decreased 4% to S\$7.4 mil in FY2011.

Riding on the back of exceptionally high prices for its petrochemical products, profit contribution from BST nearly doubled to S\$82.8 mil in FY2011 from S\$41.8 mil previously. The strong BST performance lifted the division's pre-tax profit to S\$90.2 mil in FY2011, 82% higher than FY2010.

Environmental Services Division

Turnover of the Environmental Services division increased 31% to S\$67.1 mil from S\$51.1 mil previously driven by a strong volume growth in its automotive diesel oil business as well as higher prices for its recycled products. As a consequence, pre-tax profit of the division rose 19% to S\$11.3 mil.

Construction Products Division

Turnover of the Construction products division increased 23% to S\$210.2 mil from S\$171.4 mil previously driven by higher precast delivery of its Singapore operation and by its Finnish unit. The revenue increase was also contributed by the consolidation of the turnover of Dubai Precast LLC ("DP"), which became a subsidiary of the Group in Q3 2011 following the business reorganization.

The division's operations in Singapore and Finland reported higher pre-tax performance. However, pre-tax profit of the division fell 24% to S\$10.6 mil as a result of higher loss incurred by DP due to project delays and higher impairment of trade receivables.

Engineering Division

Turnover of the Engineering division rose 64% to S\$39.8 mil from S\$24.2 mil previously owing to higher spreader deliveries and higher revenue from spare parts sales. Average selling price for spreader was higher in FY2011 due to better product mix and this partly contributed to the revenue growth.

Consequently, the division reported a pre-tax profit of S\$4.8 mil in FY2011.

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

In the Chemicals division, demand for our lime and refractory products in our key markets is expected to remain steady. However, profit margins may be affected by rising cost of limestones amidst a tighter supply situation in Malaysia.

BST, which benefited from exceptionally high product prices in FY2011, is not expecting its product prices to remain sustainable against the backdrop of the global economic uncertainties. Nevertheless, it is expected to remain a substantial contributor to Group performance.

In the Environmental Services business, demand and prices for our recycled products are expected to remain firm underpinned by the price of crude oil which is expected to remain strong.

With a healthy order book, the performance of the Construction Products division is expected to remain satisfactory barring any major projects delays by its customers in its key markets. The division will also focus its attention to turn around its Dubai operation.

In the Engineering division, demand for spreader and related spare parts may be affected by the global economic uncertainties arising from the debt crisis in Europe.



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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 | Final FY2011 |
| Dividend Type | Cash |
| Dividend amount per share | S\$0.10 per ordinary share |
| Tax Rate | Exempt – one tier |
| Date paid | 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 FY2010 |
| Dividend Type | Cash |
| Dividend amount per share | S\$0.10 per ordinary share |
| Tax Rate | Exempt – one tier |
| Date paid | 27 May 2011 |

(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 25 April 2012, the dividend of S\$0.10 per ordinary share will be paid on or about 23 May 2012 or such other date to be determined by the Directors.

(d) Books closure date

To be announced after the said AGM on or about 25 April 2012.

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

Not applicable.

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.



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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)

14. 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 2011

| | <---- Construction Products ----> | | | <----- Chemicals -----> | | | Engineering | Others | Elimination | Total Consolidated | |
|---|-----------------------------------|--|------------------|------------------------------------|---------------------------------------|------------------|-----------------------------------|---------|-------------|--------------------|----------|
| | Precast & Plaster S\$'000 | Other Construction Products S\$'000 | Total S\$'000 | Environmental Chemicals S\$'000 | Other Chemicals Businesses S\$'000 | Total S\$'000 | Environmental Services S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | | | | | | | | | | | |
| External sales | 152,003 | 58,227 | 210,230 | 49,345 | - | 49,345 | 67,105 | 39,768 | 15,853 | - | 382,301 |
| Inter-segment sales | 10 | 2,045 | 2,055 | 717 | - | 717 | 1,261 | 117 | 6 | - | 4,156 |
| Total revenue | 152,013 | 60,272 | 212,285 | 50,062 | - | 50,062 | 68,366 | 39,885 | 15,859 | - | 386,457 |
| Elimination | | | (2,045) | | | - | | - | - | (2,111) | (4,156) |
| | | | 210,240 | | | 50,062 | 68,366 | 39,885 | 15,859 | (2,111) | 382,301 |
| Profit before Taxation and Exceptional Items | | | | | | | | | | | |
| Exceptional items | 7,440 | 3,148 | 10,588 | 7,426 | 82,782 | 90,208 | 11,299 | 4,800 | (6,065)* | | 110,830 |
| Profit before taxation | (6,058) | - | (6,058) | - | - | - | 7,584 | 145 | 1,149 | | 2,820 |
| | 1,382 | 3,148 | 4,530 | 7,426 | 82,782 | 90,208 | 18,883 | 4,945 | (4,916) | | 113,650 |
| Interest income | 117 | 74 | 191 | 51 | - | 51 | 9 | 5 | 351 | (184) | 423 |
| Interest expense | (851) | (65) | (916) | (80) | - | (80) | (113) | (21) | - | 184 | (946) |
| Depreciation | (7,329) | (1,935) | (9,264) | (2,410) | - | (2,410) | (2,610) | (1,022) | (1,325) | | (16,631) |
| Amortisation | - | (98) | (98) | - | - | - | - | (370) | 449 | | (19) |
| Reversal of impairment of property, plant and equipment | 26 | - | 26 | - | - | - | 5,380 | - | - | | 5,406 |
| Share of results of associated companies and joint ventures, net of tax | (1,891) | - | (1,891) | - | 82,782 | 82,782 | - | - | 22 | | 80,913 |
| Total Assets | 181,012 | 48,791 | 229,803 | 50,669 | 226,103 | 276,772 | 62,010 | 48,572 | 116,827 | | 733,984 |
| Total Liabilities | 61,361 | 12,962 | 74,323 | 10,529 | 21,373 | 31,902 | 16,064 | 8,499 | 12,485 | | 143,273 |
| Investment in associated companies | 2 | - | 2 | - | 226,103 | 226,103 | - | 1 | 3,310 | | 229,416 |
| Additions to: | | | | | | | | | | | |
| - Property, plant and equipment | 12,257 | 1,592 | 13,849 | 869 | - | 869 | 3,260 | 2,924 | 936 | | 21,838 |
| - Intangible assets | - | 39 | 39 | - | - | - | - | 319 | - | | 358 |

*Including unallocated corporate expenses



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Financial year ended 31 December 2010

| | <---- Construction Products ----> | | | <----- Chemicals -----> | | | Engineering | Others | Elimination | Total Consolidated | |
|---|-----------------------------------|--|------------------|------------------------------------|---------------------------------------|------------------|-------------|---------|-------------|--------------------|-----------------------------------|
| | Precast & Plaster S\$'000 | Other Construction Products S\$'000 | Total S\$'000 | Environmental Chemicals S\$'000 | Other Chemicals Businesses S\$'000 | Total S\$'000 | | | | | Environmental Services S\$'000 |
| Revenue | | | | | | | | | | | |
| External sales | 123,992 | 47,408 | 171,400 | 50,868 | - | 50,868 | 51,068 | 24,210 | 15,182 | - | 312,728 |
| Inter-segment sales | 65 | 1,186 | 1,251 | 974 | - | 974 | 852 | 102 | - | - | 3,179 |
| Total revenue | 124,057 | 48,594 | 172,651 | 51,842 | - | 51,842 | 51,920 | 24,312 | 15,182 | - | 315,907 |
| Elimination | | | (1,186) | | | - | - | - | - | (1,993) | (3,179) |
| | | | 171,465 | | | 51,842 | 51,920 | 24,312 | 15,182 | (1,993) | 312,728 |
| Profit before Taxation and Exceptional Items | | | | | | | | | | | |
| Exceptional items | 12,272 | 1,653 | 13,925 | 7,126 | 42,371 | 49,497 | 9,482 | 75 | (7,435)* | | 65,544 |
| Profit before taxation | 9 | - | 9 | (23) | - | (23) | 53 | - | 2,138 | | 2,177 |
| | 12,281 | 1,653 | 13,934 | 7,103 | 42,371 | 49,474 | 9,535 | 75 | (5,297) | | 67,721 |
| Interest income | 74 | 75 | 149 | 47 | - | 47 | 8 | 1 | 698 | (471) | 432 |
| Interest expense | (736) | (88) | (824) | (176) | - | (176) | (298) | (47) | - | 471 | (874) |
| Depreciation | (5,874) | (1,843) | (7,717) | (2,798) | - | (2,798) | (2,390) | (1,115) | (1,249) | | (15,269) |
| Amortisation | - | (95) | (95) | - | - | - | - | (332) | 807 | | 380 |
| Impairment of property, plant and equipment | - | - | - | - | - | - | (782) | - | - | | (782) |
| Share of results of associated companies and joint ventures, net of tax | (1,569) | - | (1,569) | - | 42,371 | 42,371 | - | - | 198 | | 41,000 |
| Total Assets | 152,674 | 51,458 | 204,132 | 51,907 | 188,552 | 240,459 | 47,635 | 49,026 | 131,474 | | 672,726 |
| Total Liabilities | 38,158 | 13,188 | 51,346 | 15,606 | 13,211 | 28,817 | 17,083 | 14,585 | 19,337 | | 131,168 |
| Investment in associated companies and joint ventures | 17,015 | - | 17,015 | - | 188,552 | 188,552 | - | 1 | 10,832 | | 216,400 |
| Additions to: | | | | | | | | | | | |
| - Property, plant and equipment | 12,150 | 1,453 | 13,603 | 917 | - | 917 | 1,424 | 395 | 594 | | 16,933 |
| - Intangible assets | - | 127 | 127 | - | - | - | - | 477 | - | | 604 |

*Including unallocated corporate expenses



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Geographical Segments

| | Sales ⁽¹⁾ | | Non-current assets ⁽²⁾ | |
|-----------------------------|----------------------|-----------------|-----------------------------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 | 2011 S\$'000 | 2010 S\$'000 |
| Singapore | 179,917 | 146,635 | 64,678 | 61,897 |
| Malaysia | 71,852 | 71,241 | 56,294 | 52,980 |
| China (including Hong Kong) | 44,160 | 28,333 | 22,890 | 18,608 |
| Thailand | - | - | 222,777 | 185,033 |
| Others | 86,372 | 66,519 | 37,064 | 43,362 |
| | <u>382,301</u> | <u>312,728</u> | <u>403,703</u> | <u>361,880</u> |

(1) Sales by geographical segment are determined based on locations of the respective customers.

(2) Non-current assets by geographical segment are determined based on locations of the respective assets. Non-current assets include property, plant and equipment, investment properties, associated companies and joint ventures, intangible assets and other non-current assets.

15. 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.

16. A breakdown of sales

| | 2011 S\$'000 | THE GROUP 2010 S\$'000 | Change % |
|---|-----------------|------------------------------|-------------|
| Sales reported for first half year | 167,837 | 154,001 | 9 |
| Operating profit after tax before deducting non-controlling interests reported for first half year | 45,044 | 30,055 | 50 |
| Sales reported for second half year | 214,464 | 158,727 | 35 |
| Operating profit after tax before deducting non-controlling interests reported for second half year | 57,789 | 27,908 | 107 |



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17. 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 (2011) | Previous Full Year (2010) |
|------------|-------------------------|---------------------------|
| | S\$'000 | S\$'000 |
| Ordinary | 37,356 | 37,356 |
| Preference | - | - |
| Total: | 37,356 | 37,356 |

18. 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.

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|-------------------|-----|--|---|---|
| Ban Song Long | 67 | Cousin of Fu Kuo Chen David | Non-Executive Director 2003 | None |
| Fu Kuo Chen David | 50 | Cousin of Ban Song Long and brother-in-law of Ong Beng Seng (see note below) | Non-Executive Director 2003 | None |

Note: Ong Beng Seng is deemed to be a substantial shareholder of NSL Ltd through 98 Holdings Pte Ltd, Excel Partners Pte Ltd, Excelfin Pte Ltd and Reef Investments Pte Ltd by virtue of the provisions under Section 7 of the Companies Act, Chapter 50.

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
21 February 2012



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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, 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.