



**NSL LTD**

(Reg. no.: 196100107C)

## Full Year 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

		<u>THE GROUP</u>		
	Note	2018 S\$'000	2017 S\$'000	Change %
<b><u>Continuing operations</u></b>				
Sales		376,584	356,150	6
Cost of sales		(345,318)	(320,587)	8
Gross profit	(2)	31,266	35,563	(12)
Other income				
- Interest	(3)	4,403	4,999	(12)
- Others	(3)	8,771	7,378	19
Other gains and losses	(4)	(1,727)	2,991	n/m
Distribution costs		(12,250)	(12,778)	(4)
Administrative expenses		(32,538)	(32,679)	(0)
Finance costs	(5)	(558)	(820)	(32)
Share of results of associated companies, net of tax	(6)	7	438	(98)
(Loss) / Profit before income tax	(1)	(2,626)	5,092	n/m
Income tax expense	(7)	(1,247)	(853)	46
(Loss) / Profit from continuing operations		(3,873)	4,239	n/m
<b><u>Discontinued operations</u></b>				
Loss from discontinued operations	(8)	-	(450)	n/m
<b>Total (loss) / profit for the financial period</b>		(3,873)	3,789	n/m
(Loss) / profit attributable to equity holders of the Company:				
- from continuing operations		(3,855)	4,363	n/m
- from discontinued operations		-	(450)	n/m
		(3,855)	3,913	n/m
Loss attributable to non-controlling interest:				
- from continuing operations		(18)	(124)	(85)
- from discontinued operations		-	-	n/m
		(18)	(124)	(85)
Basic and fully diluted earnings per share (cents)				
- from continuing operations		(1.03)	1.17	n/m
- from discontinued operations		-	(0.12)	n/m

n/m: not meaningful

**Notes to the Group's Income Statement**

- (1) (Loss) / profit before income tax from Continuing Operations is arrived at after crediting / (charging) the following items:

	Note	THE GROUP	
		2018 S\$'000	2017 S\$'000
Dividend income		2,620	3,008
Interest income	(i)	4,403	4,999
Amortisation of intangible assets	(ii)	(1,720)	(916)
Depreciation of property, plant and equipment		(13,588)	(12,278)
Allowance for stocks obsolescence, net		(225)	(434)
Write down of inventories, net	(iii)	(1,706)	(1,599)
Allowance of impairment for trade receivables, net	(iv)	(1,001)	(866)
Amortisation of deferred income		250	370

- (i) Decrease in FY-2018 was due to lower interest income recorded by the Company as a result of lower cash balances.  
(ii) Mainly arose from additions of intangible assets in the Precast and Prefabricated Bathroom Unit ("PBU") division in Singapore and Malaysia and Environmental Services division.  
(iii) Mainly attributable to the precast operations in Singapore and Malaysia.  
(iv) Increase mainly attributable to Singapore precast operation and Environmental Services division.

- (2) Gross profit

The decrease in gross profit for FY-2018 was due mainly to lower gross profit margin recorded by precast operation in Singapore as a result of low plant loading, depressed selling price and unabsorbed overhead costs prior to the closure of the Singapore precast plant in 2Q-2018 and weaker performance in the Malaysia and Dubai precast operations.

- (3) Other income

The decrease in interest was due to lower interest income recorded by the Company as a result of lower cash balances. The increase in other income was due mainly to interim business interruption insurance income of S\$2.5 mil recognized for losses incurred by Environmental Services division as a result of the fire incident in March 2017.

**Notes to the Group's Income Statement (continued)**

## (4) Other gains and losses

	<b>THE GROUP</b>	
	<b>2018</b>	<b>2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Financial assets, at FVOCI / available-for-sale		
- Reclassification from other comprehensive income on disposal	-	10
Fair value gains on derivative financial instruments	-	7
Currency exchange loss - net	(557)	(1,169)
Insurance claim for damage of plant and equipment	906	1,049
Gain on disposal of investment properties	-	3,568
<u>Property, plant and equipment</u>		
- Loss on disposal including write-off, net	(194)	(620)
- Impairment, net	(253)	365
Plant closure and restructuring costs	(2,049)	-
Gain on disposal of an associated company	650	-
Others	(230)	(219)
	<u>(1,727)</u>	<u>2,991</u>

## (5) Finance costs

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

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

The decrease was due to weak performance from associate Salzgitter Maschinenbau AG ("SMAG"), of which the Group owns 25.458% non-controlling equity stake.

## (7) Income tax expense

	<b>Note</b>	<b>THE GROUP</b>	
		<b>2018</b>	<b>2017</b>
		<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Continuing Operations</u></b>			
Taxation charge for the financial period comprises:			
- Current period taxation	(i)	(1,512)	(1,483)
- Over-provision in respect of prior years	(ii)	265	630
		<u>(1,247)</u>	<u>(853)</u>

(i) The Group incurred a net tax charge in FY2018 despite in a loss position due mainly to losses incurred by certain Group companies which could not be set off against the profits earned by other companies in the Group.

(ii) Over-provision in respect of prior years in FY-2018 comprised mainly of reversal of deferred tax liabilities.



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**Notes to the Group's Income Statement (continued)**

(8) Loss from discontinued operations

An analysis of the results of discontinued operations is as follows:

	<b>2018</b>	<b>2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Profit after tax from discontinued operations	-	-
Exceptional loss on disposal of subsidiaries	-	(450)
Loss after tax from discontinued operations	-	(450)

**\*Breakdown of loss from discontinued operations**

	<b>2018</b>	<b>2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Dry Mix operations	-	-
Exceptional gain on disposal	-	(450)
- Dry Mix business	-	(450)



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**Statement of Comprehensive Income for Financial Year ended 31 December 2018**

	<b>THE GROUP</b>	
	<b>2018</b>	<b>2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Total (loss) / profit for the financial period</b>	(3,873)	3,789
<b>Other comprehensive income:</b>		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Exchange differences on translating foreign operations		
- Gains arising during the period	8	1,303
Financial assets, at FVOCI / available-for-sale		
- Losses arising during the period	-	(488)
Share of other comprehensive losses of associated companies	(299)	(1,239)
	<u>(291)</u>	<u>(424)</u>
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Losses arising from financial assets at FVOCI*	(20)	-
Income tax relating to components of other comprehensive	56	6
Other comprehensive losses for the period, net of tax	<u>(255)</u>	<u>(418)</u>
<b>Total comprehensive income for the period, net of tax</b>	<u>(4,128)</u>	<u>3,371</u>
Total comprehensive income attributable to:		
Equity holders of the Company	(4,014)	3,145
Non-controlling interests	(114)	226
	<u>(4,128)</u>	<u>3,371</u>

\*Financial assets measured at fair value through other comprehensive income


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

Note	THE GROUP			THE COMPANY	
	31.12.18 S\$'000	31.12.17 S\$'000 (restated)	1.1.17 S\$'000 (restated)	31.12.18 S\$'000	31.12.17 S\$'000
<b>Equity</b>					
Share capital	193,839	193,839	193,839	193,839	193,839
Reserves	367,915	391,407	479,959	169,234	184,652
Shareholders' equity	561,754	585,246	673,798	363,073	378,491
Non-controlling interests	4,572	4,803	4,577	-	-
Total equity	566,326	590,049	678,375	363,073	378,491
<b>Current Assets</b>					
Inventories	54,175	50,119	36,552	-	-
Receivables, prepayments and other current assets	(1) 101,435	114,919	103,391	40,758	26,315
Tax recoverable	1,624	1,588	1,236	-	-
Cash and cash equivalents	(2) 304,661	347,810	461,763	257,326	283,904
	461,895	514,436	602,942	298,084	310,219
Investment properties classified as held-for-sale	-	-	9,493	-	-
Investment in an associated company classified as held-for-sale	(3) -	44,369	-	-	-
	461,895	558,805	612,435	298,084	310,219
<b>Non-Current Assets</b>					
Property, plant and equipment	(4) 156,030	125,611	123,251	169	283
Investments in subsidiaries	-	-	-	85,232	85,232
Investments in associated companies	(3) 51,265	6,520	50,529	-	-
Long term receivables and prepayments	(5) 4,588	3,945	5,216	27,913	32,298
Available-for-sale financial assets	-	7,805	8,387	-	7,476
Financial assets, at FVOCI*	7,785	-	-	7,494	-
Held-to-maturity financial assets	-	2,551	1,523	-	2,551
Other investments at amortised cost	2,536	-	-	2,536	-
Intangible assets	11,187	11,584	10,351	163	248
Deferred tax assets	(6) 3,754	3,044	3,044	-	-
Other non-current assets	105	111	95	-	-
	237,250	161,171	202,396	123,507	128,088
<b>Total Assets</b>	699,145	719,976	814,831	421,591	438,307
<b>Current Liabilities</b>					
Borrowings	(7) (2,109)	(3,647)	(16,010)	-	-
Trade, other payables and other current liabilities	(99,513)	(107,259)	(93,178)	(48,683)	(49,906)
Current income tax liabilities	(618)	(496)	(999)	-	-
Deferred income	(168)	(244)	(423)	-	-
	(102,408)	(111,646)	(110,610)	(48,683)	(49,906)
<b>Non-Current Liabilities</b>					
Provision for retirement benefits	(3,473)	(2,957)	(2,735)	-	-
Deferred tax liabilities	(2,032)	(2,623)	(3,718)	(236)	(280)
Borrowings	(7) (20,061)	(9,054)	(15,512)	-	-
Deferred income	(535)	(668)	(834)	-	-
Other non-current liabilities	(4,310)	(2,979)	(3,047)	(9,599)	(9,630)
	(30,411)	(18,281)	(25,846)	(9,835)	(9,910)
<b>Total Liabilities</b>	(132,819)	(129,927)	(136,456)	(58,518)	(59,816)
<b>Net Assets</b>	566,326	590,049	678,375	363,073	378,491

\*Financial assets measured at fair value through other comprehensive income



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**Explanatory notes on consolidated statement of financial position**

- (1) **Receivables, prepayments and other current assets**  
The decrease in receivables, prepayments and other current assets was largely attributable to the Group's Singapore and Dubai precast operations.
- (2) **Cash and cash equivalents**  
The decrease was due largely to payment of dividends to the Company's shareholders in 2Q-2018 and purchase of fixed assets by the Environmental Services division.
- (3) **Investment in an associated company classified as held-for-sale**  
**Investments in associated companies**  
As announced by the Group on 13 February 2018, the Group's wholly owned subsidiary, NSL Engineering Holdings Pte. Ltd. ("NSL Engineering"), has entered into a contribution agreement (the "Contribution Agreement") with Salzgitter Maschinenbau AG ("SMAG"), whereby NSL Engineering has agreed to contribute and assign to SMAG its 33.33% interest in the capital of PSLT in consideration for the issue by SMAG of 2,314,286 new shares in the issued share capital of SMAG, representing 30% of the enlarged issued share capital of SMAG, to NSL Engineering ("Share Swap"). Accordingly, the Group's interest in PSLT was reclassified to investment in an associated company classified as held-for-sale as at 31 December 2017. Upon completion of the Share Swap in 2Q-2018, the Group's interest in PSLT was disposed of and interest in SMAG was accounted for as investment in associated company, resulting in variance in the two respective Balance Sheet items.
- (4) **Property, plant and equipment**  
The increase was largely due to purchase of fixed assets by the Environmental Services division.
- (5) **Long term receivables and prepayments**  
The increase was mainly due to long term retention receivables in Dubai precast operation.
- (6) **Deferred tax assets**  
The increase was mainly due to recognition of deferred tax assets for the Group's Malaysia precast operation.
- (7) **Borrowings**  
The increase in borrowings was largely due to funding for the ongoing construction of organic wastewater treatment facility in Tuas.



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

**Amount repayable in one year or less, or on demand**

<b>As at 31 December 2018</b>		<b>As at 31 December 2017</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
2,109	-	3,647	-

**Amount repayable after one year**

<b>As at 31 December 2018</b>		<b>As at 31 December 2017</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
20,061	-	9,054	-

**Details of any collateral**

Included in the Group's property, plant and equipment are property, plant and equipment of subsidiaries of net book value of S\$53,038,000 (31 December 2017: S\$24,661,000) charged by way of debentures to banks for overdraft and term loan facilities granted. A net book value of S\$239,000 (31 December 2017: S\$1,514,000) of property, plant and equipment are held as collateral as a result of hire purchase arrangement.



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

	Note	The Group	
		2018 S\$'000	2017 S\$'000 (restated)
<b>Cash Flows from Operating Activities</b>			
(Loss) / Profit from continuing operations		(3,873)	4,239
Loss from discontinued operations		-	(450)
(Loss) / Profit for the financial period		<u>(3,873)</u>	<u>3,789</u>
<i>Adjustments for:</i>			
Taxation		1,247	854
Amortisation of intangible assets		1,720	916
Amortisation of deferred income		(250)	(370)
Depreciation of properties, plant and equipment		13,588	12,278
Interest expense		558	820
Interest income		(4,403)	(4,999)
Dividend income from financial assets, at FVOCI/ available-for-sale		(2,620)	(3,008)
Allowance for impairment of property, plant and equipment (net)		253	(365)
Loss on disposal including write-off of property, plant and equipment (net)		194	620
Plant closure and restructuring costs		2,049	-
Insurance compensation		(3,406)	(1,049)
Net gain on disposal of available-for-sale financial assets		-	(10)
Provision for retirement benefits (net)		598	590
Share of results of associated companies, net of tax		(7)	(438)
Gain on disposal of investment property		-	(3,568)
Gain on disposal of an associated company		(650)	-
Loss on disposal of subsidiaries		-	450
Exchange differences and other adjustments		118	(2)
<i>Operating cash flows before working capital changes</i>		<u>5,116</u>	<u>6,508</u>
<i>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</i>			
Inventories		(4,056)	(13,665)
Receivables and prepayments		14,533	(15,544)
Deferred income		41	25
Trade and other payables		(6,389)	18,943
<i>Cash generated in / (used in) operations</i>		<u>9,245</u>	<u>(3,733)</u>
Income tax paid		(2,438)	(2,792)
Insurance compensation received		1,500	-
Plant closure and restructuring costs		(2,049)	-
Retirement benefits paid		(154)	(166)
<i>Net cash generated in / (used in) operating activities</i>		<u>6,104</u>	<u>(6,691)</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from disposal of property, plant and equipment		771	389
Proceeds from disposal of available-for-sale financial assets and other assets		-	104
Insurance compensation received		-	1,049
Net cash inflow from disposal of subsidiaries	(1)	-	802
Professional fees paid for disposal of an associated company		(591)	-
Net cash inflow from disposal of investment property		-	12,997
Purchases of property, plant and equipment		(45,231)	(16,006)
Purchases of intangible assets		(1,323)	(2,108)
Purchases of financial assets, held-to-maturity		-	(1,036)
Interest received		4,449	6,108
Dividends received from non-current financial assets		2,620	3,008
<i>Net cash (used in) / generated from investing activities</i>		<u>(39,305)</u>	<u>5,307</u>



	<b>The Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(restated)</b>	
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	22,559	17,969
Repayment of borrowings	(12,662)	(35,529)
Hire purchases and finance lease liabilities	(415)	(1,260)
Interest paid	(557)	(826)
Bank deposits pledged	-	(2,401)
Dividends paid to shareholders	(18,678)	(93,390)
Dividends paid to non-controlling interests	(92)	-
<i>Net cash used in financing activities</i>	<u>(9,845)</u>	<u>(115,437)</u>
<b>Net decrease in cash and cash equivalents</b>	(43,046)	(116,821)
Cash and cash equivalents at beginning of the period	341,310	457,664
Effects of exchange rate changes on cash and cash equivalents	(103)	467
<b>Cash and cash equivalents at end of the period</b>	<u>298,161</u>	<u>341,310</u>
Cash and cash equivalents at end of the financial year comprise:		
- Cash and bank balances	304,661	347,810
- Less: bank deposits pledged	(6,500)	(6,500)
	<u>298,161</u>	<u>341,310</u>

### **Notes to the Group's Cash Flow statement**

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

	<b>THE GROUP</b>	
	<b>2018</b>	<b>2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
The aggregate cash inflow arising from the disposal of subsidiaries were:		
Net assets disposed of	-	-
Loss on disposal	-	(450)
Total sale consideration, net of transaction costs	-	(450)
Balance sale consideration received	-	4,494
Less: Professional and other fees paid	-	(3,242)
Net cash inflow on disposal of subsidiaries	<u>-</u>	<u>802</u>

### **Analysis of consolidated statement of cash flows**

The group recorded a positive operating cash flow of S\$6.1 mil in FY-2018 as compared to negative operating cash flow of S\$6.7 mil in FY-2017. The increase was mainly attributable to higher cash inflows from working capital changes.

Net cash used in investing activities in FY-2018 was S\$39.3 mil compared to net cash inflow of S\$5.3 mil in FY-2017. The variance was due to net cash proceeds from disposal of investment property of S\$13.0 mil, and increased capital expenditure recorded by the Group's Environmental Services division in FY-2018.

A total of S\$9.8 mil (FY-2017: S\$115.4 mil) was used in financing activities in FY-2018. The decrease was due mainly to lower dividends paid to shareholders of the Company and increased bank borrowings.

Overall, the Group recorded a net cash outflow of S\$43.0 mil for FY-2018 as compared to S\$116.8 mil in FY-2017. Group cash and cash equivalents stood at S\$298.2 mil as of 31 December 2018.



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**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Attributable to Equity Holders of the Company							Non-controlling interests	Total Equity
	Share Capital	Revenue Reserve	Foreign Currency Translation Reserve	Capital Reserve	Fair Value Reserve	General Reserve	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 31 December 2017</b>	193,839	391,170	(286)	(1,944)	1,520	947	585,246	4,803	590,049
Adoption of SFRS(I) 9	-	(231)	-	-	-	-	(231)	(25)	(256)
<b>Balance as restated at 1 January 2018</b>	193,839	390,939	(286)	(1,944)	1,520	947	585,015	4,778	589,793
Loss for the year	-	(3,855)	-	-	-	-	(3,855)	(18)	(3,873)
Other comprehensive losses for the year	-	-	(195)	-	36	-	(159)	(96)	(255)
<b>Total comprehensive income / (losses) for the year</b>	-	(3,855)	(195)	-	36	-	(4,014)	(114)	(4,128)
Transfer of reserves	-	(34)	-	-	-	34	-	-	-
Dividends paid	-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(92)	(92)
<b>Total transactions with owners, recognised directly in equity</b>	-	(18,678)	-	-	-	-	(18,678)	(92)	(18,770)
<b>Disposal of associate</b>	-	-	(569)	-	-	-	(569)	-	(569)
<b>Balance as at 31 December 2018</b>	193,839	368,372	(1,050)	(1,944)	1,556	981	561,754	4,572	566,326



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	Attributable to Equity Holders of the Company							Non-controlling interests	Total Equity
	Share Capital	Revenue Reserve	Foreign Currency Translation Reserve	Capital Reserve	Fair Value Reserve	General Reserves	Total		
THE GROUP	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 January 2017</b>	193,839	493,689	(14,088)	(1,944)	2,002	300	673,798	4,577	678,375
Adoption of SFRS(I) 1	-	(14,088)	14,088	-	-	-	-	-	-
<b>Balance as restated at 1 January 2017</b>	193,839	479,601	-	(1,944)	2,002	300	673,798	4,577	678,375
Profit for the year	-	3,913	-	-	-	-	3,913	(124)	3,789
Other comprehensive losses for the year	-	-	(286)	-	(482)	-	(768)	350	(418)
<b>Total comprehensive income / (losses) for the year</b>	-	3,913	(286)	-	(482)	-	3,145	226	3,371
Transfer of reserves	-	(647)	-	-	-	647	-	-	-
Dividends paid	-	(93,390)	-	-	-	-	(93,390)	-	(93,390)
Dividends paid to non-controlling interests of subsidiaries	-	1,693	-	-	-	-	1,693	-	1,693
<b>Total transactions with owners, recognised directly in equity</b>	-	(91,697)	-	-	-	-	(91,697)	-	(91,697)
<b>Balance as at 31 December 2017</b>	193,839	391,170	(286)	(1,944)	1,520	947	585,246	4,803	590,049

	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
<b>THE COMPANY</b>				
<b>Balance as at 1 January 2018</b>	193,839	183,405	1,247	378,491
Total comprehensive income for the period	-	3,242	18	3,260
Dividends paid	-	(18,678)	-	(18,678)
<b>Balance as at 31 December 2018</b>	193,839	167,969	1,265	363,073
<b>Balance as at 1 January 2017</b>	193,839	268,266	1,702	463,807
Total comprehensive income / (losses) for the period	-	6,836	(455)	6,381
Dividends paid	-	(93,390)	-	(93,390)
Write-back of long outstanding dividend payable	-	1,693	-	1,693
<b>Balance as at 31 December 2017</b>	193,839	183,405	1,247	378,491

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There have been no changes to the issued share capital of the Company since 30 September 2018. There were no outstanding options and convertibles as at 31 December 2018 (31 December 2017: Nil).

The Company did not hold any treasury shares and subsidiary holdings as at 31 December 2018 (31 December 2017: Nil).

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year:-**

	31 December 2018	31 December 2017
Number of issued shares excluding treasury shares	373,558,237	373,558,237



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

There were no sales, transfers, cancellation and/or use of treasury shares as at 31 December 2018 (31 December 2017: Nil).

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2018.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Group's external auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements.

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

In accordance with the listing requirements of the Singapore Exchange, the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018 and has issued its first set of financial information under SFRS(I) for the quarter ended 31 March 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group has also concurrently applied new major SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers*. The Group's opening balance sheet under SFRS(I) has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I).

(a) Application of SFRS(I) 1

*Cumulative translation differences*

The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, revenue reserve was reduced by S\$14,088,000 in order to reset foreign currency translation reserve from a deficit of S\$14,088,000 to zero.

(b) Adoption of SFRS(I) 9

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempt the Group from applying SFRS(I) 9 to comparative information. Accordingly, requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* continued to apply to financial instruments up to the financial year ended 31 December 2017.

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirement and changes in presentation.

*(i) Classification and measurement*

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into appropriate categories under SFRS(I) 9. As a result, certain balance sheet items were adjusted as at 1 January 2018.

*(ii) Impairment of financial assets*

Certain financial assets are subject to the expected credit loss model under SFRS(I) 9. As a result, there was an increase in provision for impairment for financial assets and corresponding decrease in opening retained earnings from the application of the expected credit loss impairment model.

(c) Adoption of SFRS(I) 15

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group has adopted SFRS(I) 15 retrospectively. The main adjustments are as follows:

*(i) Accounting for costs incurred to fulfill contracts*

Under SFRS(I) 15, as cost of contract-specific moulds used in production of building material in Precast & PBU segment relate directly to the Group's contracts with customers and are expected to be recovered, they are capitalised as receivables and prepayments.

*(ii) Accounting for contracts with multiple performance obligations*

The Group has assessed the accounting for contracts to identify multiple performance obligations under the requirements of SFRS(I) 15 and concluded that there is no significant impact under SFRS(I).

*(iii) Presentation of other current assets and contract liabilities*

The Group has changed the presentation of certain amounts in the balance sheet to reflect the terminology in SFRS(I) 15:

- Costs of contract-specific moulds used in production in Precast & PBU segment are classified and presented as part of receivables, prepayments and other current assets.

- Advances received from customers arising from contracts are classified and presented as part of trade, other payables and other current liabilities.

Summary of financial impact arising from adoption of SFRS(I):

	<b>The Group</b>		
	<b>1.1.18</b> <b>S\$'000</b> Increase / (decrease)	<b>31.12.17</b> <b>S\$'000</b> Increase / (decrease)	<b>1.1.17</b> <b>S\$'000</b> Increase / (decrease)
Available-for-sale financial assets	(7,805)	-	-
Financial assets, at FVOCI	7,805	-	-
Held-to-maturity financial assets	(2,551)	-	-
Other investments at amortised cost	2,551	-	-
Receivables, prepayments and other current assets	(280)	98	-
Inventories	-	(98)	-
Deferred tax assets	24	-	-
<b>Total assets</b>	<b>(256)</b>	<b>-</b>	<b>-</b>
Foreign currency translation reserve	-	14,088	14,088
Revenue reserve	(231)	(14,088)	(14,088)
Non-controlling interests	(25)	-	-
<b>Total equity</b>	<b>(256)</b>	<b>-</b>	<b>-</b>

Correspondingly, adjustments have been made to the consolidated statement of comprehensive income and statement of cash flows to reflect changes arising from the adoption of SFRS(I).

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

**THE GROUP (Aggregate)**

	<u>2018</u>	<u>2017</u>
(a) Based on the weighted average number of ordinary shares in issue (cents)		
- from continuing operations	(1.03)	1.17
- from discontinued operations	-	(0.12)
Total (including discontinued operations)	<u>(1.03)</u>	<u>1.05</u>
(b) On fully diluted basis (cents)		
- from continuing operations	(1.03)	1.17
- from discontinued operations	-	(0.12)
Total (including discontinued operations)	<u>(1.03)</u>	<u>1.05</u>



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	
	31.12.18	31.12.17	31.12.18	31.12.17
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting year	1.50	1.57	0.97	1.01

The Company does not have any treasury shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

#### Group Overview

	THE GROUP		
	2018 S\$'000	2017 S\$'000	Change %
<b><u>Continuing Operations</u></b>			
Group Turnover	376,584	356,150	6
Group (Loss) / Profit Before Tax	(2,626)	5,092	n/m
Group (Loss) / Profit attributable to equity holders of the Company	(3,855)	4,363	n/m

n/m: not meaningful

Group turnover in FY-2018 was S\$376.6 mil, a 6% increase from S\$356.2 mil in FY-2017, due to higher revenue from both the Precast & PBU and Environmental Services divisions.

Notwithstanding the increase in turnover, the Group incurred a loss before tax of \$2.6 mil in FY-2018 compared to profit before tax of S\$5.1 mil (which included a one-off gain of S\$3.5 mil from disposal of an investment property) in FY-2017. This was due to restructuring costs of S\$2.1 mil for the closure of the Singapore precast plant in June and unabsorbed overhead costs of about \$1.4 mil incurred prior to the plant closure, and weaker performance in the Malaysia and Dubai precast operations.

Consequently, the Group reported a loss attributable to equity holders of S\$3.9 mil in FY-2018 compared to a profit of S\$4.4 mil in FY-2017.

For the year, the Group made new capital expenditures totaling S\$45.2 mil including the construction of the organic wastewater treatment plant, a new fixation plant, acquisition of 2 additional slop barges and various plant automation projects. These investments would strengthen the Group's business going forward.

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

**Turnover**

Turnover (S\$'mil)	THE GROUP		
	2018	2017	Change (%)
<b><u>Continuing Operations</u></b>			
Precast & PBU	225.0	208.5	8
Environmental Services	129.4	124.9	4
Others	22.2	22.8	(3)
	376.6	356.2	6

**Precast & Prefabricated Bathroom Unit (“PBU”)**

Turnover of the Precast & PBU division in FY-2018 was higher by 8% on the back of revenue growth across all geographical locations.

**Environmental Services**

Environmental Services turnover rose by 4% in FY-2018 driven by higher revenue from slop collection, recycled fuel oil (“RFO”) and waste treatment services.

**Attributable (loss) / profit before tax**

Attributable (loss) / profit before tax (S\$'mil)	THE GROUP		
	2018	2017	Change (%)
<b><u>Continuing Operations</u></b>			
Precast & PBU	(3.8)	2.9	n/m
Environmental Services	(0.2)	(2.4)	n/m
Share of SMAG / PSLT results	(0.4)	0.1	n/m
Others	1.8	4.5	(60)
	(2.6)	5.1	n/m

n/m: not meaningful

**Precast & Prefabricated Bathroom Unit (“PBU”)**

The poor performance of the division in FY-2018 was due to increased losses suffered by the Singapore and Malaysia precast operations. The Singapore and Malaysia operations were in losses due to low project margin amidst very competitive market conditions, and exacerbated by one-off restructuring cost of S\$2.1 mil and unabsorbed overhead costs of about S\$1.4 mil incurred prior to the Singapore plant closure. In Dubai, the precast operation reported weaker pre-tax performance due to lower operating margin especially in the last quarter.

However, the performance of the division’s PBU business in Finland improved for FY-2018.

**Environmental Services**

For FY-2018 the division recorded a loss of S\$0.2 mil compared to a loss of S\$2.4 mil in FY-2017. Waste treatment operation recorded improvement in pre-tax performance following the full resumption of its operation in Sep’ 18 after 18 months of disruption, and with the recognition of \$3.4 mil of insurance income including business interruption during the year. However, the division’s RFO business reported lower result due to weak RFO price in the last quarter of the financial year.

**Others**

The variance between the results recorded in FY-2018 was mainly attributable to a one-off disposal gain of S\$3.5 mil from sale of an investment property recorded in FY-2017.



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

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The precast business in Singapore and Malaysia is expected to improve, underpinned by a strong order book secured at higher prices as compared to the depressed price level in FY-2018, and lower cost following the relocation of its Singapore operation to Malaysia. Dubai operation faces more challenging market conditions with downward pressure on selling price. Business outlook for the division's PBU business in Finland is expected to remain stable.

In the Environmental Services division, improvements are expected from increased slop collection due to the 2 additional slop barges and the full reinstatement of all operating licenses of the waste treatment plant. However, the current weak demand is likely to dampen selling price of the RFO business. The construction of the division's S\$40 mil organic wastewater treatment facility in Tuas was completed in early 2019 and is expected to contribute positively from 2Q-2019.

**11. Dividend**

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

Any interim / final dividend declared / recommended for the current financial year reported on?

Yes

Name of Dividend	Final FY2018
Dividend Type	Cash
Dividend amount per share	S\$0.05 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 FY2017
Dividend Type	Cash
Dividend amount per share	S\$0.05 per ordinary share
Tax Rate	Exempt – one tier
Date paid	22 May 2018

**(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 26 April 2019, the final dividend of S\$0.05 per ordinary share will be paid on or about 23 May 2019 or such other date to be determined by the Directors.

**(d) Books closure date**

To be announced after the said AGM on or about 26 April 2019.



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**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.

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

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

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**
**15. 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 2018**

	Precast & PBU	Environmental Services	Investment Holding and Others	Total for Continuing Operations
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>				
External sales	225,048	129,411	22,125	376,584
Inter-segment sales	-	347	1,690	2,037
<b>Total revenue</b>	<b>225,048</b>	<b>129,758</b>	<b>23,815</b>	<b>378,621</b>
Elimination	-	(347)	(1,690)	(2,037)
	<b>225,048</b>	<b>129,411</b>	<b>22,125</b>	<b>376,584</b>
<b>Profit before Taxation and Exceptional Items</b>	<b>(3,765)</b>	<b>(188)</b>	<b>1,327</b>	<b>(2,626)</b>
Exceptional items	-	-	-	-
<b>Profit before taxation</b>	<b>(3,765)</b>	<b>(188)</b>	<b>1,327</b>	<b>(2,626)</b>
Interest income	286	6	4,111	4,403
Interest expense	(125)	(433)	-	(558)
Depreciation	(6,297)	(5,598)	(1,693)	(13,588)
Amortisation	(839)	(779)	148	(1,470)
(Loss) / gain on disposal and write-off of property, plant and equipment	(254)	(183)	243	(194)
Impairment of property, plant and equipment, net	-	-	(253)	(253)
Share of results of associated companies, net of tax				
- SMAG	-	-	(442)	(442)
- Others	-	-	449	449
<b>Total Assets</b>	<b>217,294</b>	<b>85,564</b>	<b>396,287</b>	<b>699,145</b>
<b>Total Liabilities</b>	<b>79,875</b>	<b>44,692</b>	<b>8,252</b>	<b>132,819</b>
Investment in associated companies	-	-	51,265	51,265
Additions to:				
- Property, plant and equipment	6,019	38,011	1,369	45,399
- Intangible assets	1,163	155	5	1,323

**Financial year ended 31 December 2017**

	Precast & PBU	Environmental Services	Investment Holding and Others	Total for Continuing Operations	Discontinued Operations
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>					
External sales	208,460	124,913	22,777	356,150	-
Inter-segment sales	2	616	1,632	2,250	-
<b>Total revenue</b>	<b>208,462</b>	<b>125,529</b>	<b>24,409</b>	<b>358,400</b>	<b>-</b>
Elimination	(2)	(616)	(1,632)	(2,250)	-
	<b>208,460</b>	<b>124,913</b>	<b>22,777</b>	<b>356,150</b>	<b>-</b>
<b>Profit before Taxation and Exceptional Items</b>	<b>2,922</b>	<b>(2,449)</b>	<b>4,619</b>	<b>5,092</b>	<b>-</b>
Exceptional items	-	-	-	-	(450)
<b>Profit before taxation</b>	<b>2,922</b>	<b>(2,449)</b>	<b>4,619</b>	<b>5,092</b>	<b>(450)</b>
Interest income	417	15	4,567	4,999	-
Interest expense	(179)	(641)	-	(820)	-
Depreciation	(5,487)	(4,969)	(1,822)	(12,278)	-
Amortisation	(221)	(659)	334	(546)	-
Gain on disposal of investment properties	-	-	3,568	3,568	-
Loss on disposal and write-off of property, plant and equipment	(20)	(586)	(14)	(620)	-
Reversal of impairment / (impairment) of property, plant and equipment	(1,002)	1,681	(314)	365	-
Share of results of associated companies, net of tax					
- PSLT	-	-	95	95	-
- Others	-	-	343	343	-
<b>Total Assets</b>	<b>232,200</b>	<b>73,992</b>	<b>413,784</b>	<b>719,976</b>	<b>-</b>
<b>Total Liabilities</b>	<b>87,656</b>	<b>32,784</b>	<b>9,487</b>	<b>129,927</b>	<b>-</b>
Investment in associated companies	-	-	6,520	6,520	-
Additions to:					
- Property, plant and equipment	7,936	7,330	581	15,847	-
- Intangible assets	1,232	667	209	2,108	-

**Geographical Segments**

	External sales for continuing operations <sup>(1)</sup>		Non-current assets for continuing operations <sup>(2)</sup>	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Singapore	176,049	167,060	113,620	81,788
Malaysia	35,574	29,752	27,099	28,781
United Arab Emirates	52,326	51,722	11,618	13,222
Finland	59,624	58,646	17,812	16,342
Germany <sup>(3)</sup>	-	-	44,316	-
Others	53,011	48,970	4,122	3,693
	<b>376,584</b>	<b>356,150</b>	<b>218,587</b>	<b>143,826</b>

(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, intangible assets and other non-current assets.

(3) This relates to our 25.458% interest in associated company SMAG which is incorporated in Germany.

**16. 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.

**17. A breakdown of sales**

<u>Continuing Operations</u>	THE GROUP		
	FY 2018 S\$'000	FY 2017 S\$'000	Change (%)
Sales reported for first half year	201,747	169,623	19
Operating profit after tax before deducting non-controlling interests reported for first half year	(4,616)	3,135	n/m
Sales reported for second half year	174,837	186,527	(6)
Operating profit after tax before deducting non-controlling interests reported for second half year	743	1,104	n/m

n/m: not meaningful

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

	Latest Full Year (2018) S\$'000	Previous Full Year (2017) S\$'000
Ordinary	18,678	18,678
Preference	-	-
Total:	18,678	18,678

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19. **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	75	Cousin of Fu Kuo Chen David	Non-Executive Director 2003	None
Fu Kuo Chen David	58	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  
27 February 2019





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This release may contain forward-looking statements which may be identified by phrases that the Company or Management or Directors “expects”, “believes” “anticipates” “foresees” or “forecasts”. These forward-looking statements, if any, are based on current expectations and assumptions that are subject to risks and uncertainties. Actual performance, outcome or financial results post the date of this release may differ materially from those expressed in this release. Some factors that may affect the actual performance of the NSL Ltd and its group of companies may include, without limitation, political, economic, geographical, climatic and social conditions in the countries where the NSL Ltd and its group of companies, its customers or its suppliers operate; armed conflict or the effects of terrorist activities or war, acts of God, tsunami, earthquake, natural disasters, floods, effects of global climatic change in any part of the world which may cause disruption in manufacture, supply (availability and costs) of raw or intermediate materials, power, water, fuel, crude oil, import, export, transportation network necessary for the acquisition and supply of goods and services or financial markets; currency fluctuations; fluctuations in the price of raw materials, power, water, fuel, crude oil or demand for natural rubber; volatility of financial markets; general industry conditions, interest rate trends, cost of borrowings and capital availability, intense competition from other companies and venues for the production, sale/distribution of goods and services of the NSL Ltd and its group of companies, changes in industry or market capacity or demands; obsolete inventory, market acceptance or rejection of new goods and services, continued market acceptance of existing goods and services of the NSL Ltd and its group of companies; risk of unanticipated increased costs of power, oil, fuel, crude oil or utilities to operate its various plants; continued ability of NSL Ltd and its group of companies to retain market size and competitiveness for its goods and services; the effect of changes to policies /regulations whether or not resulting in imposition or lifting of anti-dumping duties in countries which the NSL Ltd and its group of companies operate, industrial accident(s) in any facility(ies) of NSL Ltd and its group of companies and their effects; unavailability of insurance, adverse results on litigation or debt recovery, implementation of operating cost structure that is aligned with revenue growth; SARS, bird flu, killer pig disease and their effects; coup d’etat, civil unrest, civil uprisings, revolutions, demonstrations, protests in any part of the world where NSL Ltd and its group of companies operate; any factor which may cause revenues and income to fall short of anticipated levels; ability to develop manufacture and market products and services in a rapidly changing environment; management retention and succession; changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. This statement only relates to information available as at the date of release and you are cautioned to seek professional advice from your stock broker, solicitor, accountant or other professional adviser if you are in any doubt as to the meaning of anything herein.