



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

		THE GROUP		
	Note	2019 S\$'000	2018 S\$'000 (restated)	Change %
<u>Continuing operations</u>				
Sales		272,350	283,299	(4)
Cost of sales		(251,771)	(257,638)	(2)
Gross profit	(2)	20,579	25,661	(20)
Other income				
- Interest	(3)	5,210	4,536	15
- Others	(3)	6,284	9,052	(31)
Other gains and losses	(4)	(23,985)	(1,502)	n/m
Distribution costs	(5)	(8,845)	(9,912)	(11)
Administrative expenses		(32,577)	(29,890)	9
Impairment on financial assets	(6)	(106)	(561)	n/m
Finance costs	(7)	(1,348)	(470)	n/m
Share of results of associated companies, net of tax	(8)	(164)	7	n/m
Loss before income tax	(1)	(34,952)	(3,079)	n/m
Income tax expense	(9)	(2,606)	(1,332)	n/m
Loss from continuing operations		(37,558)	(4,411)	n/m
<u>Discontinued operations</u>				
Profit from discontinued operations	(10)	596	538	11
Total loss for the financial period		(36,962)	(3,873)	n/m
(Loss) / profit attributable to equity holders of the Company:				
- from continuing operations		(33,637)	(4,300)	n/m
- from discontinued operations		494	445	11
		(33,143)	(3,855)	n/m
(Loss) / profit attributable to non-controlling interest:				
- from continuing operations		(3,921)	(111)	n/m
- from discontinued operations		102	93	10
		(3,819)	(18)	n/m
Basic and fully diluted earnings per share (cents)				
- from continuing operations		(9.00)	(1.15)	n/m
- from discontinued operations		0.13	0.12	8

n/m: not meaningful



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Notes to the Group's Income Statement

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

	Note	THE GROUP	
		2019 S\$'000	2018 S\$'000 (restated)
Dividend income	(i)	12	2,620
Interest income	(ii)	5,210	4,536
Insurance compensation	(iii)	3,393	2,500
Amortisation of intangible assets	(iv)	(922)	(1,078)
Depreciation of property, plant and equipment		(14,294)	(13,132)
Depreciation of right-of-use assets	(v)	(3,557)	-
Allowance for stock obsolescence, net		49	(225)
Write off of inventories, net	(vi)	(642)	(1,706)
Allowance for impairment of trade receivables, net	(vii)	(106)	(561)
Amortisation of deferred income		170	250

- (i) Decrease in FY-2019 was due to lower dividend income recorded by the Company.
(ii) Increase in FY-2019 was due to higher interest income recorded by the Company.
(iii) Recognised by the Environmental Services division relating to the fire incident in March 2017.
(iv) Decrease in FY-2019 was attributable to precast operations in Malaysia
(v) Depreciation of right-of-use assets in relation to leases which had previously been classified as 'operating leases' with effect from 1 January 2019 arising from the Group's adoption of SFRS(I) 16 Leases.
(vi) Mainly attributable to the precast operations in Malaysia.
(vii) Mainly attributable to the precast operations in Dubai.

- (2) Gross profit

The decrease in gross profit for FY-2019 was due mainly to lower sales and gross profit from the Precast operations in Dubai and Finland due to lower average selling prices resulting from unfavorable product mix, and the Environmental Services division due to weak demand and prices.

- (3) Other income

The increase in interest income for FY-2019 was due to higher interest income recorded by the Company. The decrease in other income for FY-2019 was due mainly to lower dividend income recorded by the Company and lower miscellaneous other income recorded by the precast operations in Singapore and Malaysia, offset by insurance compensation of S\$3.4 mil recognized by the Environmental Services division relating to the fire incident in March 2017.

Notes to the Group's Income Statement (continued)

(4) Other gains and losses

	THE GROUP	
	2019	2018
	S\$'000	S\$'000
		(restated)
Currency exchange loss - net	(314)	(526)
Insurance claim for damage of plant and equipment	-	906
<u>Property, plant and equipment</u>		
- Gain / (loss) on disposal, net	509	(231)
- Impairment, net	(20,901)	(253)
Impairment of intangible assets, net	(122)	-
Impairment of right-of-use assets, net	(3,453)	-
Plant closure and restructuring costs	(203)	(2,049)
Gain on disposal of an associated company	-	650
Fair value gain on redemption liability	630	-
Others	(131)	1
	<u>(23,985)</u>	<u>(1,502)</u>

The increase in impairment for property, plant and equipment was attributable to impairment of slop processing assets in the Environmental Services division and assets of the precast operations in Malaysia.

(5) Distribution costs

The decrease in distribution costs for FY-2019 was attributable to the precast operations in Singapore.

(6) Impairment loss on financial assets

The lower impairment loss on financial assets for FY-2019 was mainly due to recovery of trade receivables previously impaired by the precast operations in Dubai.

(7) Finance costs

	THE GROUP	
	2019	2018
	S\$'000	S\$'000
		(restated)
Interest expense on lease liabilities	(790)	-
Interest expense on bank loans	(295)	(147)
Other interest expense	(263)	(323)
	<u>(1,348)</u>	<u>(470)</u>

The increase in finance costs for FY-2019 was mainly attributable to recognition of lease liabilities following the adoption of SFRS(I) 16 Leases and increase in average borrowings for the period attributable to the Environmental Services division.

Notes to the Group's Income Statement (continued)

- (8) Share of results of associated companies, net of tax

The loss reported for FY-2019 was attributable to associate Salzgitter Maschinenbau AG ("SMAG"), of which the Group owns 25.458% non-controlling equity stake.

- (9) Income tax expense

	Note	THE GROUP	
		2019	2018
		S\$'000	S\$'000
		(restated)	
Taxation charge for the financial period comprises:			
- Current period taxation	(i)	(1,963)	(1,597)
- (Under) / over-provision in respect of prior years	(ii)	(643)	265
		<u>(2,606)</u>	<u>(1,332)</u>

- (i) The Group incurred a net tax charge in FY-2019 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) Under-provision in respect of prior years in FY-2019 comprised mainly of reversal of deferred tax assets.

- (10) Profit from discontinued operations

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

	THE GROUP	
	2019	2018
	S\$'000	S\$'000
	(restated)	
Sales	48,539	93,285
Net expenses	<u>(47,871)</u>	<u>(92,832)</u>
Profit before tax from discontinued operations	668	453
Income tax expense	<u>(75)</u>	<u>85</u>
Profit after tax from discontinued operations	593	538
Gain on disposal of subsidiaries	<u>3</u>	<u>-</u>
Profit after tax from discontinued operations	<u>596</u>	<u>538</u>

On 5 August 2019, the Company's subsidiary, NSL OilChem Waste Management Pte. Ltd. ("NSL OilChem") entered into a sale and purchase agreement for the proposed disposal of 6,000,000 ordinary shares in the capital of NSL Fuel Management Services Pte. Ltd. ("NSL Fuel"), representing 82.75% of the issued share capital in NSL Fuel and its subsidiaries, to KHC Fuel Investment Pte. Ltd. (the "Purchaser").

The sale was completed on 27 August 2019. Following completion, NSL OilChem ceased to hold any interest in NSL Fuel and accordingly, NSL Fuel ceased to be a member of the Group comprising the Company and its subsidiaries.

The results of discontinued operations for FY-2019 and FY-2018 pertain to the same disposal group.



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Statement of Comprehensive Income for Period ended 31 December 2019

	THE GROUP	
	2019	2018
	S\$'000	S\$'000
Total loss for the financial period	(36,962)	(3,873)
Other comprehensive income:		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Exchange differences on translating foreign operations		
- (Losses) / gains arising during the period	(3,418)	104
Share of other comprehensive income / (losses) of associated companies	87	(299)
Income tax relating to components of other comprehensive income	-	56
	(3,331)	(139)
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Gains / (losses) arising from financial assets at FVOCI*	3,417	(20)
Exchange differences on translating foreign operations		
- Gains / (losses) arising during the period	68	(96)
Share of other comprehensive losses of associated companies	(1,540)	-
	(1,386)	(255)
Total comprehensive loss for the period, net of tax	(38,348)	(4,128)
Total comprehensive income attributable to:		
Equity holders of the Company	(34,597)	(4,014)
Non-controlling interests	(3,751)	(114)
	(38,348)	(4,128)

*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	
		31.12.19 S\$'000	31.12.18 S\$'000	31.12.19 S\$'000	31.12.18 S\$'000
Equity					
Share capital		193,839	193,839	193,839	193,839
Reserves		316,468	367,915	155,566	169,234
Shareholders' equity		510,307	561,754	349,405	363,073
Non-controlling interests	(1)	(1,133)	4,572	-	-
Total equity		509,174	566,326	349,405	363,073
Current Assets					
Inventories	(2)	45,726	54,175	-	-
Receivables, prepayments and other current assets		92,556	101,435	49,226	40,758
Other investments at amortised cost		500	-	500	-
Tax recoverable		1,708	1,624	-	-
Cash and cash equivalents		281,592	304,661	224,221	257,326
		422,082	461,895	273,947	298,084
Non-Current Assets					
Property, plant and equipment	(3)	124,859	156,030	446	170
Right-of-use assets	(4)	38,439	-	1,415	-
Investments in subsidiaries		-	-	85,232	85,232
Investments in associated companies		47,569	51,265	-	-
Long term receivables and prepayments		5,130	4,588	28,051	27,912
Financial assets, at FVOCI*	(5)	11,202	7,785	10,911	7,494
Other investments at amortised cost		2,021	2,536	2,021	2,536
Intangible assets		10,341	11,187	71	163
Deferred tax assets		3,081	3,901	-	-
Other non-current assets		105	105	-	-
		242,747	237,397	128,147	123,507
Total Assets		664,829	699,292	402,094	421,591
Current Liabilities					
Borrowings	(6)	(10,872)	(2,109)	-	-
Trade, other payables and other current liabilities		(91,795)	(98,599)	(41,556)	(48,683)
Lease liabilities	(4)	(3,206)	-	(266)	-
Current income tax liabilities		(295)	(618)	-	-
Deferred income		(183)	(168)	-	-
		(106,351)	(101,494)	(41,822)	(48,683)
Non-Current Liabilities					
Provision for retirement benefits		(3,901)	(3,473)	-	-
Deferred tax liabilities		(2,111)	(2,179)	(129)	(236)
Borrowings	(6)	(23,107)	(20,061)	-	-
Deferred income		(377)	(535)	-	-
Other non-current liabilities	(7)	(2,399)	(5,224)	(9,679)	(9,599)
Lease liabilities	(4)	(17,409)	-	(1,059)	-
		(49,304)	(31,472)	(10,867)	(9,835)
Total Liabilities		(155,655)	(132,966)	(52,689)	(58,518)
Net Assets		509,174	566,326	349,405	363,073

*Financial assets measured at fair value through other comprehensive income

Explanatory notes on consolidated statement of financial position

- (1) **Minority interests**
The decrease was mainly due to disposal of NSL Fuel.
- (2) **Inventories**
The decrease in inventories was mainly due to delivery of finished goods for infrastructure projects in the Precast division in Malaysia.
- (3) **Property, plant and equipment**
The decrease in property, plant and equipment was mainly due to impairment of slop processing assets in the Environmental Services division and assets of the precast operations in Malaysia.
- (4) **Right-of-use assets**
Lease liabilities
The Group recognised lease liabilities and the associated right-of-use assets in relation to leases previously classified as 'operating leases' with effect from 1 January 2019 on adoption of SFRS(I) 16 *Leases*.
- (5) **Financial assets, at FVOCI***
The increase was due to fair value gains from financial assets held by the Company.
- (6) **Borrowings**
The increase in borrowings was largely due to funding for capital expenditure for the Environmental Services division.
- (7) **Other non-current liabilities**
The decrease was mainly due to disposal of NSL Fuel, resulted in the reversal of redemption liability associated with the investment.

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 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
9,480	4,598	2,109	-

Amount repayable after one year

As at 31 December 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
40,516	-	20,061	-

Details of any collateral

Included in the Group's property, plant and equipment are property, plant and equipment and right-of-use assets of subsidiaries of net book value of S\$58,910,000 (31 December 2018: S\$53,038,000) charged by way of debentures to banks for overdraft and term loan facilities granted. Included in secured borrowings are current lease liabilities of S\$3,206,000 and non-current lease liabilities of S\$17,409,000 which are secured over the right-of-use assets of S\$18,480,000.



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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

	Note	The Group	
		2019 S\$'000	2018 S\$'000
Cash Flows from Operating Activities			
Loss from continuing operations		(37,558)	(4,411)
Profit from discontinued operations		596	538
Loss for the financial period		<u>(36,962)</u>	<u>(3,873)</u>
<i>Adjustments for:</i>			
Taxation		2,681	1,247
Amortisation of intangible assets		1,036	1,720
Amortisation of deferred income		(170)	(250)
Depreciation of properties, plant and equipment		14,609	13,588
Depreciation of right-of-use assets		3,557	-
Interest expense		1,408	691
Interest income		(5,210)	(4,536)
Dividend income from financial assets, at FVOCI/ available-for-sale		(12)	(2,620)
Impairment of property, plant and equipment (net)		20,901	253
Impairment of right-of-use assets (net)		3,453	-
Impairment of intangible assets		122	-
(Gain) / loss on disposal including write-off of property, plant and equipment (net)		(508)	194
Plant closure and restructuring costs		203	2,049
Insurance compensation		(3,393)	(3,406)
Provision for retirement benefits (net)		637	598
Share of results of associated companies, net of tax		164	(7)
Gain on disposal of an associated company		-	(650)
Loss on disposal of subsidiaries		34	-
Fair value gain on redemption liability		(630)	-
Exchange differences and other adjustments		<u>(1,004)</u>	<u>118</u>
<i>Operating cash flows before working capital changes</i>		916	5,116
<i>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</i>			
Inventories		6,580	(4,056)
Receivables and prepayments		(5,703)	14,533
Deferred income		26	41
Trade and other payables		<u>1,611</u>	<u>(6,389)</u>
<i>Cash generated from operations</i>		3,430	9,245
Income tax paid		(1,462)	(2,438)
Insurance compensation received		4,393	1,500
Plant closure and restructuring costs		-	(2,049)
Retirement benefits paid		<u>(179)</u>	<u>(154)</u>
<i>Net cash generated from operating activities</i>		<u>6,182</u>	<u>6,104</u>
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		1,228	771
Insurance compensation received		906	-
Net cash inflow from disposal of subsidiaries	(1)	5,034	-
Professional fees paid for disposal of an associated company		-	(591)
Purchases of property, plant and equipment		(24,217)	(45,231)
Purchases of right-of-use assets		(4,698)	-
Purchases of intangible assets		(577)	(1,323)
Interest received		5,578	4,449
Dividends received from non-current financial assets		12	2,620
<i>Net cash used in investing activities</i>		<u>(16,734)</u>	<u>(39,305)</u>



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	The Group	
	2019	2018
	S\$'000	S\$'000
Cash Flows from Financing Activities		
Proceeds from borrowings	13,402	22,559
Repayment of borrowings	(1,513)	(12,662)
Principal payment of lease liabilities	(2,954)	(415)
Interest paid	(2,166)	(557)
Bank deposits pledged	(11,037)	-
Dividends paid to shareholders	(18,678)	(18,678)
Dividends paid to non-controlling interests	(244)	(92)
<i>Net cash used in financing activities</i>	<u>(23,190)</u>	<u>(9,845)</u>
Net decrease in cash and cash equivalents	(33,742)	(43,046)
Cash and cash equivalents at beginning of the period	298,161	341,310
Effects of exchange rate changes on cash and cash equivalents	(364)	(103)
Cash and cash equivalents at end of the period	<u>264,055</u>	<u>298,161</u>
Cash and cash equivalents at end of the financial year comprise:		
- Cash and bank balances	281,592	304,661
- Less: bank deposits pledged	<u>(17,537)</u>	<u>(6,500)</u>
	<u>264,055</u>	<u>298,161</u>

Notes to the Group's cash flow statement

(1) Disposal of subsidiaries

	THE GROUP	
	2019	2018
	S\$'000	S\$'000
<u>Carrying amounts of assets and liabilities disposed of</u>		
Cash and cash equivalents	1,941	-
Trade and other receivables	14,776	-
Inventories	1,869	-
Property, plant and equipment	2,651	-
Intangible assets	253	-
Total assets	<u>21,490</u>	<u>-</u>
Trade and other payables	(8,825)	-
Other non-current liabilities	(655)	-
Deferred tax liabilities	(79)	-
Total liabilities	<u>(9,559)</u>	<u>-</u>
Net assets derecognised	11,931	-
Less: Non-controlling interests	(1,949)	-
Net assets disposed of	<u>9,982</u>	<u>-</u>

The aggregate cash inflow arising from the disposal of subsidiaries were:

Net assets disposed of	9,982	-
Loss on disposal	(34)	-
Total sale consideration, net of transaction costs	<u>9,948</u>	<u>-</u>
Less: Cash and cash equivalents in subsidiaries disposed of	(1,941)	-
Less: Balance sale consideration receivable	(3,000)	-
Add: Professional fees payable	27	-
Net cash inflow on disposal of subsidiaries	<u><u>5,034</u></u>	<u><u>-</u></u>



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Analysis of consolidated statement of cash flows

The Group recorded a positive operating cash flow of S\$6.2 mil in FY-2019, mainly attributable to cash inflow from working capital changes and insurance income relating to the fire incident of the Environmental Services division in March 2017.

Net cash used in investing activities in FY-2019 was S\$16.7 mil compared to S\$39.3 mil in FY-2018. This was due to lower purchases of property, plant and equipment and net cash inflow from disposal of subsidiaries in 3Q-2019.

A total of S\$23.2 mil (FY-2018: S\$9.8 mil) was used in financing activities in FY-2019. The decrease was due to lower net proceeds from borrowings and bank deposits pledged.

Overall, the Group recorded a net cash outflow of S\$33.7 mil for FY-2019 as compared to S\$43.0 mil in FY-2018. Group cash and cash equivalents stood at S\$264.1 mil as of 31 December 2019.



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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								
	Share Capital	Revenue Reserve	Foreign Currency Translation Reserve	Capital Reserve	Fair Value Reserve	General and other Reserves	Total	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
THE GROUP									
Balance as at 1 January 2019	193,839	368,372	(1,050)	(1,944)	1,556	981	561,754	4,572	566,326
Loss for the year	-	(33,143)	-	-	-	-	(33,143)	(3,819)	(36,962)
Other comprehensive (losses) / income for the year	-	-	(3,331)	-	3,417	(1,540)	(1,454)	68	(1,386)
Total comprehensive (losses) / income for the year	-	(33,143)	(3,331)	-	3,417	(1,540)	(34,597)	(3,751)	(38,348)
Dividends paid	-	(18,678)	-	-	-	-	(18,678)	-	(18,678)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(244)	(244)
Write-back of long outstanding dividend payables	-	118	-	-	-	-	118	-	118
Total transactions with owners, recognised directly in equity	-	(18,560)	-	-	-	-	(18,560)	(244)	(18,804)
Disposal of subsidiaries	-	(234)	-	1,944	-	-	1,710	(1,710)	-
Balance as at 31 December 2019	193,839	316,435	(4,381)	-	4,973	(559)	510,307	(1,133)	509,174



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	Attributable to Equity Holders of the Company								
	Share Capital S\$'000	Revenue Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Capital Reserve S\$'000	Fair Value Reserve S\$'000	General and other Reserves S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
THE GROUP									
Balance as at 1 January 2018	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) / income for the year	-	-	(195)	-	36	-	(159)	(96)	(255)
Total comprehensive (losses) / income for the year	-	(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)
Total transactions with owners, recognised directly in equity	-	(18,678)	-	-	-	-	(18,678)	(92)	(18,770)
Disposal of an associate	-	-	(569)	-	-	-	(569)	-	(569)
Balance as at 31 December 2018	193,839	368,372	(1,050)	(1,944)	1,556	981	561,754	4,572	566,326



	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
THE COMPANY				
Balance as at 1 January 2019	193,839	167,969	1,265	363,073
Total comprehensive income for the period	-	1,475	3,417	4,892
Dividends paid	-	(18,678)	-	(18,678)
Write-back of long outstanding dividend payables	-	118	-	118
Balance as at 31 December 2019	193,839	150,884	4,682	349,405
Balance as at 1 January 2018	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)
Balance as at 31 December 2018	193,839	167,969	1,265	363,073

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 2019. There were no outstanding options and convertibles as at 31 December 2019 (31 December 2018: Nil).

The Company did not hold any treasury shares and subsidiary holdings as at 31 December 2019 (31 December 2018: 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 2019	31 December 2018
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 2019 (31 December 2018: 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 2019.

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

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

SFRS(I) 16 has resulted in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

Lease liabilities are included as part of net debt and are taken into consideration when deriving the net gearing ratio.

The adoption of SFRS(I) 16 resulted in adjustments to the balance sheet of the Group as at 1 January 2019. The differences from the balance sheet as previously reported at 31 December 2018 are as follows:

	The Group 2019 S\$'000
Decrease in property, plant and equipment	(17,367)
Increase in right-of-use assets	38,109
Increase in lease liabilities (current)	(2,572)
Increase in lease liabilities (non-current)	(18,170)
Net assets	<u>-</u>

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>2019</u>	<u>2018</u>
(a) Based on the weighted average number of ordinary shares in issue (cents)		
- from continuing operations	(9.00)	(1.15)
- from discontinued operations	0.13	0.12
Total (including discontinued operations)	<u>(8.87)</u>	<u>(1.03)</u>
(b) On fully diluted basis (cents)		
- from continuing operations	(9.00)	(1.15)
- from discontinued operations	0.13	0.12
Total (including discontinued operations)	<u>(8.87)</u>	<u>(1.03)</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	
	31.12.19	31.12.18	31.12.19	31.12.18
	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	1.37	1.50	0.94	0.97
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

<u>Continuing Operations</u>	THE GROUP		
	2019 S\$'000	2018 S\$'000 (restated)	Change %
Group Turnover	272,350	283,299	(4)
Group Loss Before Tax	(34,952)	(3,079)	n/m
Group Loss attributable to equity holders of the Company	(33,637)	(4,300)	n/m

n/m: not meaningful

Group turnover in FY-2019 was S\$272.4 mil, a 4% decrease from S\$283.3 mil in FY-2018, due to lower revenue by both the Precast & PBU and Environmental Services divisions.

The Group incurred a loss before tax of S\$35.0 mil in FY-2019 compared to loss before tax of S\$3.1 mil in FY-2018. A significantly higher loss of S\$23.5 mil was incurred by the Environmental Services division as a result of impairment charge of S\$17.2 mil mainly for its slop processing assets due to increasingly difficult market conditions in its recycled fuel oil ("RFO") business, higher regulatory cost of compliance and the loss of a major customer. Higher operating losses was also reported by the division from reduced sales of RFO and comprehensive plant maintenance, and further impacted by significantly higher legal fees.

Precast & PBU operations incurred higher loss of S\$9.7 mil largely due to impairment charge of S\$7.3 mil for the plant assets of its precast operation in Malaysia due to weak project margin.

Consequently, the Group reported a loss attributable to equity holders of S\$33.7 mil in FY-2019 as compared to S\$4.3 mil in FY-2018.

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

Turnover

Turnover (S\$'mil)	THE GROUP		
	2019	2018	Change (%)
<u>Continuing Operations</u>		(restated)	
Precast & PBU	218.6	225.0	(3)
Environmental Services	33.1	36.2	(9)
Others	20.7	22.1	(6)
	272.4	283.3	(4)

Precast & Prefabricated Bathroom Unit ("PBU")

Turnover of the Precast & PBU division declined by 3% to S\$218.6 mil in FY-2019 due to lower delivery volumes reported by operations in Dubai and Finland.

Environmental Services

Turnover of the Environmental Services division declined by 9% to S\$33.1 mil in FY-2019 due to lower sales from the RFO business as a result of weak market demand and comprehensive plant maintenance.

Attributable (loss) / profit before tax

Attributable (loss) / profit before tax (S\$'mil)	THE GROUP		
	2019	2018	Change (%)
<u>Continuing Operations</u>		(restated)	
Precast & PBU	(9.7)	(3.8)	n/m
Environmental Services	(23.5)	(0.7)	n/m
Share of SMAG / PSLT results	(0.8)	(0.4)	n/m
Others	(1.0)	1.8	n/m
	(35.0)	(3.1)	n/m

n/m: not meaningful

Precast & Prefabricated Bathroom Unit ("PBU")

The Precast & PBU operation recorded a loss of S\$9.7 mil in FY-2019 compared to S\$3.8 mil previously, largely due to a one-off impairment charge of S\$7.3 mil for the plant assets of its precast operation in Malaysia due to weak project margin. Excluding the impairment charge, the Singapore and Malaysia operations reported lower operating loss due to improved sales. However, lower operating performances were reported by the operations in Finland and Dubai due to lower revenue.

Environmental Services

The division recorded a loss of S\$23.5 mil in FY-2019 compared to loss of S\$0.7 mil in FY-2018. The significantly higher loss was largely due to a one-off S\$17.2 mil impairment charge mainly for its slop processing assets. Excluding the impairment charge, the division reported operating loss of S\$6.3 mil mainly as a result of reduced RFO sales and comprehensive plant maintenance, and further impacted by significantly higher legal fees incurred in FY-2019.

Others

The variance in FY-2019 was mainly attributable to lower dividend income recorded by the Company.

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

Not applicable.

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

Business condition for the precast business in Singapore and Malaysia is expected to remain subdued. Whilst order book is strong in the first half, there are challenges to keep plant utilization high in the second half amidst the weak construction sector outlook. Construction demand in Dubai is expected to soften post Expo 2020, and cost-cutting plan is in place to right-size the operations. Performance of the division's PBU business in Finland is expected to remain satisfactory.

In the Environmental Services division, the RFO business which is currently being reviewed, continues to face challenging market conditions amidst changing market dynamics and low RFO price. The business has been restructured to lower its operating costs and improve asset utilization. Plant utilization of the division's new organic wastewater treatment facility in Tuas is expected to increase gradually with more new customers being secured.

The COVID-19 outbreak is going to cause disruption to our operations but the extent of any adverse financial impact to the Group is uncertain at this point.

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 FY2019
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 FY2018
Dividend Type	Cash
Dividend amount per share	S\$0.05 per ordinary share
Tax Rate	Exempt – one tier
Date paid	23 May 2019

(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 23 April 2020, the final dividend of S\$0.05 per ordinary share will be paid on or about 20 May 2020 or such other date to be determined by the Directors.

(d) Books closure date

To be announced after the said AGM on or about 23 April 2020.



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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 2019

	Precast & PBU	Environmental Services	Investment Holding and Others	Total for Continuing Operations	Discontinued Operations
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue					
External sales	218,628	33,098	20,624	272,350	48,539
Inter-segment sales	-	-	1,638	1,638	109
Total revenue	218,628	33,098	22,262	273,988	48,648
Elimination	-	-	(1,638)	(1,638)	(109)
	218,628	33,098	20,624	272,350	48,539
(Loss) / profit before taxation	(9,681)	(23,530)	(1,741)	(34,952)	671
Interest income	438	3	4,769	5,210	-
Interest expense	(323)	(652)	(373)	(1,348)	(60)
Depreciation of property, plant & equipment	(6,121)	(6,644)	(1,529)	(14,294)	(315)
Depreciation of right-of-use assets	(971)	(1,453)	(1,133)	(3,557)	-
Amortisation					
- Intangible assets	(699)	(130)	(93)	(922)	(114)
- Deferred income	-	-	170	170	-
Gain / (loss) on disposal and write-off of property, plant and equipment	87	430	(8)	509	(1)
Impairment of property, plant and equipment, net	(5,327)	(15,574)	-	(20,901)	-
Impairment of right-of-use assets, net	(1,811)	(1,642)	-	(3,453)	-
Impairment of intangible assets, net	(122)	-	-	(122)	-
Share of results of associated companies, net of tax					
- SMAG	-	-	(782)	(782)	-
- Others	-	-	618	618	-
Total Assets	214,344	64,500	385,985	664,829	-
Total Liabilities	92,204	47,127	16,324	155,655	-
Investment in associated companies	-	-	47,569	47,569	-
Additions to:					
- Property, plant and equipment	6,128	17,406	1,401	24,935	40
- Right-of-use assets	4,836	1,068	1,460	7,364	-
- Intangible assets	466	43	-	509	69



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Financial year ended 31 December 2018

	Precast & PBU	Environmental Services	Investment Holding and Others	Total for Continuing Operations	Discontinued Operations
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue					
External sales	225,048	36,126	22,125	283,299	93,285
Inter-segment sales	-	52	1,690	1,742	295
Total revenue	225,048	36,178	23,815	285,041	93,580
Elimination	-	(52)	(1,690)	(1,742)	(295)
	225,048	36,126	22,125	283,299	93,285
Profit before taxation	(3,765)	(641)	1,327	(3,079)	453
Interest income	286	139	4,111	4,536	-
Interest expense	(125)	(345)	-	(470)	(221)
Depreciation of property, plant and equipment	(6,297)	(5,142)	(1,693)	(13,132)	(456)
Amortisation					
- Intangible assets	(839)	(137)	(102)	(1,078)	(642)
- Deferred income	-	-	250	250	-
(Loss) / gain on disposal and write-off of property, plant and equipment	(254)	(220)	243	(231)	37
Impairment of property, plant and equipment, net	-	-	(253)	(253)	-
Share of results of associated companies, net of tax					
- SMAG	-	-	(442)	(442)	-
- Others	-	-	449	449	-
Total Assets	217,441	85,564	396,287	699,292	-
Total Liabilities	80,022	44,692	8,252	132,966	-
Investment in associated companies	-	-	51,265	51,265	-
Additions to:					
- Property, plant and equipment	6,019	37,842	1,369	45,230	169
- Intangible assets	1,163	76	5	1,244	79

Geographical Segments

	External sales for continuing operations ⁽¹⁾		Non-current assets for continuing operations ⁽²⁾	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Singapore	86,378	82,764	118,750	113,620
Malaysia	42,596	35,575	27,805	27,099
United Arab Emirates	48,083	52,326	11,400	11,618
Finland & other parts of Europe	91,455	106,134	18,868	17,812
Germany ⁽³⁾	-	-	40,092	44,316
Others	3,838	6,500	4,398	4,123
	272,350	283,299	221,313	218,588

(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, right-of-use assets, 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 2019 S\$'000	FY 2018 S\$'000 (restated)	Change (%)
Sales reported for first half year	155,007	154,513	-
Operating loss after tax before deducting non-controlling interests reported for first half year	(5,706)	(4,170)	37
Sales reported for second half year	117,343	128,786	(9)
Operating loss after tax before deducting non-controlling interests reported for second half year	(31,852)	(241)	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 (2019) S\$'000	Previous Full Year (2018) 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	76	Cousin of Fu Kuo Chen David	Non-Executive Director 2003	None
Fu Kuo Chen David	59	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 2020



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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; avian flu, swine flu, coronaviruses (alpha and beta) (including but not limited to MERS-CoV, SARS-CoV, SARS-CoV-2 and 2019-nCoV) 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.