



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	2017 S\$'000	2016 S\$'000	Change %
<u>Continuing operations</u>				
Sales		356,150	336,968	6
Cost of sales	(2)	(320,587)	(280,294)	14
Gross profit	(2)	35,563	56,674	(37)
Other income	(3)	12,377	11,163	11
Other gains and losses	(4)	2,991	1,695	76
Distribution costs	(5)	(12,778)	(16,074)	(21)
Administrative expenses		(32,679)	(34,047)	(4)
Finance costs	(6)	(820)	(1,634)	(50)
Share of results of associated companies, net of tax	(7)	438	(291)	n/m
Profit before income tax	(1)	5,092	17,486	(71)
Income tax expense	(8)	(853)	(4,054)	(79)
Profit from continuing operations		4,239	13,432	(68)
<u>Discontinued operations</u>				
(Loss)/profit from discontinued operations	(9)	(450)	118,754	n/m
Total profit for the financial period		3,789	132,186	n/m
(Loss)/profit attributable to equity holders of the Company:				
- from continuing operations		4,363	13,885	(69)
- from discontinued operations		(450)	117,470	n/m
		3,913	131,355	(97)
(Loss)/profit attributable to non-controlling interest:				
- from continuing operations		(124)	(453)	(73)
- from discontinued operations		-	1,284	n/m
		(124)	831	n/m
Basic and fully diluted earnings per share (cents)				
- from continuing operations		1.17	3.72	(69)
- from discontinued operations		(0.12)	31.45	n/m

n/m: not meaningful

Notes to the Group's Income Statement

- (1) Profit before taxation from Continuing Operations is arrived at after crediting / (charging) the following items:

	Note	THE GROUP	
		2017 S\$'000	2016 S\$'000
Dividend income		3,008	3,759
Interest income		4,999	4,465
Amortisation of intangible assets	(i)	(916)	(328)
Depreciation of property, plant and equipment and investment properties	(ii)	(12,278)	(11,251)
Allowance for stocks obsolescence		(434)	(311)
Write down of inventories to net realisable value, net	(iii)	(1,599)	(253)
Allowance for impairment of trade receivables, write back of allowance and bad debts (written off), net	(iv)	(866)	(1,364)
Amortisation of deferred income		370	223

- (i) Increase was attributable to amortisation of intangible assets arising from the acquisition of subsidiary CNC Petroleum Pte. Ltd. ("CNC") in August 2016.
 (ii) Increase was due to higher depreciation recorded by Dubai Precast operation.
 (iii) Increase was attributable to write-down of inventories in the Precast and Prefabricated Bathroom Unit ("PBU") division in Singapore, Malaysia and Finland.
 (iv) Decrease was attributable to lower provision for impairment of trade receivables by the Environmental Services division.

- (2) Cost of sales
 Gross profit

The decrease in gross profit was due mainly to lower gross profit margin for Precast operations in Singapore, Malaysia and Dubai as a result of low plant loading and lower selling price.

- (3) Other income

The increase was mainly contributed by higher other income from Singapore Precast operation and increase in interest income.

Notes to the Group's Income Statement (continued)

(4) Other gains and losses

	THE GROUP	
	2017	2016
	S\$'000	S\$'000
Available-for-sale financial assets		
- Gain upon disposal	10	-
Fair value gains / (losses) on derivative financial instruments	7	(7)
Currency exchange losses - net	(1,169)	(724)
Insurance claim	1,049	-
<u>Investment properties</u>		
- Gain on disposal	3,568	-
- Write-back of impairment	-	1,277
<u>Property, plant and equipment</u>		
- (Loss) / gain on disposal and write-off, net	(620)	402
- Write-back of impairment, net	365	719
Bargain purchase on acquisition of a subsidiary	-	364
Others	(219)	(336)
	<u>2,991</u>	<u>1,695</u>

(5) Distribution costs

The decrease was attributable to lower staff costs in the Precast & PBU division.

(6) Finance costs

The decrease in finance costs was attributable to a reduction in borrowings in the Precast & PBU division.

(7) Share of results of associated companies, net of tax

The positive swing in share of results of associated companies was due to slight profit contributed by PEINER SMAG Lifting Technologies GmbH ("PSLT"), of which the Company owns 33.33% non-controlling equity stake, against losses recorded last year.

Notes to the Group's Income Statement (continued)

(8) Income tax expense

	<u>THE GROUP</u>	
	2017	2016
<u>Continuing Operations</u>	S\$'000	S\$'000
Taxation charge for the financial period comprises:		
- Current period taxation	(i) (1,483)	(3,374)
- Over / (under)-provision in respect of prior years	(ii) 630	(680)
	<u>(853)</u>	<u>(4,054)</u>

(i) Tax expenses were lower due to lower profit before tax. The effective tax rate of the Group was higher than the Singapore corporate tax rate due mainly to losses incurred by a subsidiary which could not be set off against the profits earned by other subsidiaries in the Group.

(ii) Over-provision in respect of prior years is mainly from the Singapore Precast division.

(9) (Loss)/profit from discontinued operations

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

	2017	2016
	S\$'000	S\$'000
Sales	-	96,861
Net expenses	-	(76,461)
Share of results of associated companies, net of tax	-	(17)
Profit before tax from discontinued operations	-	20,383
Income tax expense	-	(3,223)
Profit after tax from discontinued operations	-	17,160
Exceptional (loss)/gains on disposal of subsidiaries	(450)	101,594
(Loss)/profit after tax from discontinued operations	<u>(450)</u>	<u>118,754</u>

***Breakdown of (loss)/profit from discontinued operations**

	2017	2016
	S\$'000	S\$'000
Dry Mix operations	-	17,160
Exceptional gain on disposal		
- Lime business	-	8
- Dry Mix business	(450)	101,586
	<u>(450)</u>	<u>118,754</u>

a) The disposal of dry mix business in Singapore, Hong Kong, China and Malaysia was completed on 14 December 2016.

The dry mix division was a separate major line of business of the Group. In accordance with FRS 105, *Non-current Assets Held for Sale and Discontinued Operations*, results of the dry mix business were disclosed as part of discontinued operations in FY2016.



Statement of Comprehensive Income for Financial Year ended 31 December 2017

	THE GROUP	
	2017	2016
	S\$'000	S\$'000
Total profit for the financial period	3,789	132,186
Other comprehensive income:		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Exchange differences on translating foreign operations		
-Gains / (losses) arising during the period	1,303	(247)
Available-for-sale financial assets		
- Losses arising during the period	(488)	(931)
Share of other comprehensive losses of associated companies	(1,239)	(1,306)
Income tax relating to components of other comprehensive income	6	4
Other comprehensive losses for the period, net of tax	(418)	(2,480)
Total comprehensive income for the period, net of tax	3,371	129,706
Total comprehensive income attributable to:		
Equity holders of the Company	3,145	129,104
Non-controlling interests	226	602
	3,371	129,706

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

	THE GROUP		THE COMPANY	
	31.12.17 S\$'000	31.12.16 S\$'000	31.12.17 S\$'000	31.12.16 S\$'000
Equity				
Share capital	193,839	193,839	193,839	193,839
Reserves	391,407	479,959	184,652	269,968
Shareholders' equity	585,246	673,798	378,491	463,807
Non-controlling interests	4,803	4,577	-	-
Total equity	590,049	678,375	378,491	463,807
Current Assets				
Inventories	50,217	36,552	-	-
Receivables and prepayments	114,821	103,391	26,315	15,604
Tax recoverable	1,588	1,236	-	-
Cash and cash equivalents	347,810	461,763	283,904	376,871
	514,436	602,942	310,219	392,475
Investment properties classified as held-for-sale	-	9,493	-	-
Investment in an associated company classified as held-for-sale	44,369	-	-	-
	558,805	612,435	310,219	392,475
Non-Current Assets				
Property, plant and equipment	125,611	123,251	283	166
Investments in subsidiaries	-	-	85,232	85,232
Investments in associated companies	6,520	50,529	-	-
Long term receivables and prepayments	3,945	5,216	32,279	32,425
Available-for-sale financial assets	7,805	8,387	7,476	7,930
Held-to-maturity financial assets	2,551	1,523	2,551	1,523
Intangible assets	11,584	10,351	248	77
Deferred tax assets	3,044	3,044	19	-
Other non-current assets	111	95	-	-
	161,171	202,396	128,088	127,353
Total Assets	719,976	814,831	438,307	519,828
Current Liabilities				
Borrowings	(3,647)	(16,010)	-	-
Trade and other payables	(107,259)	(93,178)	(49,906)	(55,705)
Current income tax liabilities	(496)	(999)	-	(316)
Deferred income	(244)	(423)	-	-
	(111,646)	(110,610)	(49,906)	(56,021)
Non-Current Liabilities				
Provision for retirement benefits	(2,957)	(2,735)	-	-
Deferred tax liabilities	(2,623)	(3,718)	(280)	-
Borrowings	(9,054)	(15,512)	-	-
Deferred income	(668)	(834)	-	-
Other non-current liabilities	(2,979)	(3,047)	(9,630)	-
	(18,281)	(25,846)	(9,910)	-
Total Liabilities	(129,927)	(136,456)	(59,816)	(56,021)
Net Assets	590,049	678,375	378,491	463,807



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Explanatory notes on consolidated statement of financial position

- a) Inventories
The increase was due largely to higher inventories held by the Precast & PBU division. This included a build-up of stocks in Precast Malaysia which was affected by customers slowing down the off-take of finished products.
- b) Cash and cash equivalents
The decrease was due largely to payment of dividends to the Company's shareholders in 2Q-2017.
- c) Investment properties classified as held-for-sale
The decrease was due to the completion of sale of an investment property in Singapore owned by the Group in 1Q-2017.
- d) 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. The transaction is expected to be completed in March. 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, in line with FRS 105, *Non-current Assets Held for Sale and Discontinued Operations*.
- e) Receivables and prepayments
Long term receivables and prepayments
The net increase was attributable to higher sales in the Group's Finland Precast operation and Environmental Services division, and slower collection of trade receivables in Dubai Precast operation.
- f) Held-to-maturity financial assets
The increase was attributable to purchase of S\$ denominated corporate bonds.
- g) Trade and other payables
The increase was due mainly to larger trade payables recorded by the Group's Malaysia Precast operation and Environmental Services division, owing to higher production activities and increased sales volume respectively in 4Q-2017.
- h) Borrowings
Group borrowings reduced by S\$18.8 mil due to repayment of bank borrowings from surplus cash of the Group.
- i) Deferred tax assets
Deferred tax liabilities
Deferred tax assets net of deferred tax liabilities has increased due mainly to the recognition of deferred tax assets on losses incurred by certain subsidiaries during the year.

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 2017		As at 31 December 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,647	-	16,010	-

Amount repayable after one year

As at 31 December 2017		As at 31 December 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
9,054	-	15,512	-

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\$24,661,000 (31 December 2016: S\$31,528,000) charged by way of debentures to banks for overdraft and term loan facilities granted. A net book value of S\$1,514,000 (31 December 2016: S\$4,444,000) of property, plant and equipment are held as collateral as a result of hire purchase arrangement.



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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

	<u>The Group</u>	
	2017	2016
Note	<u>S\$'000</u>	<u>S\$'000</u>
Cash Flows from Operating Activities		
Profit from continuing operations	4,239	13,432
(Loss)/profit from discontinued operations	(450)	118,754
Profit for the financial period	<u>3,789</u>	<u>132,186</u>
<i>Adjustments for:</i>		
Taxation	854	7,277
Amortisation of intangible assets	916	328
Amortisation of deferred income	(370)	(223)
Depreciation of properties, plant and equipment and investment properties	12,278	13,659
Property, plant and equipment written off	660	481
Interest expense	820	1,811
Interest income	(4,999)	(4,536)
Dividend income from available-for-sale financial assets	(3,008)	(3,759)
Write-back of allowance for impairment of property, plant and equipment	(365)	(719)
Write-back of allowance for impairment of an investment property	-	(1,277)
Gain on disposal of property, plant and equipment (net)	(40)	(886)
Insurance compensation	(1,049)	-
Net gain on disposal of available-for-sale financial assets	(10)	-
Bargain purchase on acquisition of a subsidiary	-	(364)
Provision for retirement benefits (net)	590	509
Share of results of associated companies, net of tax	(438)	308
Gain on disposal of investment property	(3,568)	-
Loss/(gain) on disposal of subsidiaries	450	(101,594)
Exchange differences and other adjustments	(2)	417
<i>Operating cash flows before working capital changes</i>	<u>6,508</u>	<u>43,618</u>
<i>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</i>		
Inventories	(13,665)	4,711
Receivables and prepayments	(15,544)	4,206
Deferred income	25	29
Trade and other payables	18,943	(16,786)
<i>Cash (used in) / generated from operations</i>	<u>(3,733)</u>	<u>35,778</u>
Income tax paid	(2,792)	(6,509)
Retirement benefits paid	(166)	(327)
<i>Net cash (used in) / generated from operating activities</i>	<u>(6,691)</u>	<u>28,942</u>
Cash Flows from Investing Activities		
Cash acquired on acquisition of a subsidiary	(1)	-
Proceeds from disposal of property, plant and equipment	389	2,145
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	(2)	802
Net cash inflow from disposal of investment property	12,997	-
Purchases of property, plant and equipment	(16,006)	(26,499)
Purchases of intangible assets	(2,108)	(217)
Purchases of financial assets, held-to-maturity	(1,036)	(1,523)
Interest received	6,108	3,442
Dividends received from available-for-sale financial assets	3,008	3,759
<i>Net cash generated from investing activities</i>	<u>5,307</u>	<u>117,275</u>



	The Group	
	2017	2016
	S\$'000	S\$'000
Cash Flows from Financing Activities		
Proceeds from borrowings	17,969	20,881
Repayment of borrowings	(35,529)	(18,086)
Hire purchases and finance lease liabilities	(1,260)	(1,057)
Interest paid	(826)	(1,899)
Bank deposits pledged	(2,401)	(825)
Dividends paid to shareholders	(93,390)	(18,678)
<i>Net cash used in financing activities</i>	<u>(115,437)</u>	<u>(19,664)</u>
Net (decrease) / increase in cash and cash equivalents	(116,821)	126,553
Cash and cash equivalents at beginning of the period	457,664	331,271
Effects of exchange rate changes on cash and cash equivalents	467	(160)
Cash and cash equivalents at end of the period	<u>341,310</u>	<u>457,664</u>
Cash and cash equivalents at end of the financial year comprise:		
- Cash and bank balances	347,810	461,763
- Less: bank deposits pledged	(6,500)	(4,099)
	<u>341,310</u>	<u>457,664</u>

Notes to the Group's Cash Flow statement

(1) Acquisition of a subsidiary

On 5 August 2016, the Company's subsidiary, NSL OilChem Trading Pte. Ltd. ("NOCT") entered into an agreement with the shareholders of CNC Petroleum Pte. Ltd. ("CNC"). Under the agreement, the shareholders of CNC ("the Vendors") will sell 100% of their equity stake comprising 1,000,000 ordinary shares in exchange for 17.25% equity stake in NOCT, comprising 1,251,184 new shares to be issued by NOCT. The transaction was completed on 17 August 2016.

The consideration is subject to upward adjustment in FY2019 if two material contracts entered by CNC are profitable ("Contingent Consideration"), in accordance with an agreed formula. The contingent consideration shall be satisfied by allotment of additional NOCT shares to the Vendors.

Provisional details of the consideration, assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	<u>S\$'000</u>
<u>Effect on cash flows of the Group</u>	
Consideration for the business	2,649
Less: Non-cash consideration	<u>(2,649)</u>
Consideration settled in cash	-
Add: Cash and cash equivalents acquired	<u>1,570</u>
Cash inflow on acquisition	<u>1,570</u>
<u>Provisional fair value of identifiable assets acquired and liabilities assumed</u>	
	<u>At fair value</u>
Cash and cash equivalents	1,570
Property, plant and equipment	1,738
Intangible assets	1,168
Inventories	138
Receivables and prepayments	<u>6,889</u>
Total assets	<u>11,503</u>
Trade and other payables	(2,774)
Current income tax liabilities	(12)
Deferred tax liabilities	(252)
Borrowings	<u>(5,452)</u>
Total liabilities	<u>(8,490)</u>
Total identifiable net assets	3,013
Less: Bargain purchase on acquisition of a subsidiary	<u>(364)</u>
Consideration for the business	<u>2,649</u>

Notes to the Group's Cash Flow statement (Continued)

(2) Disposal of subsidiaries

	THE GROUP	
	2017	2016
<u>Carrying amounts of assets and liabilities disposed of</u>	S\$'000	S\$'000
Cash and cash equivalents	-	13,964
Trade and other receivables	-	16,638
Other current assets	-	6,311
Property, plant and equipment	-	31,183
Investment in associated company	-	510
		66
Total assets	-	68,672
Trade and other payables	-	(15,861)
Other non-current liabilities	-	(1,326)
Total liabilities	-	(17,187)
Net assets derecognised	-	51,485
Less: Non-controlling interests	-	(6,216)
Net assets disposed of	-	45,269
The aggregate cash inflow arising from the disposal of subsidiaries were:		
Net assets disposed of	-	45,269
- Reclassification of currency translation reserve	-	2,402
- Reclassification of revaluation reserve	-	-
	-	47,671
(Loss)/gain on disposal	(450)	101,594
Total sale consideration, net of transaction costs	(450)	149,265
Less: Investment in associate	-	-
Less: Cash and cash equivalents in subsidiary disposed of	-	(13,964)
Sale consideration received/(receivable), net	4,494	(4,494)
Less: Professional and other fees (paid)/payable, net	(3,242)	3,791
Net cash inflow on disposal of subsidiaries	802	134,598

Analysis of consolidated statement of cash flows

The Group generated a negative operating cash flow of S\$6.7 mil in FY2017 as compared to a positive figure of S\$28.9 mil in FY2016. The decrease was mainly attributable to lower profit for the period and cash outflow from working capital changes.

Net cash inflow in investing activities in FY2017 was S\$5.3 mil compared to net cash inflow of S\$117.3 mil in FY2016 as a result of lower net proceeds from disposal of subsidiaries.

A total of S\$115.4 mil (FY2016: S\$19.7 mil) was used in financing activities in FY2017. The increase compared to the corresponding period last year was due mainly to higher dividends paid and repayment of bank borrowings.

Overall, the Group recorded a net cash outflow of S\$116.8 mil for FY2017 as compared to net cash inflow of S\$126.6 mil in FY2016. Group cash and cash equivalents stood at S\$341.3 mil as of 31 December 2017.



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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	Revaluation Reserve	Capital Reserve	Fair Value Reserve	General Reserves			Total
	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 2017	193,839	493,689	(14,088)	-	(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)
Total comprehensive income / (losses) for the year	-	3,913	(286)	-	-	(482)	-	3,145	226	3,371
Transfer of reserves	-	(647)	-	-	-	-	647	-	-	-
Dividends paid	-	(93,390)	-	-	-	-	-	(93,390)	-	(93,390)
Write-back of long outstanding dividend payables	-	1,693	-	-	-	-	-	1,693	-	1,693
Total transactions with owners, recognised directly in equity	-	(91,697)	-	-	-	-	-	(91,697)	-	(91,697)
Balance as at 31 December 2017	193,839	405,258	(14,374)	-	(1,944)	1,520	947	585,246	4,803	590,049



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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	Revaluation Reserve S\$'000	Capital Reserve S\$'000	Fair Value Reserve S\$'000	General Reserves S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total Equity S\$'000
THE GROUP										
Balance as at 1 January 2016	193,839	378,535	(15,166)	-	-	2,929	300	560,437	11,007	571,444
Profit for the year	-	131,355	-	-	-	-	-	131,355	831	132,186
Other comprehensive losses for the year	-	-	(1,324)	-	-	(927)	-	(2,251)	(229)	(2,480)
Total comprehensive income / (losses) for the year	-	131,355	(1,324)	-	-	(927)	-	129,104	602	129,706
Transfer of reserves	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	(18,678)	-	-	-	-	-	(18,678)	-	(18,678)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	(18,678)	-	-	-	-	-	(18,678)	-	(18,678)
Conversion of preference shares	-	2,477	-	-	-	-	-	2,477	(2,477)	-
Acquisition of a subsidiary	-	-	-	-	(1,944)	-	-	(1,944)	1,661	(283)
Disposal of a subsidiary	-	-	2,402	-	-	-	-	2,402	(6,216)	(3,814)
Balance as at 31 December 2016	193,839	493,689	(14,088)	-	(1,944)	2,002	300	673,798	4,577	678,375

	Share Capital S\$'000	Revenue Reserve S\$'000	Fair Value Reserve S\$'000	Total S\$'000
THE COMPANY				
Balance as at 1 January 2017	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 payables	-	1,693	-	1,693
Balance as at 31 December 2017	193,839	183,405	1,247	378,491
Balance as at 1 January 2016	193,839	265,107	2,608	461,554
Total comprehensive income / (losses) for the period	-	21,837	(906)	20,931
Dividends paid	-	(18,678)	-	(18,678)
Balance as at 31 December 2016	193,839	268,266	1,702	463,807

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 31 December 2016. There were no outstanding options as at 31 December 2017 (31 December 2016: Nil). The Company did not hold any treasury shares and subsidiary holdings as at 31 December 2017 (31 December 2016: 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 2017	31 December 2016
Number of issued shares excluding treasury shares	373,558,237	373,558,237

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 2017 (31 December 2016: 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 2017.

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

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

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial year compared with the audited financial statements for the year ended 31 December 2016.

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>2017</u>	<u>2016</u>
(a) Based on the weighted average number of ordinary shares in issue (cents)		
- from continuing operations	1.17	3.72
- from discontinued operations	(0.12)	31.45
Total (including discontinued operations)	<u>1.05</u>	<u>35.17</u>
(b) On fully diluted basis (cents)		
- from continuing operations	1.17	3.72
- from discontinued operations	(0.12)	31.45
Total (including discontinued operations)	<u>1.05</u>	<u>35.17</u>



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

	THE GROUP		THE COMPANY	
	31.12.17	31.12.16	31.12.17	31.12.16
	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	1.57	1.80	1.01	1.24

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		
	2017 S\$'000	2016 S\$'000	Change %
<u>Continuing Operations</u>			
Group Turnover	356,150	336,968	6
Group Profit Before Tax	5,092	17,486	(71)
Group Profit attributable to equity holders of the Company	4,363	13,885	(69)

Group turnover in FY2017 was S\$356.2 mil, a 6% increase from S\$337.0 mil achieved in FY2016. Within the Group, higher revenue from Environmental Services division offset the decline in revenue from Precast & PBU division.

However, Group profit before tax reduced substantially by 71% to S\$5.1 mil in FY2017 due to weak performance of the Precast & PBU division.

After taking into account income tax and non-controlling interests, the Group reported a profit attributable to equity holders of S\$4.4 mil in FY2017 compared to S\$13.9 mil in FY2016, a decline of 69%.

Turnover

Turnover (S\$'mil)	THE GROUP		
	2017	2016	Change (%)
<u>Continuing Operations</u>			
Precast & PBU	208.5	237.8	(12)
Environmental Services	124.9	75.9	65
Others	22.8	23.3	(2)
	356.2	337.0	6

Precast & Prefabricated Bathroom Unit (“PBU”)

Turnover of the Precast & PBU division in FY2017 was lower by 12%, mainly as a result of sluggish market demand as well as delays of precast projects in Singapore, Malaysia and Dubai. Average selling prices in Singapore remained weak due to intense competition in the light of the contraction in the private sector market. However, revenue from its PBU operation in Finland was higher underpinned by healthy demand for prefabricated bathroom units in Finland and Sweden.

Environmental Services

Environmental Services turnover increased in FY2017, attributable to revenue contributed by its newly acquired subsidiary in the fuel management service business and higher recycled fuel oil (“RFO”) sales.

Attributable profit before tax

Attributable profit before tax (S\$'mil)	THE GROUP		
	2017	2016	Change (%)
<u>Continuing Operations</u>			
Precast & PBU	2.9	25.4	(89)
Environmental Services	(2.4)	(5.1)	(53)
Share of PSLT results	0.1	(0.9)	n/m
Others	4.5	(1.9)	n/m
	5.1	17.5	(71)

n/m: not meaningful

Precast & PBU

The division recorded a lower profit of S\$2.9 mil in FY2017 due to a significant shrinkage in project loading in Singapore, Malaysia and Dubai, compounded by lower selling prices. However, the division’s PBU business in Finland continued to perform satisfactorily, making significant profit contribution to the division.

Environmental Services

The division would have reported a profit but for the fire incident in March 2017 which disrupted its waste treatment business for 9 months. This was due to the improved performance of the division’s restructured RFO business on the back of higher volume and price, profit contribution from its fuel management services business, and reversal of impairment of property, plant and equipment.

Others

For this segment, the higher pre-tax profit was largely due to profit from sale of investment properties which amounted to S\$4.5 mil, as well as decrease in corporate expenses.

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 as a whole is expected to remain challenging. The Singapore and Malaysia Precast operations are being restructured to improve cost-competitiveness in the face of intense competition. Dubai operation has healthy order book subject to risk of project delay. Business outlook for the division's PBU business in Finland is expected to remain favorable. The Finnish operation has recently completed its plant expansion which increases its capacity by approximately 20%.

Business outlook for the Environmental Services division should continue to improve driven by stronger performance of the restructured RFO business and the full resumption of the waste management services, expected by March 2018. The construction of the division's organic wastewater treatment facility in Tuas is progressing on schedule for completion by end of 2018.

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 FY2017
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 FY2016	Special FY2016
Dividend Type	Cash	Cash
Dividend amount per share	S\$0.05 per ordinary share	S\$0.20 per ordinary share
Tax Rate	Exempt – one tier	Exempt – one tier
Date paid	12 May 2017	12 May 2017

(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 24 April 2018, the final dividend of S\$0.05 per ordinary share will be paid on or about 22 May 2018 or such other date to be determined by the Directors.

(d) Books closure date

To be announced after the said AGM on or about 24 April 2018.



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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 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
Revenue					
External sales	208,460	124,913	22,777	356,150	-
Inter-segment sales	2	616	1,632	2,250	-
Total revenue	208,462	125,529	24,409	358,400	-
Elimination	(2)	(616)	(1,632)	(2,250)	-
	208,460	124,913	22,777	356,150	-
Profit before Taxation and Exceptional Items	2,922	(2,449)	4,619	5,092	-
Exceptional items	-	-	-	-	(450)
Profit before taxation	2,922	(2,449)	4,619	5,092	(450)
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	-
Total Assets	232,200	73,992	413,784	719,976	-
Total Liabilities	87,656	32,784	9,487	129,927	-
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	-



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Financial year ended 31 December 2016

	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	237,830	75,865	23,273	336,968	96,861
Inter-segment sales	2,013	1,065	1,848	4,926	51
Total revenue	239,843	76,930	25,121	341,894	96,912
Elimination	(2,013)	(1,065)	(1,848)	(4,926)	(51)
	237,830	75,865	23,273	336,968	96,861
Profit before Taxation and Exceptional Items	25,420	(5,184)	(2,750)	17,486	20,383
Exceptional items	-	-	-	-	101,594
Profit before taxation	25,420	(5,184)	(2,750)	17,486	121,977
Interest income	265	12	4,188	4,465	73
Interest expense	(986)	(549)	(99)	(1,634)	(178)
Depreciation	(4,150)	(4,950)	(2,151)	(11,251)	(2,408)
Amortisation	(196)	(117)	208	(105)	-
Write-back of impairment of investment properties	-	-	1,277	1,277	-
Gain / (loss) on disposal and write-off of property, plant and equipment	860	14	(472)	402	-
Reversal of impairment / (impairment) of property, plant and equipment	5,230	(1,811)	(2,700)	719	-
Share of results of associated companies, net of tax					
- PSLT	-	-	(878)	(878)	-
- Others	-	-	587	587	(17)
Total Assets	227,878	79,932	507,021	814,831	-
Total Liabilities	82,997	36,922	16,537	136,456	-
Investment in associated companies	-	-	50,529	50,529	-
Additions to:					
- Property, plant and equipment	2,772	12,486	1,233	16,491	10,390
- Intangible assets	125	-	92	217	-

Geographical Segments

	External sales for continuing operations ⁽¹⁾		Non-current assets for continuing operations ⁽²⁾	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Singapore	167,060	137,125	81,788	80,139
Malaysia	29,752	36,623	28,781	28,527
United Arab Emirates	51,722	66,813	13,222	15,075
Finland	58,646	50,562	16,342	12,676
Germany ⁽³⁾	-	-	-	44,112
Others	48,970	45,845	3,693	3,696
	<u>356,150</u>	<u>336,968</u>	<u>143,826</u>	<u>184,225</u>

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

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

(3) This relates to our 33.33% interest in associated company PSLT which is incorporated in Germany. The Group's interest in PSLT was reclassified to investment in an associated company classified as held-for-sale as at 31 December 2017.

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

	THE GROUP		
	FY 2017 S\$'000	FY 2016 S\$'000	Change (%)
<u>Continuing Operations</u>			
Sales reported for first half year	169,623	167,832	1
Operating profit after tax before deducting non-controlling interests reported for first half year	3,135	7,696	(59)
Sales reported for second half year	186,527	169,136	10
Operating profit after tax before deducting non-controlling interests reported for second half year	1,104	5,736	(81)



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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 (2017) S\$'000	Previous Full Year (2016) S\$'000
Ordinary	18,678	93,390
Preference	-	-
Total:	18,678	93,390

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	74	Cousin of Fu Kuo Chen David	Non-Executive Director 2003	None
Fu Kuo Chen David	57	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 2018



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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.