



**NSL LTD**

(Reg. no.: 196100107C)

## Third Quarter Financial Statements Announcement

The figures have not been audited

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

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

<b>THE GROUP</b>							
	Notes	Quarter ended 30 September			9 months ended 30 September		
		2015	2014	Change	2015	2014	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(restated)			(restated)		
<b><u>Continuing Operations</u></b>							
Sales		120,866	109,813	10	331,053	323,112	2
Cost of sales		(93,031)	(91,014)	2	(263,992)	(273,344)	(3)
Gross profit		27,835	18,799	48	67,061	49,768	35
Other income		1,584	1,124	41	5,057	3,381	50
Distribution costs		(5,280)	(4,824)	9	(14,822)	(13,739)	8
Administrative expenses		(10,073)	(9,405)	7	(29,663)	(28,482)	4
Other expenses		(914)	(66)	n/m	(1,293)	(521)	148
Finance costs		(373)	(372)	0	(1,071)	(1,165)	(8)
Share of results of associated companies, net of tax		450	(77)	n/m	429	(394)	n/m
Profit before taxation	1	13,229	5,179	155	25,698	8,848	190
Taxation	2	(1,865)	(1,728)	8	(4,278)	(3,656)	17
Profit from continuing operations		11,364	3,451	229	21,420	5,192	313
<b><u>Discontinued Operations</u></b>							
Profit from discontinued operations	3	208	1,395	(85)	40,463	15,903	154
<b>Total profit for the period</b>		<b>11,572</b>	<b>4,846</b>	<b>139</b>	<b>61,883</b>	<b>21,095</b>	<b>193</b>
Profit attributable to equity holders of the Company:							
- from continuing operations		10,986	3,107	254	20,323	4,892	315
- from discontinued operations		220	1,356	(84)	40,397	15,668	158
		11,206	4,463	151	60,720	20,560	195
Profit / (loss) attributable to non-controlling interest:							
- from continuing operations		378	344	10	1,097	300	266
- from discontinued operations		(12)	39	n/m	66	235	(72)
		366	383	n/m	1,163	535	n/m
Earnings per ordinary share attributable to the equity holders of the Company (cents):							
- from continuing operations - basic and fully diluted		2.94	0.83	254	5.44	1.31	315
- from discontinued operations - basic and fully diluted		0.06	0.36	(84)	10.81	4.19	158

n/m: not meaningful

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**Comments on Income Statement**

- a) **Gross Profit**  
Group gross profit increased by 48.0% and 35.0% in third quarter and nine months ended September 2015 (or “3Q-2015” and “9M-2015”) respectively, driven by revenue growth and improved operating margins from both the Precast & Prefabricated Bathroom Unit (“PBU”) and Dry Mix divisions.
- b) **Other Income**  
The increase in other income in 3Q-2015 and 9M-2015 was contributed by higher interest income. For 9M-2015, increase in other income was also contributed by a dividend income of \$0.8 mil from an available-for-sale investment received during the second quarter of 2015.
- c) **Other Expenses**  
The increase in other expenses in 3Q-2015 and 9M-2015 was due mainly to foreign exchange losses arising from the devaluation of RMB and marked-to-market losses from foreign exchange contracts for hedging recorded in 3Q-2015.
- d) **Share of results of associated companies**  
The improvement in share of results of associated companies in 3Q-2015 was due to share of profits of PEINER SMAG Lifting Technologies GmbH (“PSLT”).
- e) **Taxation**  
Tax expenses for 3Q-2015 and 9M-2015 were higher as compared to corresponding periods last year due mainly to higher profit before tax. The effective tax rates of the Group in 3Q-2015 and 9M-2015 were lower than the Singapore corporate tax rate due mainly to the utilisation of tax losses carried forward by the Group’s Singapore precast operation.

**Notes to the Income Statement**

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

	<b>THE GROUP</b>			
	<b>Quarter ended 30 September</b>		<b>9 months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>
	<b>(restated)</b>		<b>(restated)</b>	
Interest income	904	585	2,494	1,909
Amortisation of intangible assets	(49)	(49)	(143)	(134)
Depreciation of property, plant and equipment and investment properties*	(3,580)	(4,007)	(10,759)	(11,920)
Foreign exchange (loss) / gain, net	(433)	171	(445)	2
Fair value loss of derivative financial instruments	(284)	(4)	(279)	(9)
Allowance for inventory obsolescence	(11)	(1,853)	(243)	(2,025)
Write-down of inventories to net realisable value, net	(21)	(458)	(457)	(2,282)
Allowance for impairment of trade receivables and bad debts written off, net	(156)	(392)	(427)	(1,700)
Gain on disposal of property, plant and equipment, net	1	36	10	178
Amortisation of deferred income	46	47	139	139

\*Decrease in depreciation in 3Q-2015 was attributable mainly to certain plant and machinery in Precast & PBU division’s Malaysia operation being fully depreciated during the first quarter of 2015.



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**Note 2 – Taxation from Continuing Operations**

	<u>THE GROUP</u>		<u>THE GROUP</u>	
	Quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
		(restated)		(restated)
Taxation charge for the financial period comprises:				
- current period taxation	1,730	1,563	4,143	3,558
- under-provision in respect of prior years	135	165	135	98
	<u>1,865</u>	<u>1,728</u>	<u>4,278</u>	<u>3,656</u>

**Note 3 – Discontinued Operations and Assets Held for Sale**

- a) On 5 December 2014, the Company and its direct wholly-owned subsidiary, NSL Engineering Holdings Pte. Ltd. (“NSEH”) entered into agreement with Salzgitter Maschinenbau AG (“SMAG”) in relation to the merger of NSE’s RAM container spreader business with SMAG’s grab business as the world’s leading independent lifting device group in both bulk cargo and container handling. Under the agreement, NSEH will inject NSL Engineering Pte Ltd (“NSE”) into SMAG’s wholly-owned subsidiary, PEINER SMAG Lifting Technologies GmbH (“PSLT”) in exchange for 33.33% equity stake in PSLT, the new holding company of NSE Group, with SMAG holding the remaining 66.67% equity stake.

The NSE Group was a separate major line of business and was responsible for trading and management of spreader business. In accordance with FRS 105, *Non-current Assets Held for Sale and Discontinued Operations*, the NSE Group was disclosed as a discontinued operation and the carrying value of assets and liabilities of the NSE Group were classified as held for sale from 4Q-2014 and measured at the lower of carrying amount and fair value less costs to sell prior to their disposal. Comparative operating results for the period ended 30 September 2014 have been restated accordingly.

Following the completion of the merger arrangement on 29 April 2015, the 33.33% non-controlling equity stake in PSLT has been accounted for as an investment in associate as the Group has significant influence over PSLT and the share of financial results of PSLT has been accounted for based on the equity method under FRS 28 *Investments in Associates and Joint Ventures*.

- b)(i) The divestment of lime business in Singapore and Malaysia was completed on 17 February 2015 for a cash consideration of approximately S\$42.9 million. The gain on divestment of lime business in Singapore and Malaysia recognized in 9M-2015 was approximately S\$26.9 million, subject to finalization of the completion account’s adjustments.

Such lime and limestone business was a major line of business in Chemicals segment and was responsible with trading and management of lime and limestone business. In accordance with FRS 105, *Non-current Assets Held for Sale and Discontinued Operations*, the lime and limestone business in Chemicals segment was disclosed as a discontinued operation. Comparative operating results for the financial period ended 30 September 2014 have been restated accordingly.

- b)(ii) During 3Q-2015, the Group disposed of its wholly-owned dormant subsidiary in the People’s Republic of China (“PRC”), Chizhou NSL Minerals Co. Ltd (“CNM”), to a third party for net proceeds of approximately S\$0.4 million. The gain on divestment recognized in 3Q-2015 was about S\$0.3 million. CNM holds quarry assets in the PRC.

- c) In FY2013, the Group, through its wholly-owned subsidiary, NSL Chemicals Ltd (“NSC”), signed a share purchase agreement (the “Agreement”) to dispose of the entire issued and paid-up share capital of NSL Chemicals (Thailand) Pte Ltd (“NSCT”), which holds a 22.83% shareholding in Bangkok Synthetics Co., Ltd (“BST”) to SCG Chemicals Co., Ltd, (“SCG Chemicals”) for an initial cash consideration of S\$311.2 million and Contingent Consideration (as defined below).

In accordance with the Agreement, SCG Chemicals is obliged to pay NSC the insurance compensation (net of tax) received by BST and its subsidiaries during the period between 1 October 2013 and 31 December 2017 (“Insurance Claim Proceeds”), pursuant to insurance claims made in relation to the fire incident on 5 May 2012. SCG Chemicals shall pay NSC an amount equivalent to NSCT’s previous proportionate share of BST (“Contingent Consideration”). Contingent Consideration totaling S\$17.4 million was received and recognized in financial year ended 31 December 2013 upon completion of the disposal. During the first quarter of 2014, NSC recognized an additional Contingent Consideration of approximately S\$10.0 million (net of tax), based on the Group’s share of insurance compensation (net of tax) received by BST and its subsidiaries. The amount constituted the final settlement of the Contingent Consideration under the Agreement.

Gains related to the disposal of NSCT and the share of operating performance of BST was presented separately on the income statement as part of “discontinued operations”.



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**Note 3 – Discontinued Operations and Assets Held for Sale (cont'd)**

d) An analysis of the results of discontinued operations (disposal group held for sale) is as follows:

	<b>THE GROUP</b>			
	<b>Quarter ended 30 September</b>		<b>9 months ended 30 September</b>	
	<b>2015 S\$'000</b>	<b>2014 S\$'000</b>	<b>2015 S\$'000</b>	<b>2014 S\$'000</b>
Sales	32	17,777	10,679	58,132
Net expenses	(88)	(16,244)	(11,211)	(51,498)
(Loss) / profit before taxation	(56)	1,533	(532)	6,634
Taxation	3	(138)	(147)	(688)
(Loss) / profit from discontinued operations before exceptional items	(53)	1,395	(679)	5,946
Exceptional Items:				
- Gain on disposal of subsidiaries	261	-	41,142	9,957
Profit from discontinued operations*	208	1,395	40,463	15,903

**\*Breakdown of Profit from discontinued operations**

	<b>THE GROUP</b>			
	<b>Quarter ended 30 September</b>		<b>9 months ended 30 September</b>	
	<b>2015 S\$'000</b>	<b>2014 S\$'000</b>	<b>2015 S\$'000</b>	<b>2014 S\$'000</b>
Engineering operations	-	1,115	(1,066)	4,679
Lime and limestones operations	(53)	280	387	1,267
Exceptional gain on disposal of lime business	261	-	27,185	-
Exceptional gain on disposal of NSCT	-	-	-	9,957
Exceptional gain on disposal of NSE group	-	-	13,957	-
	208	1,395	40,463	15,903

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**Note 3 – Discontinued Operations and Assets Held for Sale (cont'd)**

e) The details of assets and liabilities of the disposal group classified as held for sale for the Group are as follows:

	<b>THE GROUP</b>	
	<b>30.09.15</b>	<b>31.12.14</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>		
Inventories	17	20,368
Cash and bank balances	55	10,424
Receivables and prepayments	2,138	16,963
Property, plant and equipment	2,207	26,401
Intangible assets	157	423
Deferred tax assets	-	571
Associated company	-	1
Other non-current assets	-	18
Total assets	<u>4,574</u>	<u>75,169</u>
<b>Liabilities</b>		
Short term borrowings	-	1,887
Trade and other payables	490	14,775
Provision for other liabilities and charges	-	2,454
Other current liabilities	-	30
Long term borrowings	-	309
Deferred tax liabilities	503	1,395
Total liabilities	<u>993</u>	<u>20,850</u>



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**Statement of Comprehensive Income for Third Quarter ended 30 September 2015**

	<b>THE GROUP</b>			
	Quarter ended 30 September		9 months ended 30 September	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Total profit for the period</b>	11,572	4,846	61,883	21,095
<b>Other comprehensive income:</b>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Exchange differences on translating foreign operations				
- Gains / (losses) arising during the period	37	494	(3,586)	(357)
Available-for-sale financial assets				
- Gains / (losses) arising during the period	261	(52)	304	558
Income tax relating to components of other comprehensive income	(1)	28	10	31
Other comprehensive income / (losses) for the year, net of tax	297	470	(3,272)	232
<b>Total comprehensive income for the period</b>	<b>11,869</b>	<b>5,316</b>	<b>58,611</b>	<b>21,327</b>
Total comprehensive income attributable to:				
Equity holders of the Company	11,607	4,949	57,691	20,790
Non-controlling interests	262	367	920	537
	<b>11,869</b>	<b>5,316</b>	<b>58,611</b>	<b>21,327</b>



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

	THE GROUP		THE COMPANY	
	30.09.15 S\$'000	31.12.14 S\$'000	30.09.15 S\$'000	31.12.14 S\$'000
Share capital	193,839	193,839	193,839	193,839
Reserves	361,689	332,811	216,570	225,785
Shareholders' equity	555,528	526,650	410,409	419,624
Non-controlling interests	10,939	13,817	-	-
Total equity	566,467	540,467	410,409	419,624
<b>Current Assets</b>				
Inventories	51,701	59,121	-	-
Receivables and prepayments	146,883	132,665	39,796	35,268
Tax recoverable	779	1,127	-	-
Cash and bank balances	310,702	288,429	219,488	190,626
Other current assets	65	-	-	-
	510,130	481,342	259,284	225,894
Disposal group assets classified as held-for-sale (Note 3)	4,574	75,169	-	-
	514,704	556,511	259,284	225,894
<b>Non-Current Assets</b>				
Property, plant and equipment	143,918	138,943	186	256
Investment properties	8,519	8,648	-	-
Subsidiaries	-	-	85,232	85,232
Associated companies	53,558	6,107	-	-
Long term receivables and prepayments	1,740	1,328	118,441	118,652
Available-for-sale financial assets	9,186	8,882	8,681	8,317
Intangible assets	9,343	9,439	-	-
Deferred tax assets	3,152	3,347	-	-
Other non-current assets	139	99	-	-
	229,555	176,793	212,540	212,457
<b>Total Assets</b>	<b>744,259</b>	<b>733,304</b>	<b>471,824</b>	<b>438,351</b>
<b>Current Liabilities</b>				
Borrowings	(19,022)	(19,695)	-	-
Trade and other payables	(132,075)	(129,862)	(61,415)	(18,657)
Taxation	(3,557)	(3,157)	-	(33)
Deferred income	(281)	(337)	-	-
	(154,935)	(153,051)	(61,415)	(18,690)
Liabilities directly associated with disposal group classified as held-for-sale (Note 3)	(993)	(20,850)	-	-
	(155,928)	(173,901)	(61,415)	(18,690)
<b>Non-Current Liabilities</b>				
Provision for retirement benefits	(2,392)	(1,994)	-	-
Deferred tax liabilities	(3,946)	(3,840)	-	(37)
Borrowings	(14,136)	(11,728)	-	-
Deferred income	(1,390)	(1,374)	-	-
	(21,864)	(18,936)	-	(37)
<b>Total Liabilities</b>	<b>(177,792)</b>	<b>(192,837)</b>	<b>(61,415)</b>	<b>(18,727)</b>
<b>Net Assets</b>	<b>566,467</b>	<b>540,467</b>	<b>410,409</b>	<b>419,624</b>



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**Explanatory notes on consolidated balance sheet**

- a) Inventories  
The decrease in inventories was due mainly to delivery of completed precast components for the operation in Malaysia under the Precast & PBU division.
- b) Receivables and Prepayments  
The increase in receivables and prepayments was due mainly to higher trade receivables from increased project volume of the Precast & PBU division.
- c) Investment in Associated Companies  
The increase in investment in associated companies was due to the Group's 33.33% interest in PSLT following the merger of the Group's container spreader business with Salzgitter Maschinenbau AG's grab business on 29 April 2015.
- d) Disposal group assets classified as held-for-sale  
Liabilities directly associated with disposal group classified as held-for-sale  
The reductions were due to the completion of the disposal of the Group's Lime and Engineering businesses on 17 February 2015 and 29 April 2015 respectively.

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

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

As at 30 September 2015		As at 31 December 2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
17,011	2,011	18,957*	738*

**Amount repayable after one year**

As at 30 September 2015		As at 31 December 2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
12,679	1,457	11,728*	-

\* Amounts as at 31 December 2014 do not include secured borrowings of S\$901,000 and unsecured borrowings of S\$986,000 repayable in one year or less, or on demand, and secured borrowings of S\$309,000 repayable after one year, which have been classified as "liabilities directly associated with disposal group classified as held-for-sale".

**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\$30,959,000 (31 December 2014: S\$32,511,000) charged by way of debentures to banks for overdraft and term loan facilities granted.





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

	<b>The Group</b>			
	<b>Quarter ended</b>		<b>9 months ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash Flows from Operating Activities</b>				
Profit from continuing operations	11,364	3,451	21,420	5,192
Profit from discontinued operations	208	1,395	40,463	15,903
Profit for the financial year	<u>11,572</u>	<u>4,846</u>	<u>61,883</u>	<u>21,095</u>
<i>Adjustments for:</i>				
Taxation	1,862	1,866	4,425	4,344
Amortisation of intangible assets	49	117	199	303
Amortisation of deferred income	(46)	(47)	(139)	(139)
Depreciation of properties, plant and equipment and investment properties	3,634	4,834	11,604	14,462
Property, plant and equipment written off	29	29	29	135
Interest expense	373	414	1,106	1,302
Interest income	(904)	(607)	(2,498)	(1,979)
Dividend income from available-for-sale financial assets	-	-	(758)	-
Gain on disposal of property, plant and equipment (net)	-	(36)	-	(182)
Net gain on disposal of available-for-sale financial assets	-	(218)	-	(223)
Provision for retirement benefits (net)	108	99	399	303
Share of results of associated companies, net of tax	(450)	77	(429)	394
Exceptional items	(261)	-	(41,142)	(9,957)
Exchange differences and other adjustments	714	(91)	1,047	(1)
<i>Operating cash flows before working capital changes</i>	<u>16,680</u>	<u>11,283</u>	<u>35,726</u>	<u>29,857</u>
<i>Changes in working capital, net of effects from disposal of a subsidiary company:</i>				
Inventories	(2,760)	1,178	5,991	2,941
Receivables and prepayments	(14,939)	(562)	(15,916)	(9,460)
Deferred income	-	38	116	51
Trade and other payables	<u>13,308</u>	<u>7,526</u>	<u>2,418</u>	<u>17,264</u>
<i>Cash generated from operations</i>	<u>12,289</u>	<u>19,463</u>	<u>28,335</u>	<u>40,653</u>
Income tax paid	(1,036)	(1,132)	(3,775)	(3,867)
Retirement benefits paid	(33)	(35)	(106)	(112)
<i>Net cash generated from operating activities</i>	<u>11,220</u>	<u>18,296</u>	<u>24,454</u>	<u>36,674</u>
<b>Cash Flows from Investing Activities</b>				
Proceeds from disposal of property, plant and equipment	1,025	581	1,162	878
Proceeds from disposal of available-for-sale financial assets and other assets	-	218	-	223
Net cash inflow from disposal of subsidiary companies	482	-	34,178	10,170
Purchases of property, plant and equipment	(14,256)	(6,547)	(21,643)	(15,972)
Purchases of intangible assets	(7)	(100)	(113)	(582)
Interest received	1,088	131	2,301	1,528
Dividends received from available-for-sale financial assets	-	-	758	-
Proceeds from repayment of loan from an associated company	-	-	-	370
<i>Net cash (used in) / generated from investing activities</i>	<u>(11,668)</u>	<u>(5,717)</u>	<u>16,643</u>	<u>(3,385)</u>



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	<b>The Group</b>			
	<b>Quarter ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from borrowings	11,776	6,929	20,889	20,274
Repayment of borrowings	(8,121)	(8,782)	(15,820)	(26,031)
Finance leases and hire purchases	(117)	(222)	(282)	(816)
Interest paid	(381)	(414)	(1,248)	(1,304)
Bank deposits pledged	2,022	-	1,991	-
Dividends paid to shareholders	-	-	(29,885)	(186,779)
Dividends paid to non-controlling interests	-	-	(739)	(525)
<i>Net cash used in financing activities</i>	<b>5,179</b>	<b>(2,489)</b>	<b>(25,094)</b>	<b>(195,181)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4,731</b>	<b>10,090</b>	<b>16,003</b>	<b>(161,892)</b>
Cash and cash equivalents at beginning of the period	305,203	283,492	295,038	455,666
Effects of exchange rate changes on cash and cash equivalents	(89)	(231)	(1,196)	(423)
<b>Cash and cash equivalents at end of the period</b>	<b>309,845</b>	<b>293,351</b>	<b>309,845</b>	<b>293,351</b>
Cash and cash equivalents at end of the period comprise:				
- Cash and bank balances	310,702	293,802	310,702	293,802
- Cash classified as disposal group asset held for sale	55	3,889	55	3,889
- Less: bank deposits pledged	(912)	(2,355)	(912)	(2,355)
- Less: bank overdrafts	-	(1,985)	-	(1,985)
	<b>309,845</b>	<b>293,351</b>	<b>309,845</b>	<b>293,351</b>

**Disposal of subsidiaries**

	<b>THE GROUP</b>			
	<b>Quarter ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Carrying amounts of assets and liabilities disposed of</u></b>				
Cash and cash equivalents	2	-	8,237	-
Trade and other receivables	432	-	16,603	-
Other current asset	-	-	22,285	-
Property, plant and equipment	123	-	23,188	-
Other non-current assets	-	-	770	-
<b>Total assets</b>	<b>557</b>	<b>-</b>	<b>71,083</b>	<b>-</b>
Trade and other payables	(355)	-	(21,357)	-
Deferred income tax liabilities	-	-	(794)	-
Other non-current liabilities	-	-	(7)	-
<b>Total liabilities</b>	<b>(355)</b>	<b>-</b>	<b>(22,158)</b>	<b>-</b>
Net assets derecognised	202	-	48,925	-
Less: Non-controlling interests	-	-	(3,059)	-
<b>Net assets disposed of</b>	<b>202</b>	<b>-</b>	<b>45,866</b>	<b>-</b>

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

Net assets disposed of	202	-	45,866	-
- Reclassification of currency translation reserve	(23)	-	1,292	-
- Reclassification of revaluation reserve	-	-	(220)	-
	179	-	46,938	-
Gain on disposal	261	-	41,142	9,957
Total sale consideration, net of transaction costs	440	-	88,080	9,957
Less: Investment in associate	-	-	(45,338)	-
Less: Cash and cash equivalents in subsidiary disposed of	(2)	-	(8,237)	-
(Less) / Add: Sale consideration (receivable) / received, net	-	-	(486)	213
Add: Professional fees payable, net	44	-	159	-
<b>Net cash inflow on disposal of subsidiaries</b>	<b>482</b>	<b>-</b>	<b>34,178</b>	<b>10,170</b>



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

#### **3Q-2015**

The Group generated a positive operating cash flow of S\$11.2 mil in 3Q-2015 as compared to cash inflow of S\$18.3 mil in the corresponding period last year. The lower operating cash flow was due to higher cash outflow from working capital changes from continuing operations.

Net cash outflow from investing activities in 3Q-2015 was S\$11.7 mil, mainly from increase in purchases of property, plant and equipment.

The Group recorded a cash inflow of S\$5.2 mil from financing activities in 3Q-2015 from the drawdown of additional bank loans, mainly to finance additional capital expenditure incurred by the Environmental Services division.

Overall, the Group recorded a lower net cash inflow of S\$4.7 mil in 3Q-2015 as compared to S\$10.1 mil in the same period last year due largely to higher cash outflow from working capital changes. Group cash and cash equivalent stood at S\$309.8 mil as of 30 September 2015.

#### **9M-2015**

The Group generated S\$24.5 mil of operating cash flow in 9M-2015 as compared to cash inflow of S\$36.7 mil in 9M-2014. The lower operating cash flow was mainly attributable to higher cash outflow from working capital changes in 9M-2015 as compared to 9M-2014.

Net cash inflow generated from investing activities in 9M-2015 was S\$16.6 mil mainly from the cash inflow from disposal of the lime business.

A total of S\$25.1 mil (9M-2014: S\$195.2 mil) was used in financing activities in 9M-2015, mainly for the payment of FY2014 final and FY2015 interim dividends to shareholders.

Overall, the Group recorded a net cash inflow of S\$16.0 mil for 9 months ended 30 September 2015 as compared to cash outflow of S\$161.9 mil in the same period last year, owing mainly to higher dividend payment of S\$186.8 mil in 9M-2014.



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

	Attributable to owners of the Company						Non-controlling interests	Total Equity	
	Share Capital	Revenue Reserve	Translation Reserve	Revaluation Reserve	Fair Value Reserve	Other Reserves			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>THE GROUP</b>									
<b>Balance as at 1 January 2015</b>	193,839	341,486	(11,853)	220	2,479	479	526,650	13,817	540,467
Profit for the period	-	49,514	-	-	-	-	49,514	797	50,311
Other comprehensive (losses) / income for the period	-	-	(3,484)	-	54	-	(3,430)	(139)	(3,569)
<b>Total comprehensive income / (losses) for the period</b>	-	49,514	(3,484)	-	54	-	46,084	658	46,742
Transfer of reserves	-	179	-	-	-	(179)	-	-	-
Dividends paid	-	(29,885)	-	-	-	-	(29,885)	-	(29,885)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(739)	(739)
<b>Total transactions with owners, recognised directly in equity</b>	-	(29,885)	-	-	-	-	(29,885)	(739)	(30,624)
Disposal of subsidiaries	-	-	1,315	(220)	-	-	1,095	(3,059)	(1,964)
<b>Balance as at 30 June 2015</b>	193,839	361,294	(14,022)	-	2,533	300	543,944	10,677	554,621
Profit for the period	-	11,206	-	-	-	-	11,206	366	11,572
Other comprehensive income / (losses) for the period	-	-	141	-	260	-	401	(104)	297
<b>Total comprehensive income for the period</b>	-	11,206	141	-	260	-	11,607	262	11,869
Disposal of subsidiaries	-	-	(23)	-	-	-	(23)	-	(23)
<b>Balance as at 30 September 2015</b>	193,839	372,500	(13,904)	-	2,793	300	555,528	10,939	566,467



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	Attributable to owners of the Company						Non-controlling interests	Total Equity	
	Share Capital	Revenue Reserve	Translation Reserve	Revaluation Reserve	Fair Value Reserve	Other Reserves			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>THE GROUP</b>									
<b>Balance as at 1 January 2014</b>	193,839	501,658	(11,191)	1,946	3,024	434	689,710	12,932	702,642
Profit for the period	-	16,097	-	-	-	-	16,097	152	16,249
Other comprehensive (losses) / income for the period	-	-	(869)	-	613	-	(256)	18	(238)
<b>Total comprehensive income / (losses) for the period</b>	-	16,097	(869)	-	613	-	15,841	170	16,011
<b>Transfer of reserves</b>	-	-	-	-	-	-	-	-	-
Dividends paid	-	(186,779)	-	-	-	-	(186,779)	-	(186,779)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(525)	(525)
Total transactions with owners, recognised directly in equity	-	(186,779)	-	-	-	-	(186,779)	(525)	(187,304)
<b>Balance as at 30 June 2014</b>	193,839	330,976	(12,060)	1,946	3,637	434	518,772	12,577	531,349
Profit for the period	-	4,463	-	-	-	-	4,463	383	4,846
Other comprehensive income / (losses) for the period	-	-	510	-	(24)	-	486	(16)	470
<b>Total comprehensive income / (losses) for the period</b>	-	4,463	510	-	(24)	-	4,949	367	5,316
<b>Balance as at 30 September 2014</b>	193,839	335,439	(11,550)	1,946	3,613	434	523,721	12,944	536,665

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	<b>Share Capital S\$'000</b>	<b>Revenue Reserve S\$'000</b>	<b>Fair Value Reserve S\$'000</b>	<b>Total S\$'000</b>
<b>THE COMPANY</b>				
<b>Balance as at 1 January 2015</b>	193,839	223,696	2,089	419,624
Total comprehensive income for the period	-	20,078	107	20,185
Dividends paid	-	(29,885)	-	(29,885)
<b>Balance as at 30 June 2015</b>	193,839	213,889	2,196	409,924
Total comprehensive income for the period	-	228	257	485
<b>Balance as at 30 September 2015</b>	193,839	214,117	2,453	410,409
<b>Balance as at 1 January 2014</b>	193,839	373,646	2,656	570,141
Total comprehensive income for the period	-	4,081	619	4,700
Dividends paid	-	(186,779)	-	(186,779)
<b>Balance as at 30 June 2014</b>	193,839	190,948	3,275	388,062
Total comprehensive income for the period	-	2,871	(75)	2,796
<b>Balance as at 30 September 2014</b>	193,839	193,819	3,200	390,858

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

There have been no changes to the issued share capital of the Company since 30 June 2015.  
There were no outstanding options as at 30 September 2015 (30 September 2014: Nil).  
The Company did not hold any treasury shares as at 30 September 2015 (30 September 2014: 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:-**

	<b>30 September 2015</b>	<b>31 December 2014</b>
Number of issued shares excluding treasury shares	373,558,237	373,558,237

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

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2015 (31 December 2014: Nil).

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

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



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

Not applicable.

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

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements, except for those disclosed under paragraph 5.

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

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with the audited financial statements for the year ended 31 December 2014.

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2015.

FRS 103 - Business Combinations (effective for annual periods beginning on or after 1 July 2014).

The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in FRS 32 Financial instruments: Presentation. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. The standard is also amended to clarify that FRS 103 does not apply to the accounting for the formation of any joint arrangement under FRS 111. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself. The Group will apply this amendment for business combinations taking place on/after 1 January 2015.

FRS 108 - Operating Segments (effective for annual periods beginning on or after 1 July 2014)

The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

The adoption of the above revised FRS did not have significant impact on the financial statements of the Group for the current financial period.



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

THE GROUP (Aggregate)	Quarter ended 30 September		9 months ended 30 September	
	2015	2014	2015	2014
(a) Based on the weighted average number of ordinary shares in issue (cents)				
- Excluding exceptional items	2.93	1.19	5.24	2.84
- Including exceptional items	3.00	1.19	16.25	5.50
(b) On fully diluted basis (cents)				
- Excluding exceptional items	2.93	1.19	5.24	2.84
- Including exceptional items	3.00	1.19	16.25	5.50

The Group's earnings per share from continuing and discontinued operations are disclosed separately in the consolidated income statement on Page 1.

**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	
	30.09.15	31.12.14	30.09.15	31.12.14
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	1.49	1.41	1.10	1.12

The Company does not have any treasury shares.



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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. 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					
	Quarter ended 30 September			9 months ended 30 September		
	2015	2014	Change	2015	2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b><u>Continuing Operations</u></b>						
	<b>(restated)</b>			<b>(restated)</b>		
Group Turnover	120,866	109,813	10	331,053	323,112	2
Group Profit Before Tax	13,229	5,179	155	25,698	8,848	190
Group Profit attributable to equity holders of the Company	10,986	3,107	254	20,323	4,892	315

n/m: not meaningful

**3Q-2015 vs 3Q-2014**

Group turnover in the third quarter of 2015 ("3Q-2015") was S\$120.9 mil, 10% higher than S\$109.8 mil achieved in the previous corresponding period ended September 2014 ("3Q-2014"). Sales revenue of the Dry Mix and Precast & PBU divisions increased during the period, whereas turnover of the Environmental Services division declined.

The Group recorded an increase in profit before tax of S\$5.2 mil to S\$13.2 mil, driven by improved contributions from Precast & PBU and Dry Mix divisions on the back of higher revenue and improved operating margins. However, weak product prices and low sales volume for Recycled Fuel Oil ("RFO") adversely impacted the performance of the Environmental Services division.

After taking into account income tax, the Group reported a profit attributable to equity holders of S\$11.0 mil in 3Q-2015 compared to S\$3.1 mil in 3Q-2014.

**9M-2015 vs 9M-2014**

Group turnover in nine months of 2015 ("9M-2015") was comparable to the previous corresponding period ended September 2014 ("9M-2014"). This was attributable mainly to higher revenue recorded by the Dry Mix division and Precast & PBU divisions. Revenue from the Environmental Services division declined during the period.

The Group's profit before tax improved to S\$25.7 mil in 9M-2015 due to higher contributions from Precast & PBU and Dry Mix divisions. However, Environmental Services division reported lower pre-tax profit due to weak product prices and lower sales volume for RFO.

After taking into account income tax, the Group reported a profit attributable to equity holders of S\$20.3 mil in 9M-2015 compared to S\$4.9 mil in 9M-2014.



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### Turnover

Turnover (S\$'mil)	THE GROUP					
	Quarter ended 30 September			9 months ended 30 September		
	2015	2014 (restated)	Change (%)	2015	2014 (restated)	Change (%)
<b>Continuing Operations</b>						
Precast & PBU	70.0	58.1	20	179.0	167.1	7
Dry Mix	28.1	21.7	29	81.3	65.1	25
Environmental Services	17.3	23.8	(27)	52.2	69.4	(25)
Others	5.5	6.2	(11)	18.6	21.5	(13)
	120.9	109.8	10	331.1	323.1	2

Turnover of the Precast & PBU division in 3Q-2015 and 9M-2015 was 20% and 7% higher than the corresponding period respectively, driven by higher revenue of the Singapore operations.

Sales of the Dry Mix division increased by 29% and 25% in 3Q-2015 and 9M-2015 respectively on the back of improved turnover from its operations across the region.

Environmental Services division's turnover declined by 27% and 25% in 3Q-2015 and 9M-2015 respectively, due to a drop in average selling prices and sales volume for RFO. The revenue decline was also attributed to lower sales of Automotive Diesel Oil (ADO) on the back of lower average selling price and despite reporting healthy year-on-year volume growth.

### Attributable profit / (loss) before tax

Attributable profit / (loss) before tax (S\$'mil)	THE GROUP					
	Quarter ended 30 September			9 months ended 30 September		
	2015	2014 (restated)	Change (%)	2015	2014 (restated)	Change (%)
<b>Continuing Operations</b>						
Precast & PBU	7.8	1.1	609	11.6	(3.9)	n/m
Dry Mix	6.8	3.2	113	16.7	9.8	70
Environmental Services	(0.5)	2.4	n/m	0.6	6.8	(91)
Share of PSLT results	0.7	-	n/m	0.9	-	n/m
Others (including unallocated corporate expenses)	(1.6)	(1.5)	7	(4.1)	(3.9)	5
	13.2	5.2	154	25.7	8.8	192

n/m: not meaningful

#### **Precast & PBU**

Pre-tax profit of the division improved to S\$7.8 mil and S\$11.6 mil in 3Q-2015 and 9M-2015 respectively, due primarily to higher pre-tax performances from the operations in Singapore and Dubai. Smooth execution of a key precast project in Singapore and higher selling price in Dubai contributed to the improved performance. Operating performance of Malaysia improved during 3Q-2015 compared to the corresponding period last year, when it was adversely affected by cost overruns from a major project.

#### **Dry Mix**

Pre-tax profit improved by 113% and 70% in 3Q-2015 and 9M-2015 respectively on the back of higher revenue from its operations across the region. Greater market penetration for its higher value added products plus positive market conditions were key revenue drivers. Pre-tax performance was also lifted by improved operating margins on the back of better product mix and reduction in unit production cost from higher production volume and cost savings.

#### **Environmental Services**

This division recorded a pre-tax loss of S\$0.5 mil and profit of S\$0.6 mil in 3Q-2015 and 9M-2015 respectively. The significant decline in profitability compared to their corresponding periods was due to depressed average selling prices for RFO and ADO and low sales volume for RFO against a prolonged decline in oil prices this year.



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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 Dubai is underpinned by a healthy order book while that of the Malaysian operation will continue to be challenging. However, risks associated with project delays and execution cannot be ruled out in the industry in which it operates. In the PBU business, Parmarine is expected to continue to contribute positively to the division's overall results.

Demand for Dry Mix products across the region is expected to remain satisfactory supported by firm demand. The Division would continue to broaden its product offerings in its key markets.

In the Environmental Services division, prolonged weaknesses in oil price and demand will continue to adversely impact the RFO business. The distribution business and waste management services are expected to remain subdued.

The order book for PSLT remains satisfactory.

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended for the three months ended 30 September 2015.



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**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.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable.

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

**16. A breakdown of sales**

Not applicable.

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

Not applicable.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

Not applicable.

**CONFIRMATION BY THE BOARD**

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results for the nine months ended 30 September 2015 to be false or misleading.

**BY ORDER OF THE BOARD**

LIM Su-Ling  
Company Secretary  
12 November 2015



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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.