



NAM LEE PRESSED METAL INDUSTRIES LIMITED

(Company Registration No. 1975-00362-M)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 MARCH 2024

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NAM LEE PRESSED METAL INDUSTRIES LIMITED

(Company Registration No. 1975-00362-M)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Group		
	6 Months Ended		
	31-Mar-24	31-Mar-23	Change
	S\$'000	S\$'000	%
Revenue	78,461	72,378	8.4%
Cost of sales	(66,554)	(66,565)	(0.0%)
Gross profit	11,907	5,813	104.8%
Selling and distribution expenses	(1,094)	(1,104)	(0.9%)
Administrative expenses	(4,986)	(4,199)	18.7%
Other operating expenses	(1,533)	(2,719)	(43.6%)
Operating profit / (loss)	4,294	(2,209)	NM
Interest income	7	3	133.3%
Finance costs	(999)	(1,143)	(12.6%)
Other income	477	885	(46.1%)
Profit / (Loss) before tax	3,779	(2,464)	NM
Income tax (expenses) / credit	(1,205)	131	NM
Profit / (Loss) for the period	2,574	(2,333)	NM
Attributable to:			
Owners of the Company	2,574	(2,333)	NM
	2,574	(2,333)	NM

CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Profit / (Loss) for the period	2,574	(2,333)	NM
Other comprehensive income:			
Foreign currency translation	(1,007)	(1,214)	(17.1%)
Other comprehensive loss for the period, net of tax	(1,007)	(1,214)	(17.1%)
Total comprehensive income / (loss) for the period	1,567	(3,547)	NM
Attributable to:			
Owners of the Company	1,567	(3,547)	NM
	1,567	(3,547)	NM

NM: Not meaningful

NAM LEE PRESSED METAL INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31-Mar-24	30-Sep-23	31-Mar-24	30-Sep-23
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	60,631	60,543	29,596	28,028
Right-of-use assets	9,024	9,248	8,921	9,199
Investment in subsidiaries	-	-	31,749	31,763
Deferred tax assets	809	866	-	-
Total non-current assets	70,464	70,657	70,266	68,990
Current assets				
Inventories	65,231	62,602	8,486	4,319
Trade receivables	39,459	34,227	25,571	13,903
Contract assets	13,056	13,774	-	-
Other receivables and deposits	1,801	1,780	226	94
Prepayments	1,170	1,675	152	143
Amounts due from subsidiaries (non-trade)	-	-	55,126	56,817
Derivatives	178	216	178	216
Tax recoverable	743	1,091	-	-
Cash and fixed deposits	23,740	27,659	13,106	15,399
Total current assets	145,378	143,024	102,845	90,891
Total assets	215,842	213,681	173,111	159,881
Current Liabilities				
Trade payables	4,082	6,648	23,298	17,549
Other payables and accruals	14,239	19,757	6,524	5,619
Provision for warranty	730	932	-	-
Loans and borrowings	29,101	18,300	20,476	9,472
Lease liabilities	481	468	372	353
Income tax payables	947	459	-	-
Total current liabilities	49,580	46,564	50,670	32,993
Non-current liabilities				
Loans and borrowings	1,463	2,973	1,463	2,973
Lease liabilities	9,887	10,061	9,786	9,978
Deferred tax liabilities	1,370	1,503	350	390
Total non-current liabilities	12,720	14,537	11,599	13,341
Total liabilities	62,300	61,101	62,269	46,334
Net assets	153,542	152,580	110,842	113,547
Equity attributable to owners of the Company				
Share capital	57,582	57,582	57,582	57,582
Treasury shares	(532)	(532)	(532)	(532)
Retained earnings	111,191	109,222	53,792	56,497
Capital reserve	104	104	-	-
Foreign currency translation reserve	(14,803)	(13,796)	-	-
Total equity	153,542	152,580	110,842	113,547

NAM LEE PRESSED METAL INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Retained earnings	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group							
Balance as at 1 October 2023	57,582	(532)	109,222	104	(13,796)	-	152,580
Profit for the period	-	-	2,574	-	-	-	2,574
<u>Other comprehensive income:</u>							
Foreign currency translation	-	-	-	-	(1,007)	-	(1,007)
Total comprehensive income for the period, net of tax	-	-	2,574	-	(1,007)	-	1,567
<u>Contribution by and distribution to owners:</u>							
Dividends on ordinary shares	-	-	(605)	-	-	-	(605)
Balance as at 31 March 2024	57,582	(532)	111,191	104	(14,803)	-	153,542
Balance as at 1 October 2022	57,582	(532)	115,071	104	(11,022)	(4)	161,199
Loss for the period	-	-	(2,333)	-	-	-	(2,333)
<u>Other comprehensive income:</u>							
Reclassification of fair value reserve	-	-	(4)	-	-	4	-
Foreign currency translation	-	-	-	-	(1,214)	-	(1,214)
Total comprehensive loss for the period, net of tax	-	-	(2,337)	-	(1,214)	4	(3,547)
<u>Contribution by and distribution to owners:</u>							
Dividends on ordinary shares	-	-	(4,841)	-	-	-	(4,841)
Balance as at 31 March 2023	57,582	(532)	107,893	104	(12,236)	-	152,811

NAM LEE PRESSED METAL INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (cont'd)

	Share capital	Treasury shares	Retained earnings	Fair value adjustment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company					
Balance as at 1 October 2023	57,582	(532)	56,497	-	113,547
Loss for the period, representing total comprehensive loss for the period, net of tax	-	-	(2,100)	-	(2,100)
<u>Contribution by and distribution to owners:</u>					
Dividends on ordinary shares	-	-	(605)	-	(605)
Balance as at 31 March 2024	57,582	(532)	53,792	-	110,842
Balance as at 1 October 2022	57,582	(532)	69,570	(4)	126,616
Reclassification of fair value reserve	-	-	(4)	4	-
Loss for the period, representing total comprehensive loss for the period, net of tax	-	-	(4,022)	-	(4,022)
<u>Contribution by and distribution to owners:</u>					
Dividends on ordinary shares	-	-	(4,841)	-	(4,841)
Balance as at 31 March 2023	57,582	(532)	60,703	-	117,753

NAM LEE PRESSED METAL INDUSTRIES LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	6 Months Ended	
	31-Mar-24	31-Mar-23
	S\$'000	S\$'000
Operating activities		
Profit / (Loss) before tax	3,779	(2,464)
Adjustments for:		
Depreciation of property, plant and equipment	2,263	2,385
Depreciation of right-of-use assets	293	515
Gain on disposal of property, plant and equipment, net	(1)	-
Property, plant and equipment written off	-	38
Gain on derecognition of right-of-use assets	(3)	-
Fair value loss on derivatives	181	143
Finance costs	999	1,143
Interest income from fixed deposits	(7)	(3)
(Reversal of) / Provision for warranty	(202)	180
Amortisation of bond premium	-	2
Write back of onerous contracts	(39)	-
Write back of inventory obsolescence and slow moving	(29)	-
Foreign currency translation adjustment	(151)	709
Operating cash flows before changes in working capital	7,083	2,648
(Increase) / Decrease in inventories	(2,596)	1,376
(Increase) / Decrease in receivables and contract assets	(4,030)	22,574
Decrease in payables	(8,389)	(5,120)
Decrease in derivatives	(143)	(667)
Cash flows (used in) / generated from operations	(8,075)	20,811
Income taxes paid	(446)	(1,303)
Interest received	7	3
Interest paid	(655)	(804)
Net cash flows (used in) / generated from operating activities	(9,169)	18,707
Investing activities		
Purchase of property, plant and equipment	(2,966)	(2,641)
Proceeds on disposal of property, plant and equipment	1	78
Net cash flows used in investing activities	(2,965)	(2,563)
Financing activities		
Payment of principal portion of lease liabilities	(227)	(445)
Net proceed from / (repayment of) loans and borrowings	9,291	(16,208)
Dividends paid on ordinary shares	(605)	(4,841)
Net cash flows generated from / (used in) financing activities	8,459	(21,494)
Net decrease in cash and cash equivalents	(3,675)	(5,350)
Cash and cash equivalents at the beginning of the period	27,483	30,606
Effect of exchange rate changes on cash and cash equivalents	(240)	(1,077)
Cash and cash equivalents at the end of the period	23,568	24,179

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Nam Lee Pressed Metal Industries Limited (the "Company") is a limited liability company, which is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed interim consolidated financial statements as at and for first half year ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the "Group").

The registered office and principal place of business of the Company is located at 4 Gul Way, Singapore 629192.

The principal activities of the Company include the design, fabrication, supply and installation of steel and aluminium products such as gates, door frames, railings, laundry racks, letter boxes, sliding windows, sliding doors, curtain wall and cladding system for building and infrastructure projects and the supply of aluminium industrial products for container refrigeration units.

The principal activities of the subsidiaries are manufacture of steel and aluminium industrial products (such as aluminium sliding windows, grilles, gates, drying racks, hopper, other metal and metal fabricated products) and fabrication, installation and supply of building materials and products.

2. Basis of Preparation

The condensed interim consolidated financial statements for the first half year ended 31 March 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore ("ASC"). The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last audited consolidated financial statements for the year ended 30 September 2023.

The accounting policies adopted are consistent with those adopted by the Group and the Company in its most recently audited consolidated financial statements for the year ended 30 September 2023, which were prepared in accordance with SFRS(I)s. The Group has adopted all the applicable new and revised SFRS(I)s and SFRS(I) Interpretations that are mandatory for the accounting periods beginning on or after 1 Oct 2023 as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore Dollars ("SGD" or "\$") and all values in the tables are rounded to the nearest thousand (S\$'000), except when otherwise indicated.

2.1. Adoption of new and amended standards and interpretation

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 October 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.2. Use of judgements and estimates

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the condensed interim consolidated financial statements:

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2. Basis of Preparation (cont'd)

2.2. Use of judgements and estimates (cont'd)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the condensed interim consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Allowance for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for various groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of trade receivables and contract assets as at 31 March 2024 was \$52,515,000 (30 September 2023: \$48,001,000) respectively.

(ii) Impairment of investment in subsidiaries

The Group assesses at the end of each reporting period whether there is any objective evidence that an investment in subsidiary is impaired. Factors such as the subsidiary being in a shortfall position compared to the cost of investment or in a recurring loss-making position are objective evidence of impairment. If any indication exists, the Group makes an estimate of the subsidiary's recoverable amount.

A subsidiary's recoverable amount is the higher of its carrying amount and its value in use. Where the carrying amount of an investment in subsidiary exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. The value in use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the terminal growth rate used for extrapolation purposes.

The carrying amount of the Company's investment in subsidiaries at the end of the reporting period was \$31,749,000 (30 September 2023: \$31,763,000).

(iii) Impairment of non-financial assets

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable model is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The Group's property, plant and equipment and right-of-use assets at the end of the reporting period was \$60,631,000 and \$9,024,000 (30 September 2023: \$60,543,000 and \$9,248,000), respectively. The Company's property, plant and equipment and right-of-use assets at the end of the reporting period was \$29,596,000 and \$8,921,000 (30 September 2023: \$28,028,000 and \$9,199,000) respectively.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment analysis

Business segment

	Aluminium		Mild Steel		Stainless Steel		UPVC		Adjustments		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 October to 31 March												
Segment revenue												
Sales to external customers	54,054	39,724	13,237	20,100	263	1,013	10,907	11,541	-	-	78,461	72,378
Segment results												
Depreciation	(2,338)	(2,537)	(88)	(167)	(37)	(38)	(93)	(158)	-	-	(2,556)	(2,900)
Segment results before tax	(1,236)	(4,724)	3,382	740	(959)	342	3,107	1,433 (A)	(515)	(255)	3,779	(2,464)
Statement of Financial Position												
Additions to non-current assets	2,920	5,205	63	111	17	9	65	39	-	-	3,065	5,364
Segment assets	153,658	154,830	31,777	31,036	4,709	4,505	24,889	22,444 (B)	809	866	215,842	213,681
Segment liabilities	10,732	14,631	4,629	5,813	2,680	153	1,010	6,740 (C)	43,249	33,764	62,300	61,101

Other segment information

	6 Months Ended		As At	
	31-Mar-24	31-Mar-23	31-Mar-24	30-Sep-23
	S\$'000	S\$'000	S\$'000	S\$'000
(A) Unallocated (expenses)/income				
Interest income	7	3		
Finance costs	(999)	(1,143)		
Unallocated income	477	885		
	(515)	(255)		
(B) Unallocated assets				
Deferred tax assets			809	866
(C) Unallocated liabilities				
Deferred tax liabilities			1,370	1,503
Income tax payables			947	459
Loans and borrowings			30,564	21,273
Lease liabilities			10,368	10,529
			43,249	33,764

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment analysis (cont'd)

Geographical segment

	Singapore		Malaysia		Consolidated	
	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 October to 31 March						
Segment revenue						
Sales to external customers	77,260	71,358	1,201	1,020	78,461	72,378
Other segment information						
Non-current assets	40,236	39,013	29,419	30,778	69,655	69,791

5. Profit / (Loss) before tax

Profit / (Loss) before tax is arrived at after charging / (crediting) the following:

	Group	
	6 Months Ended	
	31-Mar-24	31-Mar-23
	S\$'000	S\$'000
Depreciation of property, plant and equipment	2,263	2,385
Depreciation of right-of-use assets	293	515
Gain on disposal of property, plant and equipment, net	(1)	-
Property, plant and equipment written off	-	38
Gain on derecognition of right-of-use assets	(3)	-
Fair value loss on derivatives	181	143
Finance costs	999	1,143
Interest income from fixed deposits	(7)	(3)
(Reversal of) / Provision for warranty	(202)	180
Amortisation of bond premium	-	2
Write back of onerous contract	(39)	-
Write back of inventory obsolescence and slow moving	(29)	-
Foreign currency exchange loss, net	653	1,834
Bad debt recovered	-	(539)
Rental income	(424)	(253)

6. Income tax (expenses) / credit

The major components of income tax (expense) / credit in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 Months Ended	
	31-Mar-24	31-Mar-23
	S\$'000	S\$'000
<u>Condensed interim consolidated statement of profit or loss:</u>		
Current income tax		
- Current year	(1,267)	(357)
	(1,267)	(357)
Deferred income tax		
- Origination and reversal of temporary differences	62	489
- Under provision in respect of prior years	-	(1)
	62	488
Income tax (expenses) / credit recognised in profit or loss	(1,205)	131

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7. Earnings per share

	Group	
	6 Months Ended	
	31-Mar-24	31-Mar-23
Earnings per ordinary share (EPS) for the period: -		
(i) Based on weighted average number of ordinary shares (in cents)	1.06	(0.96)
- Weighted average number of shares (excluding treasury shares)	242,056,382	242,056,382
(ii) On a fully diluted basis (in cents)	1.06	(0.96)
- Adjusted weighted average number of shares (excluding treasury shares)	242,056,382	242,056,382

8. Property, plant and equipment

During the first half year ended 31 March 2024, the Group acquired assets amounting to S\$2,966,000 (31 March 2023: S\$2,641,000) and disposed and written off of assets with net book value of S\$ NIL (31 March 2023: S\$116,000).

9. Right-of-use assets

	Group				Company		
	Land use rights	Accommodation	Office equipment	Total	Land use rights	Office equipment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 October 2022	9,702	219	100	10,021	9,702	22	9,724
Additions	-	-	52	52	-	52	52
Depreciation expense	(545)	(219)	(49)	(813)	(545)	(20)	(565)
Derecognition of right-of-use assets	-	-	(12)	(12)	-	(12)	(12)
At 30 September 2023	9,157	-	91	9,248	9,157	42	9,199
Additions	-	99	-	99	-	-	-
Depreciation expense	(272)	(7)	(14)	(293)	(272)	(6)	(278)
Derecognition of right-of-use assets	-	-	(30)	(30)	-	-	-
At 31 March 2024	8,885	92	47	9,024	8,885	36	8,921

10. Cash and fixed deposits

Cash and cash equivalents at the end of the period does not include fixed deposits pledged to a licensed bank for bank guarantee facilities.

	Group		Company	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	172	178	-	-
Cash at bank and on hand	23,568	24,179	13,106	14,937
	23,740	24,357	13,106	14,937
Less: fixed deposit pledged	(172)	(178)	-	-
Total cash and cash equivalents	23,568	24,179	13,106	14,937

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

11. Aggregate amount of group's borrowings and debt securities

	Group		Company	
	As At		As At	
	31-Mar-24	30-Sep-23	31-Mar-24	30-Sep-23
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable in one year or less, or on demand:-</u>				
Secured	4,788	4,855	4,703	4,773
Unsecured	24,794	13,913	16,145	5,052
Sub-Total	29,582	18,768	20,848	9,825
<u>Amount repayable after one year</u>				
Secured	1,503	3,080	1,484	3,019
Unsecured	9,847	9,954	9,765	9,932
Sub-Total	11,350	13,034	11,249	12,951
Total borrowings and debt securities	40,932	31,802	32,097	22,776

Details of any collateral

The Group's borrowings are secured by a property and certain motor vehicles under term loan and finance lease.

12. Share capital

	Number of shares	Percentage (%)	Share Capital S\$'000
<u>Ordinary shares</u>			
Balance as at 30 September 2023 and 31 March 2024	243,744,082	100.00%	57,582
<u>Treasury shares</u>			
Balance as at 30 September 2023 and 31 March 2024	(1,687,700)	(0.69)%	(532)
Issued ordinary shares net of treasury shares	242,056,382	99.31%	57,050

There were no sales, transfers, cancellation and/or use of treasury shares during the period.

13. Net asset value

	Group		Company	
	As At		As At	
	31-Mar-24	30-Sep-23	31-Mar-24	30-Sep-23
Net asset backing per ordinary share based on the existing issued share capital as at the end of the financial period reported on (in cents)	63.43	63.03	45.79	46.91

14. Related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these condensed interim consolidated financial statements. The balances are unsecured, non-interest bearing and repayable on demand.

Compensation of key management personnel

	Group	
	6 Months Ended	
	31-Mar-24	31-Mar-23
	S\$'000	S\$'000
Salaries, bonus and other related expenses	1,538	1,466
Contributions to defined contribution plans	66	77
Total compensation paid to key management personnel	1,604	1,543
Comprise amount paid to:		
- Directors of the Company	981	541
- Advisors of the Company	3	369
- Other key management personnel	620	633
	1,604	1,543

15. Significant commitments for purchases of property, plant and equipment

Commitments for purchase of property, plant and equipment amounted to S\$3,486,000 as at 31 March 2024.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

16. Financial assets and financial liabilities

Liquidity risk

	Group		Company	
	As At		As At	
	31-Mar-24	30-Sep-23	31-Mar-24	30-Sep-23
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Trade receivables	39,459	34,227	25,571	13,903
Other receivables and deposits	1,801	1,780	226	94
Amounts due from subsidiaries (non-trade)	-	-	55,126	56,817
Cash and fixed deposits	23,740	27,659	13,106	15,399
Derivatives	178	216	178	216
	65,178	63,882	94,207	86,429
Less: Goods and services tax receivables	(739)	(177)	(692)	(390)
Total undiscounted financial assets	64,439	63,705	93,515	86,039
Financial liabilities				
Trade payables	4,082	6,648	23,298	17,549
Other payables and accruals	12,951	17,268	6,304	4,130
Loans and borrowings	31,147	21,749	22,414	12,803
Lease liabilities	17,908	18,392	17,681	18,184
Total undiscounted financial liabilities	66,088	64,057	69,697	52,666
Total net undiscounted (financial liabilities) / financial assets	(1,649)	(352)	23,818	33,373

17. Fair value of financial instruments

(a) Fair value hierarchy

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Significant unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Fair value of financial instruments that are carried at fair value

	Group and Company As At					
	31-Mar-24			30-Sep-23		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Recurring fair value measurements</u>						
Financial assets:						
Derivatives - Interest rate swap	-	108	108	-	20	20
Derivatives - Commodity swaps	-	70	70	-	196	196

18. Subsequent events

There were no known subsequent events which have led to adjustments to these condensed interim consolidated financial statements.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

- 1 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 the following:-
- (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.

STATEMENT OF PROFIT OR LOSS/ STATEMENT OF OTHER COMPREHENSIVE INCOME

The Group recorded a notable improvement in its financial performance, achieving a profit after tax of S\$2.6 million in the financial period ended 31 March 2024 ("1H2024"), a significant turnaround from the loss of S\$2.3 million incurred in the financial period ended 31 March 2023 ("1H2023").

Revenue for the Group saw a positive growth, increasing by S\$6.1 million or 8.4% from S\$72.4 million in 1H2023 to S\$78.5 million in 1H2024. This uptick was primarily driven by an additional order from the reefer container business.

Gross profit demonstrated substantial improvement, rising from S\$5.8 million in 1H2023 to S\$11.9 million in 1H2024. Correspondingly, the gross profit margin increased from 8.0% to 15.2%, attributed mainly to higher revenue from the reefer container business and a favorable shift in product mix with higher-margin contributions from the construction business.

Selling and distribution expenses decreased slightly in 1H2024.

Administrative expenses increased from S\$4.2 million in 1H2023 to S\$5.0 million in 1H2024, driven by factors such as higher dormitory rental costs and provision for bonuses and remuneration, which are tied to profit levels.

Other operating expenses decreased from S\$2.7 million in 1H2023 to S\$1.5 million in 1H2024, largely due to lower foreign currency exchange losses.

Finance costs reduced slightly to S\$1.0 million in 1H2024 from S\$1.1 million in 1H2023, primarily attributable to loans and borrowings.

The Group's tax expenses of S\$1.2m mainly derived from tax on profits in Singapore and Malaysia at the corporate tax rates of 17% and 24% after offsetting reversal of deferred tax expenses.

STATEMENT OF FINANCIAL POSITION

Assets and liabilities with significant fluctuations are explained as follows:

Property, plant, and equipment decreased to S\$60.6 million as of 31 March 2024, from S\$60.5 million as of 30 September 2023, resulting from acquisitions of S\$3.0 million, depreciation of S\$2.3 million, and exchange translation movements.

Inventories increased to S\$65.2 million as of 31 March 2024, compared to S\$62.6 million as of 30 September 2023. Similarly, trade receivables, other receivables and deposits rose to S\$41.3 million as of 31 March 2024, from S\$36.0 million as of 30 September 2023. These increases were driven by higher revenue from the reefer container business.

Contract assets decreased to S\$13.1 million as at 31 March 2024 compared with S\$13.8 million as at 30 September 2023. The decrease corresponded with the lower level of billings in construction business in 1H2024.

Trade payables, other payables, and accruals decreased to S\$18.3 million as of 31 March 2024, from S\$26.4 million as of 30 September 2023. This decline was mainly due to the utilization of trust receipts to repay supplier invoices. Concurrently, loans and borrowings (both current and non-current) increased to S\$30.6 million as of 31 March 2024, from S\$21.3 million as of 30 September 2023.

Negative foreign currency translation reserves increased by S\$1.0 million, reflecting the impact of the depreciating Malaysian Ringgit on the net assets of Malaysian subsidiaries.

STATEMENT OF CASH FLOWS

The net cash flows used in operating activities for 1H2024 amounted to S\$9.2 million. This figure was derived from the operating cash flows before changes in working capital, totalling S\$7.1 million. After accounting for the net decrease in inventories, receivables, contract assets, payables, and derivatives amounting to S\$15.2 million, along with net interest and income tax payments of S\$1.1 million, the resulting net cash outflow from operations was significant.

In 1H2024, net cash flows used in investing activities amounted to S\$3.0 million, primarily allocated for the construction of a new office building.

Conversely, net cash flows generated from financing activities for 1H2024 totalled S\$8.5 million. This increase was primarily attributed to the utilization of trust receipts.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

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

The figures have not been audited nor reviewed by our auditors.

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

Not applicable.

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

Not applicable.

- 5 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.**

Reflecting on the first half of financial year 2024, our journey has been characterized by a resurgence in the reefer container within aluminium segment and steadfast performance in construction. During this period, we effectively capitalized on the gradual recovery in reefer container demand while maintaining our dominance in construction despite prevailing challenges.

As we look forward to the next 12 months, we understand the need for caution in our approach. We'll stay flexible, adjusting to any changes in regulations, and focus on making strategic improvements carefully. Our goal remains to be efficient and continuously improve, so we can navigate any challenges that arise and seize opportunities for growth responsibly.

- 6 If the Group has obtained a general mandate from shareholders for 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.**

There were no interested person transactions that required obtaining a general mandate from shareholders under Rule 920(1)(a)(ii).

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

NAM LEE PRESSED METAL INDUSTRIES LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

8 Dividend

(a) Current financial period reported on

No

(b) Corresponding period of the immediately preceding financial year

No

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) Date payable

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable

(f) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the current reporting period on the grounds of prudence.

9 Negative confirmation pursuant to Rule 705(5)

We, Yong Han Keong Eric and Yong Li Yuen Joanna, being two directors of Nam Lee Pressed Metal Industries Limited ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited first half financial results for the period ended 31 March 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Eric Yong Han Keong
Managing Director
14-May-2024