



NAM LEE PRESSED METAL INDUSTRIES LIMITED

(Company Registration No. 1975-00362-M)

NAM LEE PRESSED METAL
INDUSTRIES LIMITED

Third Quarter Financial Statement And Dividend Announcement For The Period Ended 30-06-2019

- 1 (a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2019

| | Group | | |
|---|----------------|----------------|----------------|
| | 9 Months Ended | | |
| | 30-Jun-19 | 30-Jun-18 | Change |
| | S\$'000 | S\$'000 | % |
| Revenue | 103,627 | 114,590 | (9.6%) |
| Cost of sales | (82,338) | (94,544) | (12.9%) |
| Gross Profit | 21,289 | 20,046 | 6.2% |
| Distribution costs | (1,661) | (1,964) | (15.4%) |
| Administrative costs | (7,482) | (8,115) | (7.8%) |
| Other operating costs | (3,016) | (1,124) | 168.3% |
| Profit from operating activities | 9,130 | 8,843 | 3.2% |
| Interest income | 347 | 363 | (4.4%) |
| Finance costs | (35) | (61) | (42.6%) |
| Other income | 295 | 1,926 | (84.7%) |
| Profit before tax | 9,737 | 11,071 | (12.0%) |
| Income tax expenses | (1,999) | (2,768) | (27.8%) |
| Profit for the period | 7,738 | 8,303 | (6.8%) |
| Attributable to: | | | |
| Owners of the Company | 7,738 | 8,297 | (6.7%) |
| Non-controlling interests | - | 6 | NM |
| | 7,738 | 8,303 | (6.8%) |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019

| | | | |
|--|--------------|--------------|-----------------|
| Profit for the period | 7,738 | 8,303 | (6.8%) |
| Other comprehensive income: | | | |
| Foreign currency translation | (392) | 896 | (143.8%) |
| Fair value adjustment on available-for-sale investments | - | (1) | NM |
| Fair value adjustment on quoted securities | 1 | - | NM |
| Other comprehensive income for the period, net of tax | (391) | 895 | (143.7%) |
| Total comprehensive income for the period | 7,347 | 9,198 | (20.1%) |
| Attributable to: | | | |
| Owners of the Company | 7,349 | 9,854 | (25.4%) |
| Non-controlling interests | (2) | (656) | (99.7%) |
| | 7,347 | 9,198 | (20.1%) |

NM: Not meaningful

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Third Quarter Financial Statement And Dividend Announcement For The Period Ended 30-06-2019

- 1 (a) (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Note

(i) Profit for the period is arrived at after (charging)/crediting the following:

| | Group | | |
|--|----------------|-----------|---------|
| | 9 Months Ended | | |
| | 30-Jun-19 | 30-Jun-18 | Change |
| | S\$'000 | S\$'000 | % |
| Depreciation of property, plant and equipment | (2,611) | (2,794) | (6.5%) |
| Interest expense | (35) | (61) | (42.6%) |
| Foreign currency exchange (loss)/gain, net | (271) | 1,564 | NM |
| Interest income from fixed deposits | 211 | 227 | (7.0%) |
| Interest income from held-to-maturity investments | - | 136 | NM |
| Interest income from quoted securities | 136 | - | NM |
| Gain/(loss) on disposal of property, plant and equipment | 18 | (14) | NM |
| Gain on deregistration of a subsidiary | 22 | - | NM |

NM: Not meaningful

NAM LEE PRESSED METAL INDUSTRIES LIMITED

Third Quarter Financial Statement And Dividend Announcement For The Period Ended 30-06-2019

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.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

| | Group | | | Company | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 30-Jun-19 | 30-Sep-18 | 1-Oct-17 | 30-Jun-19 | 30-Sep-18 | 1-Oct-17 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | (Restated [^]) | (Restated [^]) | (Restated [^]) | (Restated [^]) | (Restated [^]) | (Restated [^]) |
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Property, plant and equipment | 44,369 | 40,948 | 36,542 | 6,543 | 7,035 | 6,908 |
| Available-for-sale investments | - | 5 | 5 | - | 5 | 5 |
| Held-to-maturity investments | - | 6,047 | 6,067 | - | 6,047 | 6,067 |
| Quoted securities | 6,037 | - | - | 6,037 | - | - |
| Investment in subsidiaries | - | - | - | 14,749 | 15,226 | 15,226 |
| Deferred tax assets | 772 | 788 | 755 | - | - | - |
| Total non-current assets | 51,178 | 47,788 | 43,369 | 27,329 | 28,313 | 28,206 |
| Current assets | | | | | | |
| Inventories | 41,367 | 38,896 | 33,192 | 4,111 | 6,362 | 5,915 |
| Trade receivables | 30,264 | 35,634 | 37,710 | 17,222 | 25,900 | 21,634 |
| Other receivables, deposits and prepayments | 4,695 | 4,967 | 4,160 | 278 | 399 | 351 |
| Amounts due from subsidiaries (non-trade) | - | - | - | 47,555 | 26,547 | 17,853 |
| Derivatives | - | - | 421 | - | - | 421 |
| Cash and fixed deposits | 37,960 | 45,287 | 43,600 | 29,877 | 38,668 | 37,964 |
| Total current assets | 114,286 | 124,784 | 119,083 | 99,043 | 97,876 | 84,138 |
| Total assets | 165,464 | 172,572 | 162,452 | 126,372 | 126,189 | 112,344 |
| Current Liabilities: | | | | | | |
| Trade payables | 6,723 | 7,473 | 7,279 | 3,385 | 3,111 | 6,077 |
| Other payables and accruals | 12,269 | 17,197 | 14,048 | 5,086 | 8,731 | 7,417 |
| Provision for warranty | 712 | 625 | 615 | - | - | - |
| Term loans | 667 | 1,000 | 1,000 | 667 | 1,000 | 1,000 |
| Derivatives | 456 | 731 | - | 456 | 731 | - |
| Obligation under hire purchase contracts | 161 | 198 | 190 | 161 | 198 | 170 |
| Income tax payables | 1,591 | 1,886 | 2,201 | 1,464 | 1,572 | 1,353 |
| Total current liabilities | 22,579 | 29,110 | 25,333 | 11,219 | 15,343 | 16,017 |
| Net current assets | 91,707 | 95,674 | 93,750 | 87,824 | 82,533 | 68,121 |
| Non-current liabilities | | | | | | |
| Term loans | - | 417 | 1,417 | - | 417 | 1,417 |
| Obligation under hire purchase contracts | 130 | 240 | 237 | 130 | 240 | 235 |
| Deferred tax liabilities | 1,044 | 987 | 949 | 235 | 184 | 65 |
| Total non-current liabilities | 1,174 | 1,644 | 2,603 | 365 | 841 | 1,717 |
| Net assets | 141,711 | 141,818 | 134,516 | 114,788 | 110,005 | 94,610 |
| Equity attributable to owners of the Company | | | | | | |
| Share capital | 57,184 | 57,184 | 57,018 | 57,184 | 57,184 | 57,018 |
| Retained earnings | 92,873 | 92,404 | 85,238 | 57,515 | 52,726 | 37,460 |
| Capital reserve | 104 | 104 | 104 | - | - | - |
| Foreign currency translation reserve | (8,539) | (8,184) | (8,846) | - | - | - |
| Fair value adjustment reserve | - | (1) | (1) | - | (1) | (1) |
| Share option reserve | 89 | 96 | 133 | 89 | 96 | 133 |
| | 141,711 | 141,603 | 133,646 | 114,788 | 110,005 | 94,610 |
| Non-controlling interests | - | 215 | 870 | - | - | - |
| Total equity | 141,711 | 141,818 | 134,516 | 114,788 | 110,005 | 94,610 |

[^]: Refer to note 5 for impact on adoption of SFRS (I)

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Third Quarter Financial Statement And Dividend Announcement For The Period Ended 30-06-2019

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

| | Group | |
|--|------------|--------------|
| | As At | |
| | 30-Jun-19 | 30-Sep-18 |
| | S\$'000 | S\$'000 |
| <u>Amount repayable in one year or less, or on demand:-</u> | | |
| Secured | 161 | 198 |
| Unsecured | 667 | 1,000 |
| Sub-Total | 828 | 1,198 |
| <u>Amount repayable after one year</u> | | |
| Secured | 130 | 240 |
| Unsecured | - | 417 |
| Sub-Total | 130 | 657 |

Details of any collateral

At 30 June 2019 and 30 September 2018, the Group's secured borrowings consist of outstanding finance lease balances.

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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.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

| | Group | |
|--|----------------|----------------|
| | 9 Months Ended | |
| | 30-Jun-19 | 30-Jun-18 |
| | S\$'000 | S\$'000 |
| Cash flows from operating activities: | | |
| Profit before income tax: | 9,737 | 11,071 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 2,611 | 2,794 |
| (Gain)/loss on disposal of property, plant and equipment | (18) | 14 |
| Gain on deregistration of a subsidiary | (22) | - |
| Property, plant and equipment written off | 44 | 56 |
| Fair value (gain)/loss on derivatives | (275) | 342 |
| Finance costs | 35 | 61 |
| Interest income from fixed deposits | (211) | (227) |
| Interest income from held-to-maturity investments | - | (136) |
| Interest income from quoted securities | (136) | - |
| Provision/(write back) for warranty, net | 87 | (31) |
| Amortisation of bond premium | 15 | 15 |
| Foreign currency translation adjustment | 17 | (496) |
| Operating cash flow before working capital changes | 11,884 | 13,463 |
| Increase in inventories | (2,471) | (3,101) |
| Decrease in receivables | 5,109 | 11,367 |
| Decrease in payables | (5,664) | (3,418) |
| Cash generated from operations | 8,858 | 18,311 |
| Income taxes paid | (2,221) | (3,340) |
| Interest received | 211 | 227 |
| Interest paid | (35) | (61) |
| Net cash generated from operating activities | 6,813 | 15,137 |
| Investing activities: | | |
| Purchases of property, plant and equipment | (6,485) | (6,082) |
| Proceeds on disposal of property, plant and equipment | 134 | 155 |
| Proceeds on deregistration of a subsidiary | 363 | - |
| Interest income from held-to-maturity investments | - | 136 |
| Interest income from quoted securities | 136 | - |
| Net cash used in investing activities | (5,852) | (5,791) |
| Financing activities: | | |
| Repayment of finance lease obligations | (147) | (173) |
| Repayment of term loans | (750) | (750) |
| Proceeds from exercise of employee share options | - | 129 |
| Dividends paid on ordinary shares | (7,276) | (4,851) |
| Net cash flows used in financing activities | (8,173) | (5,645) |
| Net (decrease) / increase in cash and cash equivalents | (7,212) | 3,701 |
| Cash and cash equivalents at the beginning of the period | 45,287 | 43,600 |
| Effect of exchange rate changes on cash and cash equivalents | (115) | 24 |
| Cash and cash equivalents at the end of the period | 37,960 | 47,325 |

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Third Quarter Financial Statement And Dividend Announcement For The Period Ended 30-06-2019

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.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

| | Share capital | Retained earnings | Capital reserve | Foreign currency translation reserve | Asset revaluation reserve | Fair value adjustment reserve | Share option reserve | Equity attributable to owners of the company | Non-controlling interests | Total equity |
|--|---------------|-------------------|-----------------|--------------------------------------|---------------------------|-------------------------------|----------------------|--|---------------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Group | | | | | | | | | | |
| Balance as at 1 October 2018 | 57,184 | 89,969 | 104 | (8,184) | 1,867 | (1) | 96 | 141,035 | 215 | 141,250 |
| Effect of adopting SFRS (I) 1 | - | 2,435 | - | - | (1,867) | - | - | 568 | - | 568 |
| Balance as at 1 October 2018 (restated) | 57,184 | 92,404 | 104 | (8,184) | - | (1) | 96 | 141,603 | 215 | 141,818 |
| Total comprehensive income for the period | - | 7,738 | - | (390) | - | 1 | - | 7,349 | (2) | 7,347 |
| Deregistration of a subsidiary | - | - | - | 35 | - | - | - | 35 | (213) | (178) |
| Forfeiture of employee share options | - | 7 | - | - | - | - | (7) | - | - | - |
| Dividends on ordinary shares | - | (7,276) | - | - | - | - | - | (7,276) | - | (7,276) |
| Balance as at 30 June 2019 | 57,184 | 92,873 | 104 | (8,539) | - | - | 89 | 141,711 | - | 141,711 |
| Balance as at 1 October 2017 | 57,018 | 82,803 | 104 | (8,846) | 1,867 | (1) | 133 | 133,078 | 870 | 133,948 |
| Effect of adopting SFRS (I) 1 | - | 2,435 | - | - | (1,867) | - | - | 568 | - | 568 |
| Balance as at 1 October 2017 (restated) | 57,018 | 85,238 | 104 | (8,846) | - | (1) | 133 | 133,646 | 870 | 134,516 |
| Total comprehensive income for the period | - | 8,297 | - | 1,558 | - | (1) | - | 9,854 | (656) | 9,198 |
| Exercise of employee share options | 166 | - | - | - | - | - | (37) | 129 | - | 129 |
| Dividends on ordinary shares | - | (4,851) | - | - | - | - | - | (4,851) | - | (4,851) |
| Balance as at 30 June 2018 (restated) | 57,184 | 88,684 | 104 | (7,288) | - | (2) | 96 | 138,778 | 214 | 138,992 |

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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019 (cont'd)

| | Share capital | Retained earnings | Asset revaluation reserve | Fair value adjustment reserve | Share option reserve | Total equity |
|--|---------------|-------------------|---------------------------|-------------------------------|----------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Company | | | | | | |
| Balance as at 1 October 2018 | 57,184 | 52,493 | 194 | (1) | 96 | 109,966 |
| Effect of adopting SFRS (I) 1 | - | 233 | (194) | - | - | 39 |
| Balance as at 1 October 2018 (restated) | 57,184 | 52,726 | - | (1) | 96 | 110,005 |
| Total comprehensive income for the period | - | 12,058 | - | 1 | - | 12,059 |
| Forfeiture of employee share options | - | 7 | - | - | (7) | - |
| Dividends on ordinary shares | - | (7,276) | - | - | - | (7,276) |
| Balance as at 30 June 2019 | 57,184 | 57,515 | - | - | 89 | 114,788 |
| Balance as at 1 October 2017 | 57,018 | 37,227 | 194 | (1) | 133 | 94,571 |
| Effect of adopting SFRS (I) 1 | - | 233 | (194) | - | - | 39 |
| Balance as at 1 October 2017 (restated) | 57,018 | 37,460 | - | (1) | 133 | 94,610 |
| Total comprehensive income for the period | - | 10,911 | - | (1) | - | 10,910 |
| Exercise of employee share options | 166 | - | - | - | (37) | 129 |
| Dividends on ordinary shares | - | (4,851) | - | - | - | (4,851) |
| Balance as at 30 June 2018 (restated) | 57,184 | 43,520 | - | (2) | 96 | 100,798 |

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- 1 (d) (ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of share 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.

A) SHARE CAPITAL

| | Number of ordinary shares | Share Capital S\$'000 |
|---------------------------------|------------------------------|--------------------------|
| Balance as at 30 September 2018 | 242,544,082 | 57,184 |
| Balance as at 30 June 2019 | 242,544,082 | 57,184 |

There were no share held as treasury shares during the financial period.

B) SHARE OPTIONS

On 22 February 2010, the Company granted 8,200,000 share options at exercise price of \$0.258 under Nam Lee Employee Share Option Scheme ("The Scheme").

Movement in share options during the financial period

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the period.

| | 30-Jun-19 | | 30-Sep-18 | |
|------------------------------|------------------|--------------|------------------|--------------|
| | No. | WAEP (\$) | No. | WAEP (\$) |
| Opening balance | 1,300,000 | 0.258 | 1,800,000 | 0.258 |
| Forfeited during the period | (100,000) | 0.258 | 0 | 0.258 |
| Exercised during the period | 0 | 0.258 | (500,000) | 0.258 |
| Ending balance (Exercisable) | 1,200,000 | 0.258 | 1,300,000 | 0.258 |

- 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 the end of the immediately preceding year.

Please refer to item 1(d)(ii) above.

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

Not applicable.

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

Not applicable.

- 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.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

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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 Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the financial year ended 30 September 2018, except for disclosed in note 5 below.

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

The group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) SFRS (I), on 1 October 2018 and has prepared its financial information under SFRS (I) for the period ended 30 June 2019.

Other than the adoption of SFRS (I) 1, which is effective for its financial year beginning 1 October 2018, the Group expects that the adoption of the new financial reporting framework will have no material impact to the Group's and the Company's financial statements in the year of initial application.

The impact of adopting the following SFRS (I) on the Group's and Company's financial statements are set out as follows:

SFRS (I) 1 - First-time adoption of Singapore Financial Reporting Standards (International)

On the transition to SFRS (I), the Group and the Company restated comparative periods financial statements to retrospectively apply SFRS (I) where applicable, except where SFRS (I) specifically prohibited such retrospective applications and where optional exemptions from retrospective applications were elected.

The Group and the Company have elected to measure its land and buildings using the cost model by applying "deemed cost" transition exemptions. Accordingly, the Group and Company have reclassified \$1,867,000 and \$194,000 respectively of asset revaluation reserve to the opening retained earnings as at 1 October 2017.

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.

EARNING PER ORDINARY SHARE

| | Group | | |
|--|----------------|-------------|----------|
| | 9 Months Ended | | |
| Earnings per ordinary share (EPS) for the period: - | 30-Jun-19 | 30-Jun-18 | Change % |
| (i) Based on weighted average number of ordinary shares (in cents) | 3.190 | 3.422 | (6.73%) |
| - Weighted average number of shares | 242,544,082 | 242,469,082 | 0.03% |
| (ii) On a fully diluted basis (in cents) | 3.186 | 3.417 | (6.73%) |
| - Adjusted weighted average number of shares | 242,838,713 | 242,816,460 | 0.01% |

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

| | Group | | | Company | | |
|---|-----------|-----------|----------|-----------|-----------|----------|
| | As At | | Change % | As At | | Change % |
| | 30-Jun-19 | 30-Sep-18 | | 30-Jun-19 | 30-Sep-18 | |
| | Cents | Cents | | Cents | Cents | |
| Net asset backing per ordinary share based on the existing issued share capital as at the end of the financial period reported on | 58.43 | 58.38 | 0.08% | 47.33 | 45.35 | 4.35% |

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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 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.**

INCOME STATEMENT / STATEMENT OF COMPREHENSIVE INCOME

Group revenue decreased by S\$11.0 million or 9.6% from S\$114.6 million for the financial period ended 30 June 2018 ("3Q2018") to S\$103.6 million for the financial period ended 30 June 2019 ("3Q2019"). The decrease was mainly attributable to a decrease in revenue from the aluminium segment.

Gross profit increased from S\$20.1 million in 3Q2018 to S\$21.3 million in 3Q2019 while gross profit margin increased from 17.5% in 3Q2018 to 20.5% in 3Q2019, mainly due to a change in product mix with higher margin.

Distribution costs decreased from S\$2.0 million in 3Q2018 to S\$1.7 million in 3Q2019, which is in line with the lower revenue in 3Q2019. Administrative costs decreased from S\$8.1 million in 3Q2018 to S\$7.5 million in 3Q2019, which was mainly due to lower accrued personnel expenses in 3Q2019. Other operating costs increased from S\$1.1 million in 3Q2018 to S\$3.0 million in 3Q2019 mainly due to a net foreign exchange loss and a net loss in derivative recorded in 3Q2019. There were a net foreign exchange gain and a net gain in derivative in 3Q2018, which was recorded in other income.

The Group's effective tax rate was 20.5% for 3Q2019 as compared to 25.0% for 3Q2018. The lower effective tax rate of 20.5% for 3Q2019 was mainly due to timing difference for qualified expense for tax purpose.

In view of the above circumstances, the Group's profit after tax decreased from S\$8.3 million in 3Q2018 to S\$7.7 million in 3Q2019.

STATEMENT OF FINANCIAL POSITION

Held-to-maturity Investments were reclassified to Quoted Securities as a result of adopting a new financial reporting framework, Singapore Financial Reporting Standards (International) SFRS (I).

Inventories increased from S\$38.9 million as at 30 September 2018 to S\$41.4 million as at 30 June 2019, mainly due to building up of inventories for on-going projects.

Trade receivables decreased from S\$35.6 million as at 30 September 2018 to S\$30.3 million as at 30 June 2019, mainly due to lower sales in the three months ended 30 June 2019 as compared to the three months ended 30 September 2018.

Cash and fixed deposits decreased from S\$45.3 million as at 30 September 2018 to S\$38.0 million as at 30 June 2019, as a result of payment of capital expenditures, an increase in inventories, payment of dividends as well as payment of trade and other payables, after offset by collection of receivables.

Trade payables, other payables and accruals decreased from S\$24.7 million as at 30 September 2018 to S\$19.0 million as at 30 June 2019 mainly due to lower cost of sales.

9 Whether a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and 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.

Our aluminium industrial product business is expected to continue to be affected by the uncertainties of the global economy. Amidst the challenging market conditions, our building product business is expected to maintain its growth momentum towards the second half of the year.

Barring unforeseen circumstances, the Group expects to remain profitable in the next 12 months.

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Third Quarter Financial Statement And Dividend Announcement For The Period Ended 30-06-2019

11 If a decision regarding dividend has been made:-

(a) Any dividend declared on the current financial period reported on?

No

(b) Any dividend declared for 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) The date the dividend is payable.

Not applicable

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

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

13 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 to obtain a general mandate from shareholders under Rule 920(1)(a)(ii).

14 Negative Confirmation by the Board pursuant to Rule 705(5)

We, Yong Kin Sen and Yong Koon Chin, 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 third quarter financial results for the period ended 30 June 2019 to be false or misleading in any material aspects.

15 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).

On behalf of the Board of Directors

Yong Kin Sen
Managing Director
7-Aug-19