

**NAM LEE PRESSED METAL INDUSTRIES LIMITED**  
(Company Registration No. 1975-00362-M)

**FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER ENDED 30 JUNE 2014**

These figures have not been audited

1 (a) An income Statement and statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial years.

**Statement of comprehensive income for the period ended 30 June 2014**

	Group		%
	30 June 2014 \$ '000	30 June 2013 \$ '000	
Revenue	106,219	123,468	-14.0%
Cost of Sales	(90,250)	(102,550)	-12.0%
<b>Gross Profit</b>	<b>15,969</b>	<b>20,918</b>	<b>-23.7%</b>
Distribution Costs	(1,984)	(1,997)	-0.7%
Administrative Costs	(7,648)	(8,345)	-8.4%
Other Operating Costs	(2,412)	(2,369)	1.8%
<b>Profit from operating activities</b>	<b>3,925</b>	<b>8,207</b>	<b>-52.2%</b>
Interest income	108	148	-27.0%
Finance Cost	(73)	(54)	35.2%
Other income	1,132	89	NM
<b>Profit before taxation</b>	<b>5,092</b>	<b>8,390</b>	<b>-39.3%</b>
Taxation	(1,291)	(2,152)	-40.0%
<b>Profit for the period</b>	<b>3,801</b>	<b>6,238</b>	<b>-39.1%</b>
<b>Attributable to:</b>			
Equity holders of the Company	3,746	6,076	
Non-controlling interests	55	162	
	<b>3,801</b>	<b>6,238</b>	
<b>Profit for the period</b>	<b>3,801</b>	<b>6,238</b>	
<b>Other comprehensive income:</b>			
Foreign currency translation	(480)	(91)	
Fair value adjustment	(198)	(123)	
<b>Other comprehensive income for the period, net of tax</b>	<b>(678)</b>	<b>(214)</b>	
<b>Total comprehensive income for the period</b>	<b>3,123</b>	<b>6,024</b>	
<b>Attributable to:</b>			
Equity holders of the Company	3,073	5,838	
Non-controlling interests	50	186	
	<b>3,123</b>	<b>6,024</b>	

NM: Not meaningful

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 the corresponding period of the immediately preceding financial year.

Profit is arrived at after (charging)/crediting:

	Group		%
	30 June 2014 \$'000	30 June 2013 \$'000	
Depreciation of property, plant and equipment	(3,114)	(2,578)	21%
Interest expense	(73)	(54)	35%
Foreign exchange (loss)/gain	(268)	667	NM
Interest income	108	148	-27%
(Loss)/gain on disposal of property, plant and equipment	(31)	1	NM

NM: Not meaningful

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:

	Group		Company	
	30 June 2014 \$' 000	30 September 2013 \$' 000	30 June 2014 \$' 000	30 September 2013 \$' 000
<b>Non-Current Assets</b>				
Property, plant and equipment	29,449	24,130	9,759	3,753
Investments	198	612	198	612
Interest in subsidiaries	-	-	15,396	15,396
Bond investments	6,183	6,143	6,182	6,143
Deferred tax assets	329	416	-	-
	<u>36,159</u>	<u>31,301</u>	<u>31,535</u>	<u>25,904</u>
<b>Current Assets</b>				
Inventories	32,205	45,068	3,679	8,112
Trade debtors	28,818	40,455	14,859	23,158
Other debtors, deposits and prepayments	2,593	2,720	522	985
Amount due from subsidiaries	-	-	12,561	20,625
Derivatives	45	-	45	-
Tax recoverable	497	624	-	-
Cash and cash equivalents	32,346	23,351	18,931	11,827
	<u>96,504</u>	<u>112,218</u>	<u>50,597</u>	<u>64,707</u>
<b>Current Liabilities</b>				
Trade creditors	6,643	14,173	2,467	6,593
Other creditors and accruals	4,910	7,157	4,605	5,771
Provision for warranty	961	1,010	-	-
Term loans	133	226	-	-
Derivatives	-	236	-	236
Obligations under hire purchase contracts	301	310	91	119
Provision for taxation	901	1,075	450	804
	<u>13,849</u>	<u>24,187</u>	<u>7,613</u>	<u>13,523</u>
<b>Net Current Assets</b>	<u>82,655</u>	<u>88,031</u>	<u>42,984</u>	<u>51,184</u>
<b>Non-Current Liabilities</b>				
Term loans	-	76	-	-
Obligations under hire purchase contracts	471	589	223	285
Deferred tax liabilities	1,637	1,460	563	367
	<u>2,108</u>	<u>2,125</u>	<u>786</u>	<u>652</u>
	<u>116,706</u>	<u>117,207</u>	<u>73,733</u>	<u>76,436</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	56,758	56,758	56,758	56,758
Retained earnings	61,665	61,538	16,665	19,170
Fair value adjustment reserve	115	313	115	313
Capital reserves	104	104	-	-
Share option reserve	195	195	195	195
Foreign currency translation reserve	(2,919)	(2,439)	-	-
	<u>115,918</u>	<u>116,469</u>	<u>73,733</u>	<u>76,436</u>
<b>Non-controlling interests</b>	<u>788</u>	<u>738</u>	<u>-</u>	<u>-</u>
<b>Total Equity</b>	<u>116,706</u>	<u>117,207</u>	<u>73,733</u>	<u>76,436</u>

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

Amount repayable in one year or less or in demand

30 June 2014 \$'000 Secured	30 June 2014 \$'000 Unsecured	30 September 2013 \$'000 Secured	30 September 2013 \$'000 Unsecured
301	133	310	226

Amount repayable after one year

30 June 2014 \$'000 Secured	30 June 2014 \$'000 Unsecured	30 September 2013 \$'000 Secured	30 September 2013 \$'000 Unsecured
471	-	589	76

Details of any collateral

As at 30 June 2014, the Group's secured borrowings comprised outstanding finance lease balances.

**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 2014

	Group	
	30 June 2014 \$ '000	30 June 2013 \$ '000
<b>Cash flows from operating activities</b>		
Profit before tax	5,092	8,390
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	3,114	2,578
Loss/(gain) on disposal of property, plant and equipment	31	(1)
Gain on disposal of investments	(26)	-
Realisation of fair value reserve	(235)	-
Fair value (gain)/loss on derivative	(281)	1,092
Interest expense	73	54
Interest income	(108)	(148)
Interest income from bond investments	(138)	-
Foreign currency translation adjustment	(184)	(64)
<b>Operating profit before working capital changes</b>	<u>7,338</u>	<u>11,901</u>
Decrease/(increase) in inventories	12,863	(8,886)
Decrease/(increase) in debtors	11,764	(9,721)
Decrease in creditors	<u>(9,826)</u>	<u>(3,287)</u>
<b>Cash generated from/(used in) operations</b>	22,139	(9,993)
Income tax paid	(1,074)	(2,968)
Interest received	108	148
Interest paid	(73)	(54)
<b>Net cash generated from/(used in) operating activities</b>	<u>21,100</u>	<u>(12,867)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,838)	(2,984)
Proceeds from disposal of property, plant and equipment	211	127
Proceeds from disposal of investments	478	-
Purchase of bond investments	-	(6,155)
Interest income from bond investments	138	-
<b>Net cash used in investing activities</b>	<u>(8,011)</u>	<u>(9,012)</u>
<b>Cash flows from financing activities</b>		
Repayment of finance lease obligations	(261)	147
Repayment of term loans	(169)	(1,481)
Proceed from exercise of employee share options	-	1,174
Dividends paid	(3,619)	(4,795)
<b>Net cash flows used in financing activities</b>	<u>(4,049)</u>	<u>(4,955)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	9,040	(26,834)
<b>Cash and cash equivalents at 1 October</b>	23,351	52,788
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(45)	115
<b>Cash and cash equivalents at 30 June</b>	<u>32,346</u>	<u>26,069</u>

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 2014

	Attributable to equity holders of the Company								Total equity \$'000
	Share Capital \$'000	Retained Earnings \$'000	Discount on acquisition of a subsidiary \$'000	Foreign Currency Translation Reserve \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity attributable to equity holders of company \$'000	Non controlling interest \$'000	
<b>Group</b>									
Balance at 1 October 2013	56,758	61,538	104	(2,439)	313	195	116,469	738	117,207
Total comprehensive income for the year	-	3,746	-	(480)	(198)	-	3,068	50	3,118
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	-	(3,619)	-	(3,619)
Balance at 30 June 2014	<u>56,758</u>	<u>61,665</u>	<u>104</u>	<u>(2,919)</u>	<u>115</u>	<u>195</u>	<u>115,918</u>	<u>788</u>	<u>116,706</u>
	Share Capital \$'000	Retained Earnings \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity \$'000				
<b>Company</b>									
Balance at 1 October 2013	56,758	19,170	313	195	76,436				
Total comprehensive income for the year	-	1,114	(198)	-	916				
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	(3,619)				
Balance at 30 June 2014	<u>56,758</u>	<u>16,665</u>	<u>115</u>	<u>195</u>	<u>73,733</u>				

-----Attributable to equity holders of the Company----->

	Share Capital \$'000	Retained Earnings \$'000	Discount on acquisition of a subsidiary \$'000	Foreign Currency Translation Reserve \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity attributable to equity holders of company \$'000	Non controlling interest \$'000	Total equity \$'000
<b>Group</b>									
Balance at 1 October 2012	55,228	57,369	104	(2,170)	561	591	111,683	579	112,262
Total comprehensive income for the period	-	6,076	-	(115)	(123)	-	5,838	186	6,024
Exercise of employee share options	1,496	-	-	-	-	(322)	1,174	-	1,174
Dividends on ordinary shares, net of tax	-	(4,795)	-	-	-	-	(4,795)	-	(4,795)
Balance at 30 June 2013	<u>56,724</u>	<u>58,650</u>	<u>104</u>	<u>(2,285)</u>	<u>438</u>	<u>269</u>	<u>113,900</u>	<u>765</u>	<u>114,665</u>

	Share Capital \$'000	Retained Earnings \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity \$'000
<b>Company</b>					
Balance at 1 October 2012	55,228	17,637	561	392	73,818
Total comprehensive income for the period	-	5,428	(123)	-	5,305
Exercise of employee share options	1,496	-	-	(123)	1,373
Dividends on ordinary shares, net of tax	-	(4,795)	-	-	(4,795)
Balance at 30 June 2013	<u>56,724</u>	<u>18,270</u>	<u>438</u>	<u>269</u>	<u>75,701</u>

**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 of 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 end of the corresponding period of the immediately preceding financial year.**

A) Changes in share capital during the financial period

There was no change in share capital 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 the 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 June 2014		30 September 2013	
	No	WAEP(\$)	No	WAEP(\$)
Opening balance	2,650,000	0.258	8,200,000	0.258
- Exercised during the period	-	-	(4,650,000)	0.258
- Forfeited during the period	-	-	(900,000)	0.258
Ending balance	<u>2,650,000</u>	<u>0.258</u>	<u>2,650,000</u>	<u>0.258</u>
Exercisable at end of period	<u>2,650,000</u>	<u>0.258</u>	<u>2,650,000</u>	<u>0.258</u>

**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.**

	Group	
	Latest Period 30 June 2014	Previous Period 30 September 2013
Number of ordinary shares	<u>241,259,082</u>	<u>241,259,082</u>

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

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 30 September 2013, except as 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 changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the applicable new/revised Financial Reporting Standards (FRS) that became effective for accounting periods beginning 01 October 2013. The adoption of these new/revised FRS does not have any material impact to the Group financial statements.



**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.**

Earnings per ordinary share for the period:-	Group	
	Latest Period 30 June 2014	Previous Period 30 June 2013
(i) Based on weighted average number of ordinary shares in issue	1.553 cents	2.538 cents
(ii) On a fully diluted basis	1.551 cents	2.524 cents

**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.**

Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	Group		Company	
	Latest Period 30 June 2014	Previous Period 30 September 2013	Latest Period 30 June 2014	Previous Period 30 September 2013
	48.0 cents	48.3 cents	30.6 cents	31.7 cents

**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. (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**

Group turnover decreased by S\$17.3 million from S\$123.5 million for the nine-month period ended 30 June 2013 (3Q2013) to S\$106.2 million for the nine-month period ended 30 June 2014 (3Q2014), mainly due to completion of more construction projects in 3Q2013.

Gross profit decreased from S\$20.9 million in 3Q2013 to S\$16.0 million in 3Q2014, mainly due to a decrease in revenue. Gross profit margin decreased from 16.9% in 3Q2013 to 15.0% in 3Q2014, mainly due to a change in product mix with lower margin.

Distribution costs and other operating costs remained relatively stable at S\$2.0 million and S\$2.4 million respectively for both 3Q2013 and 3Q2014. Administrative costs decreased from S\$8.3 million in 3Q2013 to S\$7.6 million in 3Q2014 mainly due to a decrease in accrued personnel expenses.

The Group's effective tax rate remained relatively stable at 25.4% for 3Q2014 and 25.6% for 3Q2013.

In view of the above, the Group posted profit after tax of S\$3.8 million in 3Q2014 compared to S\$6.2 million in 3Q2013.

**BALANCE SHEET**

Property, plant and equipment increased from S\$24.1 million as at 30 September 2013 to S\$29.4 million as at 30 June 2014, mainly due to the acquisition of a new leasehold building.

Inventories decreased from S\$45.1 million as at 30 September 2013 to S\$32.2 million as at 30 June 2014, mainly due to completion of some construction projects.

Trade debtors decreased from S\$40.5 million as at 30 September 2013 to S\$28.8 million as at 30 June 2014, mainly due to collection of trade debts, following completion of some construction projects.

Trade creditors, other creditors and accruals decreased from S\$21.3 million as at 30 September 2013 to S\$11.6 million as at 30 June 2014 due to shorter payment terms for certain projects.

Cash and cash equivalents increased from S\$23.4 million as at 30 September 2013 to S\$32.3 million as at 30 June 2014, mainly due to collection of trade debts, following the completion of some construction projects.

**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.**

Despite the outlook for the global economy remaining uncertain, the Group expects the demand for aluminium products to remain healthy.

The challenging local property market conditions are expected to have some impact on the Group's building products business.

The Group expects that the increasing costs in the operating environment and market competition will continue to exert pressure on profit margins.

**11. Dividend**

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? No

(b) Previous corresponding period of the immediately preceding financial year

Any dividend declared for the previous financial period reported on? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nam Lee Industries Pte Ltd	S\$'000 210	S\$'000 NA

**14. 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 period ended 30 June 2014 to be false or misleading in any material aspects.

Yong Kin Sen  
Managing Director  
14 August 2014