NAM LEE PRESSED METAL
INDUSTRIES LIMITED

Annual Report 2015

STRENGTHENING **OUR MARKET LEADERSHIP**

CONTENTS

Corporate Profile

Our Company

Nam Lee Pressed Metal Industries Limited was incorporated on 10 March 1975 by the Yong family, which has been in the metal fabrication business since the 1950s. The family business was started by their father, the late Mr Yong Kwong Fae, who founded Chop Nam Lee, a sole proprietorship, to fabricate galvanised household products such as buckets and bath tubs.

The Group commenced the design and manufacture of metal products for buildings in 1991 when it entered the HDB market and is a HDB-approved supplier. Today the Group remains the only worldwide third-party manufacturer of aluminium frames for container refrigeration units in the world for a major customer. Over the years, the Group has developed into a one-stop specialist for housing metal products, aluminium frames for container refrigeration units and a wide range of aluminium and steel products.

Experience, Know-How & Latest Technology

With the many years of experience in the business, its vertically-integrated production structure, well equipped facilities and skilled staff, Nam Lee Pressed Metal is able to offer the market complete service from design right through to installation, including the manufacture of tooling, jigs and fixtures, metal fabrication, surface coatings and treatments, and the installation of the final products. The fabrication activities are done through the Group's five manufacturing plants which span the region. The plant in Singapore occupies a land area of 133,093 sq ft; the plants in Johore are under its wholly owned subsidiaries, NL Metals Sdn Bhd, Swan Metal Products Sdn Bhd, NL Mechanical Engineering Sdn Bhd and Nam Lee Pressed Metal Sdn Bhd, located in Tampoi, Senai, Perkan Nenas and Gelang Patah and occupying land areas of 121,014 sq ft, 198,970 sq ft, 84,537 sq ft, 76,002 sq ft and 185,948 sq ft respectively.

Quality Foremost

Quality is never compromised at Nam Lee Pressed Metal and their efforts have been recognised when they were awarded the ISO 9002 certificate by the PSB in 1995. Another testament to its quality products was the HDB Quality Award for Supplier 1999 awarded to it by the HDB. Its philosophy and management practice of ensuring quality at every stage of production plus the forward-looking management ensures that Nam Lee Pressed Metal continues to progress and remain a competitive player in the metal building products and related market sectors.

INTEGRITY QUALITY **CUSTOMER SATISFACTION INNOVATION**

are the pillars on which the success of Nam Lee Pressed Metal is built and they sum up the corporate values embraced by the Board, Management and Staff of Nam Lee Pressed Metal. I am confident that so long as we adhere to these core values Nam Lee Pressed Metal will make its mark as the preferred supplier for metal and aluminium products.

Mr Yong Koon Chin
Chairman

Chairman's Statement

A MESSAGE TO SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to present the results of Nam Lee Pressed Metal Industries Limited and its subsidiaries for the financial year ended 30 September 2015 ("FY2015"). The Group delivered improved results on the back of its diversified business base in spite of external challenges and market softness in certain business segments. Fully diluted earnings per share recovered to 5.36 cents for FY2015 compared to 2.92 cents last year.

A REVIEW OF FY2015

Income Statement

Group turnover increased by S$22.5 million or 16.0% year-on-year to S$164.0 million for FY2015 compared to S$141.5 million recorded for FY2014. The topline growth was mainly attributable to increased revenue generated by the Group's aluminium segment as the volume of customer orders grew, coupled with an encouraging change in group revenue mix compared to FY2014.

The Group has been collaborating with customers on extending its relevance beyond the traditional scope of manufacturing support. Our efforts have come to fruition in FY2015 – we invested in the requisite factory set-up, machinery and manpower training, and commenced the provision of new value-added assembly services for a long-term customer.

Accordingly, the Group generated better gross profit from S$22.6 million in FY2014 to S$37.3 million in FY2015, while gross profit margin improved from 16.0% to 22.7%.

Distribution costs rose from S$2.6 million in FY2014 to S$3.0 million in FY2015 which was in line with the higher sales volume. Administrative costs increased from S$10.7 million in FY2014 to S$13.5 million in FY2015, primarily attributed to additional headcount as well as a rise in accrued personnel remuneration.

Other operating costs increased from S$2.3 million in FY2014 to S$5.2 million in FY2015, due mainly to a loss from derivatives used to hedge against fluctuations in the prices of relevant commodities viz-a-viz the Group's raw materials.

Other income decreased from S$1.3 million in FY2014 to S$0.2 million in FY2015 as several miscellaneous items, such as gain on disposal of property, plant and equipment, fair value gain on derivatives and fair value gain on disposal of available-for-sale investment, did not recur in FY2015. In addition, the gain from government incentive schemes were lower in FY2015.

The Group's effective tax rate of 19.5% for FY2015 was higher than 16.2% for FY2014 as a Malaysian subsidiary had previously benefitted from a tax incentive.

In view of the above circumstances, the Group's profit after tax increased by S$5.7 million or 80.1% year-on-year from S$7.2 million in FY2014 to S$12.9 million.

BALANCE SHEET

During FY2015, the Group continued to roll out its long-term strategy to improve the overall productivity in monetary terms of its total manufacturing assets.

Having right-sized its Singapore headquarters-cum-manufacturing hub in FY2014 by replacing its former consolidated plant in Senoko with a new smaller plant in Sungei Kadut Industrial Park, the Group continues to grow its Malaysian network of cost-efficient factories extending across nearby towns in the state of Johore. In the first quarter of FY2015, its Malaysian subsidiary acquired a new factory building in Tampoi.

As at 30 September 2015, property, plant and equipment rose to S$33.4 million from S$29.4 million a year ago.

Inventories increased from S$32.5 million as at 30 September 2014 to S$40.4 million as at 30 September 2015, in preparation for future requirements.

Trade debtors rose from S$33.2 million as at 30 September 2014 to S$39.4 million as at 30 September 2015. The increase was in line with higher sales achieved in the last quarter of FY2015 ended 30 September 2015 versus the last quarter of FY2014. Trade creditors, other creditors and accruals increased from S$15.1 million as at 30 September 2014 to S$24.6 million as at 30 September 2015, which corresponded with the increases in inventories and accrued personnel remuneration in the current financial year.

As at 30 September 2014, the derivatives were valued at S$0.1 million and classified under current assets. On 30 September 2015, the Group made fair value adjustments and recognised its derivatives as a current liability item of S$2.1 million.

Term loan increased from S$0.1 million as at 30 September 2014 to S$4.4 million as at 30 September 2015 to fund capital expenditure towards new business services and certain operational objectives.

Cash and cash equivalents increased from S$35.5 million as at 30 September 2014 to S$38.4 million as at 30 September 2015, as the Group completed construction projects and collected trade debts during the year.

Deficits in foreign currency translation reserve increased from S$2.6 million as at 30 September 2014 to S$7.8 million as at 30 September 2015, as the Malaysian Ringgit further weakened against the Singapore Dollar during the year.

OPERATIONAL HIGHLIGHTS

Aluminium

The Group's mainstay product categories, namely custom-engineered and fabricated aluminium parts for the industrial sector and building and infrastructure products, continued to drive the Group's top and bottomline growth in FY2015, accounting for 86.0% of Group revenue and 97.2% of Group profit before tax. Sales revenue increased by S$30.0 million year-on-year mainly due to the increase in volume of orders and changes in revenue mix.

Mild Steel

Revenue for mild steel products reduced from S$29.9 million in FY2014 to S$22.8 million in FY2015 and accounted for 13.9% of Group revenue and 0.4 % of Group profit before tax. The decrease corresponded with the lower demand for the particular range of building products per specifications for the respective projects undertaken by the Group during FY2015.

Stainless Steel

Revenue for stainless steel products reduced from S$0.4 million in FY2014 and S$0.2 million in FY2015 as the projects completed by the Group in FY2015 had different project specifications compared to FY2014.

OUTLOOK

Notwithstanding the continued uncertainty in the global and regional economic outlook, the Group expects the aluminium industry business to continue to contribute positively to the performance of the Group.

On the other hand, the Group's building products business remains alert to a tougher operating environment going forward. As the market-cooling measures implemented by the Singapore authorities coupled with concerns over possible interest rate hikes continue to slow down the Singapore property market, the Group expects market competition in the local building products industry to intensify while a tight labor market adds further challenges.

Nevertheless, barring unforeseen circumstances and geo-political risks, the Group expects to remain profitable for the next 12 months.

DIVIDEND

In consideration of the Group's FY2015 results, the board of directors has recommended a total dividend of 2.5 cents per share. This proposed quantum comprises a final dividend of 1.0 cent per share plus a special dividend of 1.5 cents per share (FY2014: final dividend of 1.0 cent per share and a special dividend of 0.5 cent per share) is subject to shareholders' approval at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENT

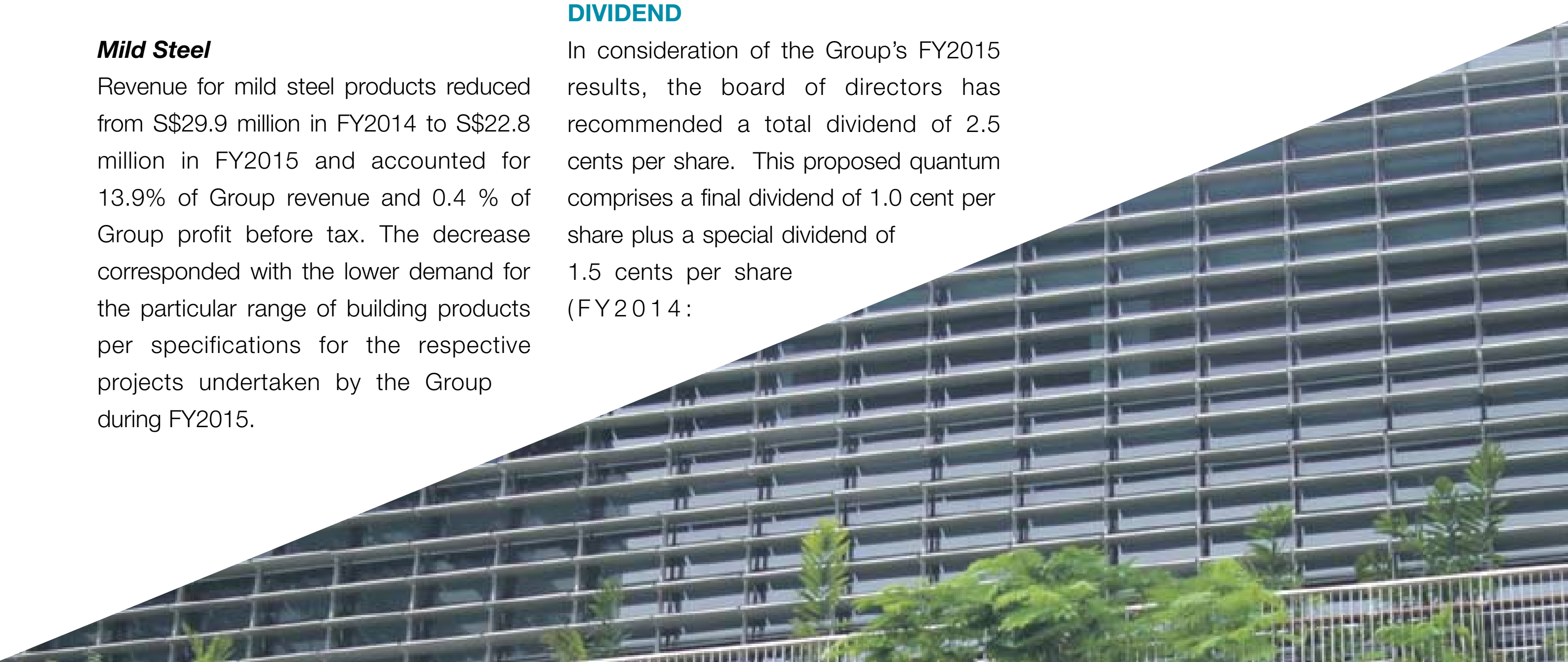
The Group has performed well in FY2015. As we set our sights on new goals in the horizon, I wish to acknowledge the significant contributions our customers, business associates, vendors, shareholders and employees have made towards our success to-date.

Our industry conditions will remain dynamic and the current impetus facilitating the global economic recovery can easily be side-tracked by new geo-political developments. Nonetheless, I believe that our integrated efforts at restructuring and streamlining our manufacturing resources have strengthened the Group's competitive position. We are more nimble now and shall judiciously explore emerging fresh opportunities and collaborations with trusted business partners for mutual growth.

Sincerely,

Yong Koon Chin

Chairman



Board of Directors

MR Yong Koon Chin

Chairman

As Chairman of Nam Lee Pressed Metal Industries Limited and one of the three founders of the Group, Mr Yong brings with him more than 40 years of experience in the metal fabrication industry. He is responsible for overseeing the manufacturing operations of NL Metals. He has been a member of the Board since March 1975.

MR Yong Kin Sen

Managing Director (Executive)

Mr Yong is one of the three founders of the Group and has built up extensive industry experience and business network in a career that spans over 40 years in the metal fabrication industry. He is responsible for the strategic direction, business planning development and overall management of the Group. He has been a member of the Board since March 1975.

MR Yong Poon Miew

Director (Executive)

He is also a founder of the Group with 40 years of business experience in the metal fabrication industry. He is principally responsible for overseeing the manufacturing operations of NL Mechanical Engineering. He has been a member of the Board since March 1975.

MR Tan Soo Kiat

Director (Independent)

Mr Tan Soo Kiat is the Chairman of our Remuneration Committee and currently a director of Intergate Pte Ltd, a company engaged in the provision of corporate advisory services. With extensive experience in the banking and finance industry, he previously held senior financial appointments in several public-listed companies. Currently, he is also a Board member of a number of public companies listed on the Singapore Exchange. A Chartered Accountant, he graduated from University of Otago, New Zealand.

MR C. Chandrasegar

Director (Lead, Independent)

Mr Chandrasegar was appointed as an Independent Director on 1 March 2005 and is the Chairman for Nomination Committee. Mr Chandrasegar is an Advocate and Solicitor of the Supreme Court of Singapore, a Solicitor of England and Wales and a Legal Practitioner of New South Wales, Australia. He is a Notary Public and is a Commisioner of Oaths and is an author of 3 leading books on Mergers and Acquisitions in Singapore.

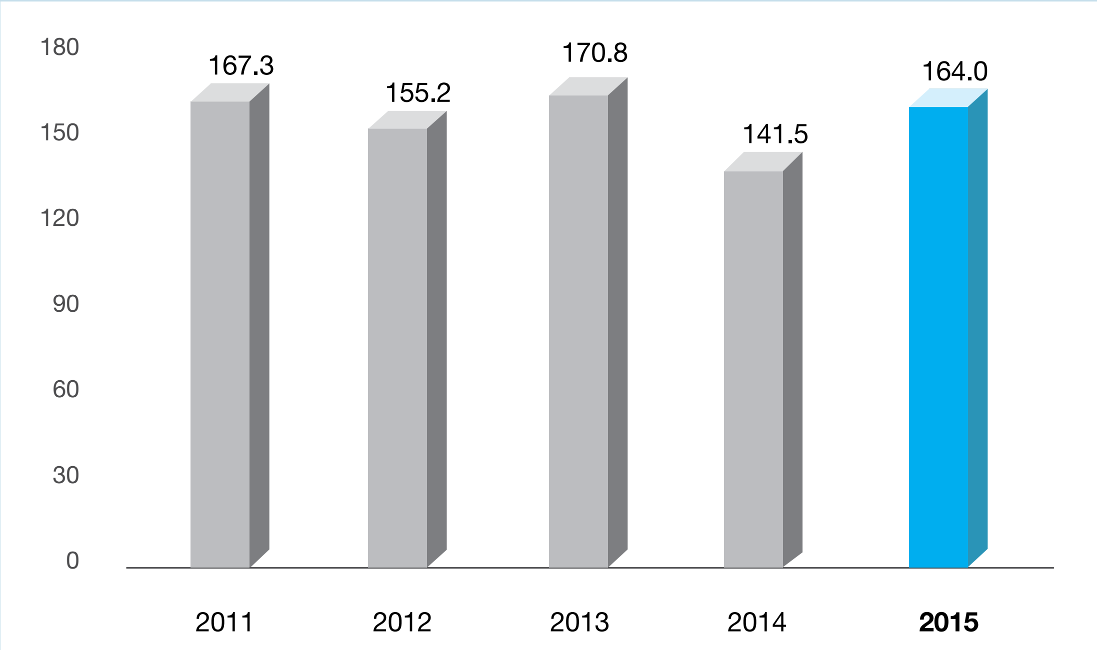
MR Khoo Ho Tong

Director (Independent)

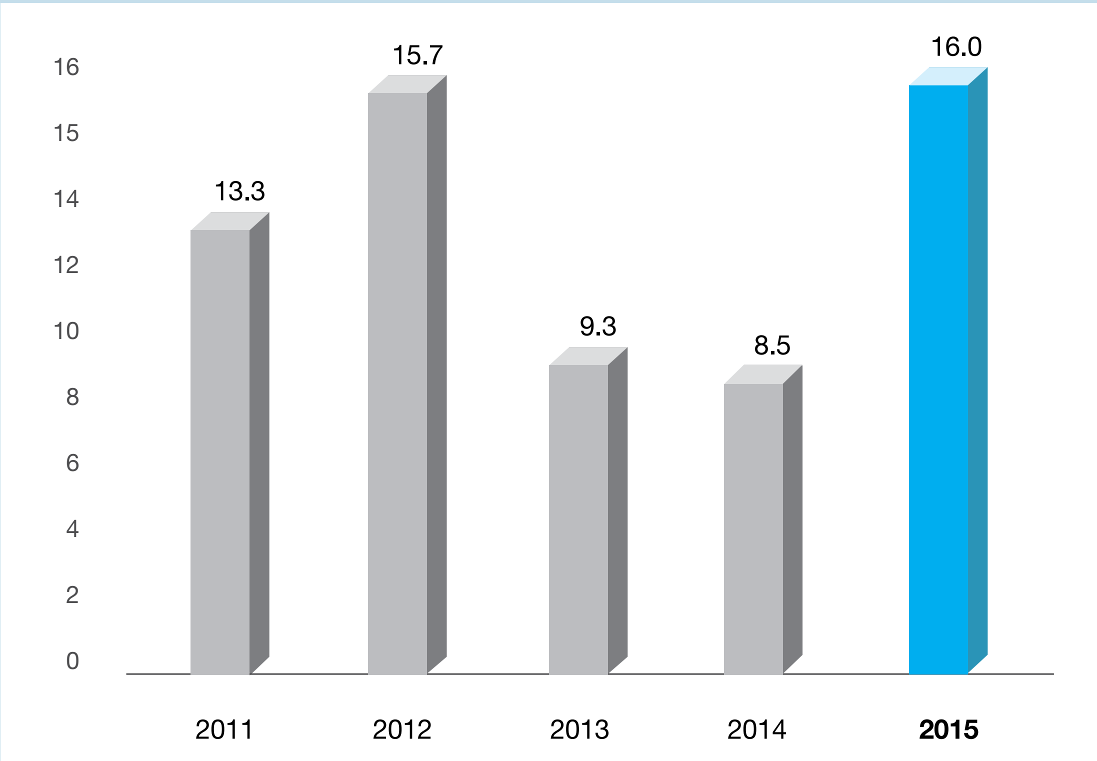
Mr Khoo is a practicing public accountant and a partner in a certified public accounting firm. He is the Chairman of the Audit Committee. He is a treasurer of the Asian Federation of Accountants and a Board member of Singapore Institute of Accredited Tax Professionals. He is also a committee member of various sub-committees of the Institute of Certified Public Accountants of Singapore.

Financial Highlights

Turnover ($m)

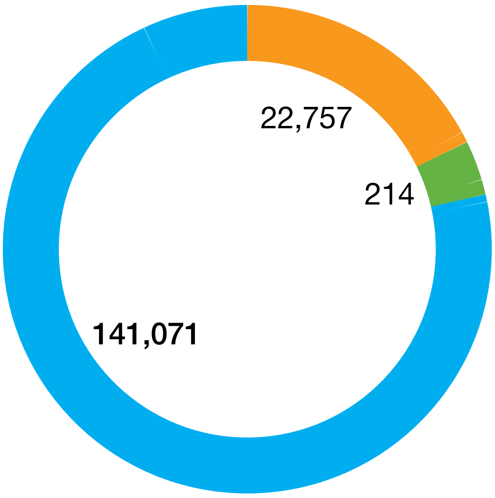


Profit Before Tax ($m)

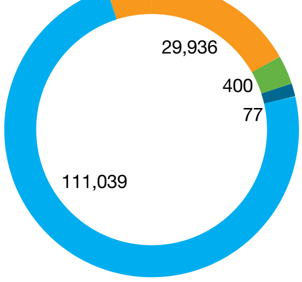


Turnover by Activities ($'000)

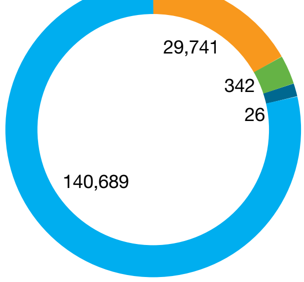
2015



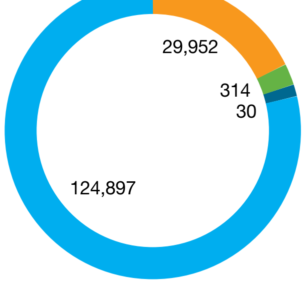
2014



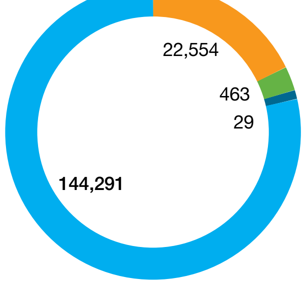
2013



2012

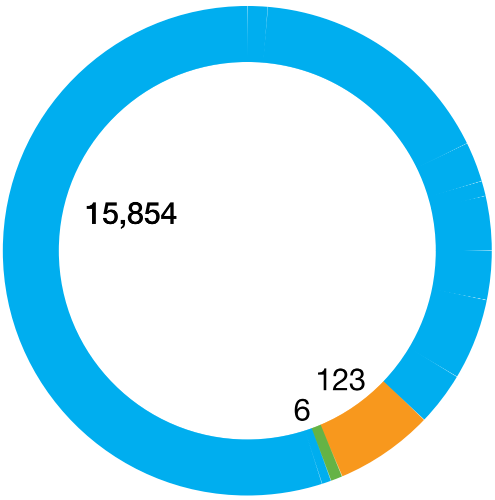


2011

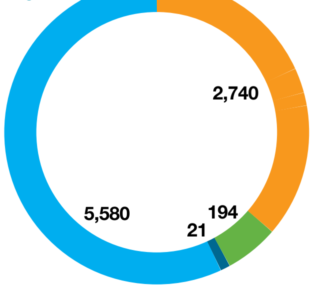


Profit Before Tax by Activities ($'000)

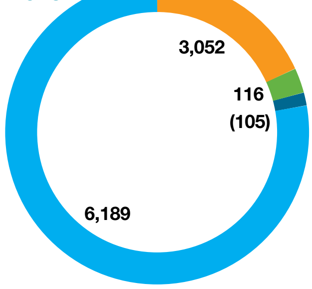
2015



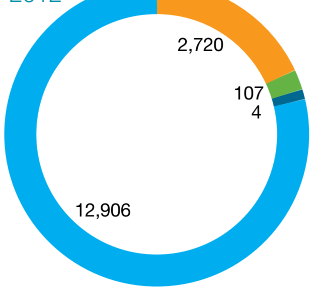
2014



2013



2012



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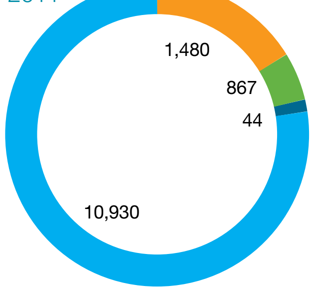

● Aluminium ● Mild Steel ● Stainless Steel ● Others

Corporate Information

Directors

Yong Koon Chin	Chairman
Yong Kin Sen	Managing Director
Yong Poon Miew	Executive Director
Khoo Ho Tong	Independent Director
Chidambaram Chandrasegar	Lead, Independent Director
Tan Soo Kiat	Independent Director

Secretaries

Yong Kin Sen

Susie Low

Registered Office

21 Sungei Kadut Street 4

Singapore 729048

Auditor

Ernst & Young LLP

One Raffles Quay

North Tower, Level 18

Singapore 048583

Teo Li Ling (since financial year ended 30 September 2014)

Bankers

United Overseas Bank Limited

DBS Bank Ltd

Australia and New Zealand Banking Group Limited (previously known as The Royal Bank of Scotland)

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd (formerly known as Lim Associates (Pte) Ltd)

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Corporate Governance

The Board and its management are committed to good standards of corporate governance and in the implementation of measures and practices recommended by the Code of Corporate Governance 2012 (the "Code") adopted by the Singapore Exchange Securities Trading Limited ("SGX-ST"). For effective corporate governance, the Company has put in place various self-regulatory and monitoring mechanisms.

Board of Directors (Principles 1, 2 and 10)

The Board's Conduct of Affairs

The Board has overall responsibility for the corporate governance of the Company and supervises the management of the business and affairs of the Group. The Board sets the Group's strategic directions, reviews and approves major investments and funding decisions, reviews the financial performance of the Group and its system of internal controls. The Board works closely with the management and is supported by various subcommittees whose functions are described below.

The Directors bring with them considerable experience in the fields of engineering, financial, law and business. They have separate and independent access to the management and the Company Secretary, whose role includes assisting with the Board procedures and that applicable rules and regulations are complied with.

Newly appointed Directors, if any, are provided with background information about the Company and the Group and are invited to visit the Group's operations and facilities to have an understanding of the business operations. Directors receive updates from time to time, particularly on relevant laws and regulations, changing commercial risks and business conditions from the Company's relevant professional advisors. Directors may take independent professional advice and receive training at the Company's expense.

The Executive Directors are responsible for the day-to-day operations and administration of the Company.

The Board meets at least four times a year and convenes additional meetings when circumstances demand. Management provides the Board with reports of the Group's performance, financial position and prospects, which are reviewed by the Board at each Board meeting. The Articles of Association of the Company allows board meetings to be conducted by means of a conference telephone or similar communications equipment.

Board Composition and Guidance

The Board of Directors, which comprises six Directors, is made up of three Executive Directors and three Independent Directors, with independent directors making up fifty percent of the Board.

The Nominating Committee ("NC") has reviewed and is satisfied as to the independence of the respective Independent Directors. The NC had conducted a rigorous review on the independence of the Independent Directors, Mr Khoo Ho Tong and Mr Chidambaram Chandrasegar, who had served the Board beyond nine years from the date of their first appointment.

The rigorous review and the factors taken into consideration by the NC and the Board to assess and determine the independence of Mr Khoo Ho Tong and Mr Chidambaram Chandrasegar includes:

(a) Their contribution in terms of professionalism, integrity, objectivity and ability to exercise independence of judgement in their deliberation in the interest of the Company; and

(b) They have no relationship with the Company's related corporations, its 10% shareholders, officers and Management that could impair their fair judgment.

Therefore, the Board is of the view that Mr Khoo Ho Tong and Mr Chidambaram Chandrasegar remain independent despite serving the Board for more than nine years.

The Board is of the view that the current board size of six directors is appropriate and effective, taking into account the nature and scope of the Group's operations, and that the current Board comprises persons who as a group provide core competencies necessary to meet the Group objectives. Also, no single individual or a group dominates the Board.

Corporate Governance

The Board, through the NC, examines on an on-going basis the size and the composition of the Board to evaluate whether the Board is effective in carrying out its duties.

Key information regarding the Directors of the Company is set out in the section "Board of Directors" on pages 6 and 7 of this Annual Report.

Directors' Attendance at Board and Committee Meetings for the period from 1 October 2014 to 30 September 2015:

	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Yong Koon Chin	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Yong Kin Sen	4	4	N/A	N/A	1	1	N/A	N/A
Yong Poon Miew	4	4	N/A	N/A	1	1	N/A	N/A
Khoo Ho Tong	4	3	4	3	1	1	1	1
Chidambaram Chandrasegar	4	3	4	3	1	1	1	1
Tan Soo Kiat	4	4	4	4	1	1	1	1

Chairman and Managing Director (Principle 3)

Mr Yong Koon Chin is the Chairman while Mr Yong Kin Sen is the Managing Director of the Company. Both are executive directors and are siblings. The Managing Director has the executive responsibility for the overall direction and day-to-day operation of the Group.

The Chairman's responsibilities include reviewing board papers before they are presented to the Board and ensures that the board members are provided with complete, adequate and timely information. He also assists in ensuring compliance with Company's guidelines on corporate governance.

The Chairman ensures that board meetings are held when necessary and sets the board meeting agenda in consultation with the management and the Company Secretary. Board papers are sent to Board members in advance in order for the Directors to be adequately prepared for board meetings.

The Company had on 13 February 2014 appointed Mr Chidambaram Chandrasegar as the Lead Independent Director to act as an additional channel available to shareholders.

Audit Committee (Principle 11)

The Audit Committee ("AC") comprises three members, all of whom are independent:

Chairman

Mr Khoo Ho Tong

Members

Mr Tan Soo Kiat

Mr Chidambaram Chandrasegar

The Board is of the opinion that the members of the AC have sufficient expertise and experience to discharge their duties.

Corporate Governance

The AC functions include:

(I) Review with the external and internal auditors, their audit plans, scope, the internal auditors' evaluation of the adequacy of the internal control systems and ensure that co-ordination of audit effort is maximised where possible.

(II) Evaluate the steps taken by the Company and its subsidiaries to minimise any significant risks or exposures.

(III) Review the quarterly and annual financial statements including announcements to shareholders and the SGX-ST prior to submission to the Board.

(IV) Recommend to the Board of Directors the nomination of the Company's external auditors.

(V) Review interested person transactions.

(VI) Review the assistance given by the management to the Company's auditors.

(VII) Review the policy by which staff may in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions.

The Company has appointed a suitable auditing firm which is registered with the Accounting and Corporate Regulatory Authority to meet its audit obligations. The same auditing firm was engaged to audit the accounts of the Company's Singapore-incorporated subsidiary, and suitable auditing firms have been appointed for the Company's foreign-incorporated subsidiaries.

The Board and the AC are satisfied that the appointments of different auditors for the Group's overseas subsidiaries would not compromise the standard and effectiveness of the Group's audit.

The Company has complied with Rules 712 and 715 of the Listing Manual in relation to its external auditors.

The AC, having reviewed the volume of non-audit services provided to the Company by the external auditors, is satisfied that the nature and extent of such services will not impair the independence and objectivity of the external auditors.

During the financial year, the AC met the external auditors without the presence of the management.

The AC has recommended to the Board of Directors that the auditors, Ernst & Young LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

The AC has adopted a whistle-blowing policy which provides well defined and accessible channels in the Group through which employees may raise concerns in the event that they may encounter any improper conduct within the Group. The AC did not receive any complaint during the financial year.

In October 2008, the Audit Committee Guidance Committee issued the Guidebook for Audit Committees in Singapore. The AC had discussed and noted the best practices as set out in the Guidebook. Where appropriate, the AC will use the best practices as a reference in discharging its duties and responsibilities.

The Company has, to the best of its knowledge, complied with the Code in relation to the roles and responsibilities of the AC.

Corporate Governance

Internal Controls and Internal Audit (Principles 12 & 13)

The Board is responsible for ensuring that the management maintains a system of internal controls to safeguard shareholders' investments and the Group's assets. The Board believes that the existing system of internal controls put in place is adequate in meeting the needs of the Group's operations.

The internal audit function is outsourced to RSM Risk Advisory Pte Ltd (formerly known as RSM Ethos Pte Ltd), a certified public accounting firm. The internal auditors meet the professional standards set out in the Code and they report directly to the AC. The internal auditors periodically review the adequacy of and compliance with group policies, procedures and internal controls which are designed to manage risk and safeguard the Group's assets. The internal audit plan is subject to approval by the AC.

The Group's external auditors, Ernst & Young LLP, also contribute an independent perspective on the selected internal controls tested in connection with the external audit and report material findings to the AC, where applicable.

The Board has received assurance from the CEO and the CFO that as at 30 September 2015: (a) the financial records have been properly maintained and the financial statements give true and fair view of the Group's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems in all material aspects.

With the assistance of the internal auditors, the Board with the concurrence of the AC is of the opinion that the internal controls of the Group are adequate and effective to address operational, financial, information technology and compliance risks and risk management systems.

Nominating Committee (Principles 4 & 5)

The Nominating Committee ("NC") comprises five members, a majority of whom, including the Chairman, are independent. In addition, the NC Chairman is not, and not directly associated with, a substantial shareholder of the Company.

The composition of the NC is as follows:

Chairman

Mr Chidambaram Chandrasegar – Independent Director

Members

Mr Khoo Ho Tong – Independent Director

Mr Tan Soo Kiat – Independent Director

Mr Yong Poon Miew – Executive Director

Mr Yong Kin Sen – Executive Director

The NC's functions are as follows:

(I) Review and recommend to the Board the retirement and re-election of directors in accordance with the Articles of Association of the Company. Every director including the Managing Director is subject to reelection once in every three years. Also, all newly appointed directors during the year will hold office until the next Annual General Meeting and will be eligible for re-election. Such directors are not taken into account in determining the number of directors who are to retire by rotation.

(II) Review and assess candidates for directorship before making recommendation to Board, taking into consideration the skills and experience required and the current composition of the Board.

(III) Determine the independence/non-independence of Directors.

(IV) Evaluate the effectiveness of the Board as a whole and propose objective performance criteria to assess effectiveness of the Board.

Corporate Governance

At the forthcoming annual general meeting and in accordance with the Articles of Association of the Company:

Mr Yong Poon Miew and Mr Chidambaram Chandrasegar will retire under Article 104 of the Company's Articles of Association. They have signified their consents to continue in office and offered themselves for re-election.

The Companies (Amendment) Act 2014 has repealed Section 153. Accordingly, the Directors of age 70 and above will not be required to seek re-appointment.

The NC has recommended their re-elections to the Board.

Access to Information (Principle 6)

All Directors have unrestricted access to the Company's records and information and independent access to senior management of the Company. The Company Secretary and/or her nominee attends meetings of the Board, Audit, Remuneration and Nominating Committees. The Directors have separate and independent access to the Company Secretary who assists the Board in ensuring that Board procedures are followed and requirements under the Companies Act are complied with.

Remuneration Committee (Principles 7 & 8)

The Remuneration Committee ("RC") comprises three members, all of whom are independent:

Chairman

Mr Tan Soo Kiat – Independent Director

Members

Mr Khoo Ho Tong - Independent Director

Mr Chidambaram Chandrasegar - Independent Director

The RC's functions are as follows:

(i) Recommend a framework of remuneration for the Executive Directors for the Board's approval in consultation with the Chairman of the Board. The review of remuneration of the senior management was delegated by RC to the executive directors. Any recommendation of adjustments would then be given to the RC for reference and, unless objection is raised, will be implemented.

(ii) Review and recommend long-term incentive scheme.

(iii) Review the Non-Executive Directors' remuneration in the form of Directors' fees, having regard to the roles that the individual directors play. Non-Executive Directors' fees are submitted for shareholders' approval at the Annual General Meeting.

The RC ensures that the Directors' compensations are adequately but not excessively remunerated. While none of the members of the RC specialises in the area of executive compensation, all members of the RC are knowledgeable in executive compensation matters gained through their industry experience. The RC may seek independent professional advice on remuneration of directors and key executives.

Corporate Governance

Remuneration and Benefits of Directors and Key Executives (Principle 9)

A. The Executive Directors have service contracts renewed for a term of one year on the terms and conditions contained therein.

Other than the remuneration package disclosed in the table below, the Executive Directors do not enjoy any other incentives.

Non-Executive Directors have no service contracts and their duration of office are specified in the Articles of Association. They are paid directors' fees in consideration of their contribution to the Company.

B. The Board has decided not to present the annual remuneration report of the Executive Directors for shareholders' approval at the Annual General Meeting as their remuneration packages are covered in their service contracts.

Non-Executive Directors' fees are tabled for shareholders' approval at the Annual General Meeting.

C. The following table shows a breakdown (in percentage terms) of the average remuneration of the Directors and key executives during the year, which falls within broad bands for the year ended 30 September 2015.

Remuneration Bands	Salary %	Profit Sharing %	Bonus %	Directors' fees %	Others %	Total Compensation %
S$750,000 - S$1,000,000						
Director						
Mr Yong Kin Sen	39	61	–	–	–	100
S$500,000 - S$749,000						
Directors						
Mr Yong Koon Chin	48	52	–	–	–	100
Mr Yong Poon Miew	48	52	–	–	–	100
Below S$250,000						
Directors						
Mr Khoo Ho Tong	–	–	–	100	–	100
Mr Chidambaram Chandrasegar	–	–	–	100	–	100
Mr Tan Soo Kiat	–	–	–	100	–	100
Key Executives						
S$500,000 - S$1,000,000						
Mr Lim Hock Leong	37	63	–	–	–	100
Below S$250,000						
Miss Christine Phua	63	–	37	–	–	100
Mr Tan Bee Kin	71	–	29	–	–	100
Mr Bennett Jude Bennit	92	–	8	–	–	100
Miss Hong Pay Leng	80	–	20	–	–	100

Corporate Governance

D. During the year, employees in the Group, being an immediate family of a director, whose remuneration exceeds S$50,000 were:

Name of Employees

Related to a director who received S$100,000 to S$150,000

Yong Li Yuen, Joanna – daughter of Mr Yong Koon Chin

Yong Han Keong, Eric – son of Mr Yong Kin Sen

Yong Han Lim, Adrian – son of Mr Yong Poon Miew

Communication with Shareholders (Principles 14 and 15)

The Company endeavours to maintain timely and effective communication with shareholders through timely and comprehensive announcements. The Company does not make selective disclosure to only certain groups of persons. It has adopted a policy of making all necessary disclosures in public announcements via SGXNET, press release, circulars for Extraordinary General Meetings and annual reports. The annual reports and circulars are sent to all shareholders and the notice of general meetings are advertised in the newspapers and announced via SGXNET.

The Articles of Association allows a member to appoint not more than two proxies to attend and vote in his place at general meetings.

At Annual General Meetings and Extraordinary General Meetings, shareholders are given the opportunity to express their views and to raise their queries to the Board on matters relating to the operations of the Group. The external auditors are also present at the Annual General Meetings to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

Dealing in Securities

The Company has adopted and implemented an internal code of conduct on dealings in the securities of the Company by directors and key employees in the Group.

In compliance with the internal code of conduct, the Company issued a quarterly letter to all Directors and employees informing them that they are not permitted to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements, or if they are in possession of unpublished price-sensitive information of the Company.

The Directors and employees are discouraged from dealing in the Company's securities on short-term considerations.

Interested Person Transactions

The Group does not have a general mandate from shareholders on interested person transactions. There were no interested person transactions during the financial year under review.

Material Contracts

There were no material contracts between the Company and its subsidiaries involving the interests of the Managing Director, each director and each controlling shareholder.

Corporate Governance

Risk Management

(I) Dependence on public housing projects

The Group is engaged in the design, fabrication, supply and installation of a wide range of steel and aluminium products, comprising building products for HDB housing projects and aluminium frames for container refrigeration units. Its metal building products cater to housing projects relating to new HDB flats and the Group's business is dependent on the demand for new HDB flats.

The Group manages the risk on demand for HDB flats by focusing on HDB upgrading, private properties, industrial and commercial buildings and other public projects.

(II) Fluctuation in raw material prices

The Group's key raw materials, namely mild steel, stainless steel and aluminium, are subject to price fluctuations. Any significant increase in the prices of mild steel, stainless steel and aluminium will adversely affect the Group's operating results.

The Group manages the risk in fluctuation by buying the raw materials pegged to contracts requirements only and constantly sourcing for alternative sources of supply.

(III) Delays in project completion

The Group is exposed to the risk of being liable for liquidated damages, which are pre-determined sums payable, in the event that it is unable to complete a project within the stipulated period of time due to factors attributable to the Group.

The Group manages this risk by closely monitoring its projects by its qualified and experienced personnel.

(IV) Dependence on foreign workers

The Group, like many companies in Singapore, is dependent on foreign workers due to the shortage of Singaporean labour. Therefore, the Group is vulnerable to the shortage of foreign workers and any increase in foreign worker levies, which will result in an increase in the Group's operating costs and adversely affect the Group's operating results.

The Group manages the risk of shortage of foreign workers by relocating labour intensive operations to its Malaysian plants.

(V) Financial risk management objectives and policies

Please refer to Note 36 of the Notes to Financial Statements.

(VI) Dependence on relationship with a major customer

A major customer accounts for a substantial portion of our revenue. We are therefore dependent, to certain extent, on this major customer, as any cancellation of its sales and purchases would have an impact on our operations. Although we have long-term contract with our major customer, it may alter its present arrangements with us to our disadvantage, which would in turn have an impact on our operating income, business and financial position and consequently, our operating profits may, to a material extent, be adversely affected.

Corporate Governance

(VII) We will be affected by competition from competitors and new entrants

The aluminium and steel products industry is competitive and such competition may increase in the near future due to the entry of new players in our aluminium and steel products business. In the event our competitors are able to provide comparable products at lower prices or respond to changes in market conditions more swiftly or effectively than we do, our business, results of operations and financial performance will be adversely affected. There is no assurance that we will be able to compete effectively with our existing and future competitors and adapt quickly to changing market conditions and trends. Any failure by us to remain competitive will adversely affect the demand for our business, our results of operations and financial performance.

(VIII) Our success depends on our ability to attract and retain key personnel

The Group's success depends to a significant extent upon a number of key employees and senior management. The loss of service of one or more of these key employees, most of whom are not bound by formal long-term employment agreements, could have a material adverse effect on the Group. Therefore, the Group would not disclose their remuneration. The Group believes that its future success will also depend in large part upon its ability to attract and retain highly skilled managerial personnel. Competition for such personnel is intense. The Group may not be successful in attracting and retaining the personnel it requires.

(VIV) Dependence on demand for marine refrigerated containers

The Group is engaged in the production of aluminium frames for container refrigeration units for the shipping industry. Thus the Group's business is dependent on the international shipping industry's demand for new refrigerated containers and any significant downturn in the demand for new refrigerated containers will have an adverse impact on the Group's operating results.

Corporate Governance

Information on Key Executives

Mr Lim Hock Leong (Aged 61)

Mr Lim is the General Manager and is responsible for the management of the daily operations of the Group, which include sales and marketing, investments and corporate finance. Mr Lim has over 28 years of working experience in the metal engineering and fabrication business since 1988. He joined the Company in 1988 as its Financial Controller after accumulating more than nine years of experience in the accounting and finance functions of three companies listed in Singapore. He was promoted to General Manager of the Company in 1996. He holds a Bachelor in Commerce (Accountancy) degree from the then Nanyang University.

Mr Tan Bee Kin (Aged 55)

Mr Tan is the Project Director of the Company. He is responsible for the product design and project management. Mr Tan joined the Company as the Engineering Manager in 2001. Prior to joining the Company, Mr Tan has 20 years of experience in management and design in Automation and Surface Treatment system. Mr Tan holds a Bachelor of Science (Engineering) degree from University of Aberdeen, UK.

Mr Bennett Jude Bennit (Aged 55)

Mr Bennit is the Senior Project Manager of the Company and is responsible for the Group's site management. Mr Bennit joined the Company as a senior project engineer in 1992. He was promoted to the current position of Project Manager in 1998. Prior to joining the Company, Mr Bennit was an R & D Test Engineer of a container manufacturing company where he had worked for four years. Mr Bennit holds a Bachelor of Technology degree from the Regional Engineering College, Warangal, India.

Ms Christine Phua (Aged 60)

Ms Phua is the Material Procurement Manager of the Company. She is responsible for the Group's material planning and procurement and inventory management. Ms Phua joined Nam Lee Industries in 1974 and was promoted to the position of Material Procurement Manager in 1981. She has since acquired 40 years of experience in this area.

Ms Hong Pay Leng (Aged 41)

Ms Hong is the Chief Financial Officer of the Company. She is responsible for the financial and accounting functions for the Group. She joined the Company in 2008 as Assistant Financial Controller. Prior to joining the Company, she has more than 15 years experience in accounting and finance. She is a Chartered Accountant and holds a Master in Business Administration from the University of South Australia.

Report of the Directors

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Nam Lee Pressed Metal Industries Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2015.

Directors

The directors of the Company in office at the date of this report are:

Yong Koon Chin	Chairman
Yong Kin Sen	Managing Director
Yong Poon Miew	
Khoo Ho Tong	
Chidambaram Chandrasegar	
Tan Soo Kiat	

Arrangements to enable directors to acquire shares and debentures

Except as described below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company as stated below:

	Held in name of directors			Deemed interest		
Name of director	At 1.10.14	At 30.9.15	At 21.10.15	At 1.10.14	At 30.9.15	At 21.10.15
Ordinary shares of the Company						
Yong Kin Sen	1,212,909	1,212,909	1,212,909	140,984,089	140,984,089	140,984,089
Yong Koon Chin	90,000	90,000	90,000	140,974,507	140,974,507	140,974,507
Yong Poon Miew	381,679	381,679	381,679	140,974,507	140,974,507	140,974,507
Khoo Ho Tong	400,000	400,000	400,000	–	–	–
Chidambaram Chandrasegar	200,000	200,000	200,000	–	–	–
Tan Soo Kiat	–	–	–	200,000	200,000	200,000

Messrs Yong Kin Sen, Yong Koon Chin and Yong Poon Miew, by virtue of their interest in more than 20% of the issued share capital of the Company, are deemed to have an interest in the issued share capital of the subsidiaries of the Company at the beginning and end of the financial year and as at 21 October 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Report of the Directors

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Options

At the Extraordinary General Meeting held on 20 November 2007, shareholders approved the Nam Lee Employee Share Option Scheme ("the Scheme") for the granting of options for the subscription of shares to selected employees and non-executive directors. The subscription price for each share in respect of which a discounted option is exercisable shall be market price subject to such discount, as may be determined by Committee in its absolute discretion. The Scheme is administered by the Remuneration Committee, comprising three directors, Mr Tan Soo Kiat (Chairman), Mr Khoo Ho Tong and Mr Chidambaram Chandrasegar.

During the financial year ended 30 September 2010, the Company granted 800,000 options to non-executive directors of the Company and 7,400,000 options to employees of the Group.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the Scheme as at 30 September 2015 are as follows:

Date of grant	Balance as at 1.10.14	Exercised	Forfeited	Balance outstanding at 30.9.15	Exercisable at 30.9.2015	Exercise price	Exercise period
22.2.2010	2,650,000	–	–	2,650,000	2,650,000	$0.258	22.2.2011 - 22.2.2021
Total	2,650,000	–	–	2,650,000	2,650,000		

Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the Scheme are as follows:

Name of director	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Aggregate options exercised since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
Khoo Ho Tong	–	400,000	(400,000)	–
Chidambaram Chandrasegar	–	200,000	(200,000)	–
Tan Soo Kiat	–	200,000	(200,000)	–
Total	–	800,000	(800,000)	–

In the financial year ended 30 September 2013, the above directors exercised their options for 800,000 ordinary shares of the Company at a price of $0.258 each, with a total cash consideration of $206,400 paid to the Company.

Report of the Directors

Options (cont'd)

Since the commencement of the Scheme till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates.
- No participant has received 5% or more of the total options available under the Scheme.
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted.
- The options granted under the Scheme were granted without any discount.

Audit Committee

The audit committee performed the functions specified in section 201B (5) of the Singapore Companies Act, Chapter 50. The functions performed are detailed in the Report on Corporate Governance. The audit committee comprises three members, all independent directors. The members of the audit committee are:

Khoo Ho Tong	Chairman
Chidambaram Chandrasegar	Member
Tan Soo Kiat	Member

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Yong Kin Sen
Director

Yong Poon Miew
Director

Singapore
4 January 2016

Statement by Directors

We, Yong Kin Sen and Yong Poon Miew, being two of the directors of Nam Lee Pressed Metal Industries Limited, do hereby state that, in the opinion of the directors,

(i) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2015 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Yong Kin Sen
Director

Yong Poon Miew
Director

Singapore
4 January 2016

Independent Auditor's Report

For the financial year ended 30 September 2015
Independent auditor's report to the members of Nam Lee Pressed Metal Industries Limited

Report on the financial statements

We have audited the accompanying financial statements of Nam Lee Pressed Metal Industries Limited (the "Company") and its subsidiaries (the "Group") set out on pages 26 to 91 which comprise the balance sheets of the Group and the Company as at 30 September 2015, and the statements of changes in equity of the Group and the Company, and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
4 January 2016

Consolidated Income Statement

For the financial year ended 30 September 2015

	Note	2015 $'000	2014 $'000
Revenue	4	**164,042**	141,452
Cost of sales		**(126,757)**	(118,816)
Gross profit		**37,285**	22,636
Distribution costs		**(2,954)**	(2,642)
Administrative costs		**(13,478)**	(10,731)
Other operating costs		**(5,233)**	(2,261)
Profit from operating activities	5	**15,620**	7,002
Interest income	7	**315**	327
Finance costs	7	**(138)**	(53)
Other income	8	**186**	1,259
Profit before tax		**15,983**	8,535
Income tax expense	9	**(3,109)**	(1,385)
Profit for the year		**12,874**	7,150
Attributable to:			
Owners of the Company		**12,939**	7,049
Non-controlling interests		**(65)**	101
		12,874	7,150
Earnings per share (cents per share)			
- Basic	10	**5.36**	2.92
- Diluted	10	**5.36**	2.92

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 30 September 2015

	Note	2015 $'000	2014 $'000
Profit for the year		**12,874**	7,150
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
- Surplus on revaluation of buildings on leasehold land		**–**	345
Items that may be reclassified subsequently to profit or loss:			
- Foreign currency translation		**(5,077)**	(172)
- Fair value adjustment on available-for-sale investments	29	**–**	(311)
Other comprehensive income for the year, net of tax		**(5,077)**	(138)
Total comprehensive income for the year		**7,797**	7,012
Attributable to:			
Owners of the Company		**7,775**	6,902
Non-controlling interests		**22**	110
		7,797	7,012

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 30 September 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Property, plant and equipment	11	**33,445**	29,392	**8,900**	9,916
Available-for-sale investments	12	**8**	8	**8**	8
Held-to-maturity investments	13	**6,106**	6,124	**6,106**	6,124
Investment in subsidiaries	14	**–**	–	**15,226**	15,396
Deferred tax assets	25	**–**	218	**–**	–
		39,559	35,742	**30,240**	31,444
Current assets					
Inventories	15	**40,386**	32,454	**6,983**	6,423
Trade receivables	16	**39,407**	33,183	**24,435**	15,810
Other receivables and deposits	17	**2,060**	1,569	**309**	233
Prepayments		**1,073**	751	**229**	222
Amounts due from subsidiaries (non-trade)	18	**–**	–	**31,319**	19,329
Derivatives	19	**–**	121	**–**	121
Tax recoverable		**164**	244	**–**	–
Cash and cash equivalents	35	**38,432**	35,541	**25,957**	21,692
		121,522	103,863	**89,232**	63,830
Total assets		**161,081**	139,605	**119,472**	95,274
Current liabilities					
Trade payables	20	**11,505**	5,946	**12,150**	12,196
Other payables and accruals	21	**13,070**	9,125	**9,720**	6,424
Provision for warranty	22	**818**	903	**–**	–
Term loans	23	**1,000**	76	**1,000**	–
Derivatives	19	**2,111**	–	**2,111**	–
Obligations under hire purchase contracts	24	**505**	348	**208**	145
Income tax payables		**2,634**	896	**1,755**	432
		31,643	17,294	**26,944**	19,197
Net current assets		**89,879**	86,569	**62,288**	44,633
Non-current liabilities					
Term loans	23	**3,417**	–	**3,417**	–
Obligations under hire purchase contracts	24	**481**	407	**254**	203
Deferred tax liabilities	25	**762**	1,304	**81**	394
		4,660	1,711	**3,752**	597
Total liabilities		**36,303**	19,005	**30,696**	19,794
Net assets		**124,778**	120,600	**88,776**	75,480
Equity attributable to owners of the Company					
Share capital	26	**56,758**	56,758	**56,758**	56,758
Retained earnings		**74,288**	64,968	**31,476**	18,180
Capital reserve	27	**104**	104	**–**	–
Foreign currency translation reserve	28	**(7,784)**	(2,620)	**–**	–
Asset revaluation reserve	32	**345**	345	**345**	345
Fair value adjustment reserve	29	**2**	2	**2**	2
Share option reserve	30	**195**	195	**195**	195
		123,908	119,752	**88,776**	75,480
Non-controlling interests		**870**	848	**–**	–
Total equity		**124,778**	120,600	**88,776**	75,480

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 30 September 2015

	Note	Share capital	Retained earnings	Capital reserve	Foreign currency translation reserve	Asset revaluation reserve	Fair value adjustment reserve	Share option reserve	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
		Attributable to owners of the Company									
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015											
Group											
At 1 October 2014		56,758	64,968	104	(2,620)	345	2	195	119,752	848	120,600
Profit for the year		–	12,939	–	–	–	–	–	12,939	(65)	12,874
Other comprehensive income:											
- Foreign currency translation		–	–	–	(5,164)	–	–	–	(5,164)	87	(5,077)
Total comprehensive income for the year, net of tax		–	12,939	–	(5,164)	–	–	–	7,775	22	7,797
Distributions to owners:											
- Dividends on ordinary shares	31	–	(3,619)	–	–	–	–	–	(3,619)	–	(3,619)
At 30 September 2015		56,758	74,288	104	(7,784)	345	2	195	123,908	870	124,778

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 30 September 2015

		Attributable to owners of the Company									
	Note	Share capital	Retained earnings	Capital reserve	Foreign currency translation reserve	Asset revaluation reserve	Fair value adjustment reserve	Share option reserve	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2014											
Group											
At 1 October 2013		56,758	61,538	104	(2,439)	–	313	195	116,469	738	117,207
Profit for the year		–	7,049	–	–	–	–	–	7,049	101	7,150
Other comprehensive income:											
- Foreign currency translation		–	–	–	(181)	–	–	–	(181)	9	(172)
- Surplus on revaluation of buildings on leasehold land		–	–	–	–	345	–	–	345	–	345
- Fair value adjustment	29	–	–	–	–	–	(311)	–	(311)	–	(311)
Total comprehensive income for the year, net of tax		–	7,049	–	(181)	345	(311)	–	6,902	110	7,012
Distributions to owners:											
- Dividends on ordinary shares	31	–	(3,619)	–	–	–	–	–	(3,619)	–	(3,619)
At 30 September 2014		56,758	64,968	104	(2,620)	345	2	195	119,752	848	120,600

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 30 September 2015

	Note	Share capital $'000	Retained earnings $'000	Fair value adjustment reserve $'000	Asset revaluation reserve $'000	Share option reserve $'000	Total equity $'000
2015							
Company							
At 1 October 2014		56,758	18,180	2	345	195	75,480
Profit for the year		–	16,915	–	–	–	16,915
Total comprehensive income for the year, net of tax		–	16,915	–	–	–	16,915
Distributions to owners:							
- Dividends on ordinary shares	31	–	(3,619)	–	–	–	(3,619)
At 30 September 2015		56,758	31,476	2	345	195	88,776

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 30 September 2015

	Note	Share capital $'000	Retained earnings $'000	Fair value adjustment reserve $'000	Asset revaluation reserve $'000	Share option reserve $'000	Total equity $'000
2014							
Company							
At 1 October 2013		56,758	19,170	313	–	195	76,436
Profit for the year		–	2,629	–	–	–	2,629
Other comprehensive income:							
- Surplus on revaluation of buildings on leasehold land		–	–	–	345	–	345
- Fair value adjustment	29	–	–	(311)	–	–	(311)
Total comprehensive income for the year, net of tax		–	2,629	(311)	345	–	2,663
Distributions to owners:							
- Dividends on ordinary shares	31	–	(3,619)	–	–	–	(3,619)
At 30 September 2014		56,758	18,180	2	345	195	75,480

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 September 2015

	Note	2015 $'000	2014 $'000
Operating activities			
Profit before tax		**15,983**	8,535
Adjustments for:			
Depreciation of property, plant and equipment	5	**4,417**	4,276
Property, plant and equipment written off	5	**189**	105
Loss/(gain) on disposal of property, plant and equipment, net	5, 8	**6**	(185)
Fair value loss/(gain) on derivatives		**2,232**	(357)
Fair value gain on disposal of available-for-sale investment	8	**–**	(343)
Interest expense	7	**138**	53
Interest income from short-term deposits	7	**(131)**	(143)
Interest income from bond investments	7	**(184)**	(184)
Write-back for provision of warranty	22	**(85)**	(107)
Amortisation of bond premium		**18**	19
Foreign currency translation adjustment		**(4,014)**	(162)
Operating cash flows before changes in working capital		**18,569**	11,507
(Increase)/decrease in inventories		**(7,932)**	12,614
(Increase)/decrease in receivables		**(7,040)**	7,672
Increase/(decrease) in payables		**9,506**	(6,366)
Cash flows generated from operations		**13,103**	25,427
Income taxes paid		**(1,615)**	(1,212)
Interest received		**131**	143
Interest paid		**(138)**	(53)
Net cash flows generated from operating activities		**11,481**	24,305
Investing activities			
Purchase of property, plant and equipment	11	**(11,157)**	(9,728)
Proceeds from disposal of property, plant and equipment		**846**	747
Proceeds from disposal of available-for-sale investments		**–**	636
Interest income from bond investments		**184**	184
Net cash flows used in investing activities		**(10,127)**	(8,161)
Financing activities			
Proceeds from term loan		**5,000**	–
Repayment of finance lease obligations		**(536)**	(348)
Repayment of term loan drawdown		**(659)**	(226)
Dividends paid on ordinary shares	31	**(3,619)**	(3,619)
Net cash flows generated from/(used in) financing activities		**186**	(4,193)
Net increase in cash and cash equivalents		**1,540**	11,951
Cash and cash equivalents at 1 October		**35,541**	23,351
Effect of exchange rate changes on cash and cash equivalents		**1,351**	239
Cash and cash equivalents at 30 September	35	**38,432**	35,541

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 30 September 2015

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). The immediate and ultimate holding company is Nam Lee Holdings Pte Ltd, which is incorporated in Singapore.

The registered office and principal place of business of the Company is located at 21 Sungei Kadut Street 4, Singapore 729048.

The principal activities of the Company include the design, fabrication, supply and installation of steel and aluminium products such as gates, door frames, staircase nosing and hand-railings, laundry racks, letter boxes, sliding windows and sliding doors for flats and houses and the supply of aluminium NT mainframes for container refrigeration units.

The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

There have been no significant changes in the nature of these activities during the year.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "$") and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.2 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 *Share Based Payment*	1 July 2014
(b) Amendments to FRS 103 *Business Combinations*	1 July 2014
(c) Amendments to FRS 108 *Operating Segments*	1 July 2014
(d) Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets*	1 July 2014
(e) Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 Business Combinations	1 July 2014
(b) Amendments to FRS 113 Fair Value Measurement	1 July 2014
(c) Amendments to FRS 40 Investment Property	1 July 2014
Amendments to FRS 16 and FRS 41 *Agriculture: Bearer Plants*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	1 January 2016
(a) Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to FRS 19 *Employee Benefits*	1 January 2016
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.3 ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.4 ***Transactions with non-controlling interests***

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.5 ***Foreign currency***

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.5 *Foreign currency (cont'd)*

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income.

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property, plant and equipment.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, except for buildings on leasehold land.

Buildings on leasehold land are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value of the buildings on leasehold land at the end of reporting period. All other categories of assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	–	Over the remaining period of lease up to a maximum of 61 years
Buildings on freehold land	–	50 years
Buildings on leasehold land	–	Lower of 50 years and over the remaining period of lease
Leasehold improvements	–	10 years
Furniture and fittings	–	10 years
Motor vehicles	–	5 to 10 years
Office equipment	–	10 years
Plant and machinery	–	5 to 10 years
Tools	–	10 years

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.6 *Property, plant and equipment (cont'd)*

Assets under construction included in plant and machinery are not depreciated as these assets are not available for use. Freehold land has an infinite useful life and therefore is not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.8 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.9 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives are classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Available-for-sale financial assets

Available-for-sale financial assets comprise equity securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.9 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

(iv) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.9 *Financial instruments (cont'd)*

(b) ***Financial liabilities (cont'd)***

(ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(c) ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is an enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.10 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.10 *Impairment of financial assets (cont'd)*

(a) *Financial assets carried at amortised cost (cont'd)*

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.11 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand as well as short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Cash and short term deposits carried in the balance sheets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.9.

2.12 *Trade and other receivables*

Trade and other receivables, including amounts due from subsidiaries are classified and accounted for as loans and receivables under FRS 39.

An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.10.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.13 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials determined on a first-in-first-out basis and in the case of finished products and work-in-progress, includes direct materials, direct labour and attributable production overheads based on normal levels of activity. These costs are assigned on a first-in-first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.14 *Provisions*

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Warranty provisions
Provisions for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is reviewed annually.

2.15 *Employee benefits*

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme ("CPF") and the Group's companies in Malaysia make contribution to the Employee Provident Fund scheme ("EPF"). Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.15 *Employee benefits (cont'd)*

(c) *Employee share option plans*

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefit expense.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition or non-vesting conditions, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share option reserve is transferred to retained earnings upon expiry of the share option. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

2.16 *Leases*

As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.17 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Sale of goods*

Revenue from products supplied for the construction of flats and houses under construction is recognised when the products delivered and installed have been accepted and certified by the main contractors.

Revenue from the sales of goods for aluminium NT mainframes and other miscellaneous sales is recognised upon the transfer of significant risk and rewards of ownership to the customer which generally coincide with their delivery and acceptance.

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

2.18 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.18 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the balance sheet.

2.19 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segmental information.

2.20 *Share capital and share issuance expense*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Notes to the Financial Statements

For the financial year ended 30 September 2015

2. Summary of significant accounting policies (cont'd)

2.21 *Contingencies*

A contingent liability is:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

b) a present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group.

3. Significant accounting judgments and estimates

The preparation of the Group's 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. However, 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 consolidated financial statements:

<u>Determination of functional currency</u>

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.

(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 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.

Notes to the Financial Statements

For the financial year ended 30 September 2015

3. Significant accounting judgments and estimates (cont'd)

(b) *Key sources of estimation uncertainty (cont'd)*

(i) Useful lives of property, plant and equipment

The property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, which are common life expectancies applied in the industry. The carrying amount of the Group's property, plant and equipment at 30 September 2015 was $33,445,000 (2014: $29,392,000). Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation changes could be revised.

(ii) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of reporting period is disclosed in Note 37(e) to the financial statements.

(iii) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amounts of the Group's tax payables and deferred tax liabilities at 30 September 2015 were $2,634,000 and $762,000 (2014: $896,000 and $1,304,000) respectively. The carrying amounts of the Group's tax recoverable and deferred tax assets at 30 September 2015 were $164,000 and Nil (2014: $244,000 and $218,000) respectively.

4. Revenue

Revenue represents invoiced value of goods supplied. It excludes dividends, interest income and, in respect of the Group, intra-group transactions.

Notes to the Financial Statements

For the financial year ended 30 September 2015

5. Profit from operating activities

The following items have been included in arriving at profit from operating activities:

	Group	
	2015	2014
	$'000	$'000
Cost of sales:		
Salaries and bonuses (excluding directors' emoluments)	**(19,193)**	(23,135)
Contribution to defined contribution plans	**(3,457)**	(3,705)
Depreciation of property, plant and equipment*	**(3,597)**	(3,583)
Operating lease expense	**(626)**	(2,038)
Professional fee	**(688)**	(436)
Distribution costs:		
Salaries and bonuses (excluding directors' emoluments)	**(254)**	(290)
Contribution to defined contribution plans	**(26)**	(23)
Depreciation of property, plant and equipment*	**(240)**	(85)
Transportation expenses	**(1,661)**	(1,481)
Administrative costs:		
Audit fees paid to:		
- Auditors of the Company	**(115)**	(115)
- Other auditors	**(64)**	(54)
Non-audit fees paid to:		
- Auditors of the Company	**(64)**	(55)
- Other auditors	**(56)**	(36)
Salaries and bonuses (excluding directors' emoluments)	**(6,251)**	(4,193)
Contribution to defined contribution plans	**(448)**	(388)
Directors of the Company:		
- Fees	**(120)**	(120)
- Remuneration	**(1,869)**	(1,173)
- Contribution to defined contribution plans	**(13)**	(12)
Directors of subsidiaries:		
- Fees	**(7)**	(7)
- Remuneration	**(152)**	(146)
Depreciation of property, plant and equipment*	**(580)**	(608)
Accommodation expenses	**(1,374)**	(1,685)
Other operating costs:		
Property, plant and equipment written off	**(189)**	(105)
Fair value loss on derivatives, net	**(3,924)**	(624)
Foreign exchange gain, net	**191**	152
Professional fee	**(210)**	(300)
Loss on disposal of property, plant and equipment, net	**(6)**	–

* Depreciation charge for the Group is $4,417,000 (2014: $4,276,000) (Note 11).

Notes to the Financial Statements

For the financial year ended 30 September 2015

6. Share option scheme

Under the Nam Lee Employee Share Option Scheme (the "Scheme"), share options are granted to eligible employees and non-executive directors of the Company and subsidiaries. The Scheme is administered by the Remuneration Committee, who shall determine at its discretion, the number of shares over which the options are to be offered, taking into account criteria such as the rank, seniority, length of service, performance and potential for future contributions of the grantee and performance of the Group. Options granted to employees will have a life span of ten years whereas options granted to non-executive directors will have a life span of five years. The exercise price of the options shall be equal to the average of the last dealt prices for the Company's shares for the three consecutive trading days immediately preceding the relevant date of grant.

There has been no cancellation or modification to the scheme during the financial year.

Movement of share options during the financial year

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

	2015		2014	
	No.	**WAEP ($)**	No.	WAEP ($)
Outstanding at 1 October	**2,650,000**	**0.258**	2,650,000	0.258
- Exercised	**–**	**–**	–	–
- Forfeited	**–**	**–**	–	–
Outstanding at 30 September	**2,650,000**	**0.258**	2,650,000	0.258
Exercisable at 30 September	**2,650,000**	**0.258**	2,650,000	0.258

The weighted average remaining contractual life for the options outstanding at the end of the year is 5.4 years (2014: 6.4 years).

Fair value of share options granted

The fair value of share options is estimated at the grant date using the Black-Scholes model, taking into account the terms and conditions upon which the share options were granted. The inputs to the financial model used for the options granted are shown below:

Vesting date	22 February 2012
Expected volatility (%)	27.00
Risk-free interest rate (%)	0.35
Expected life of option (years)	4.25
Exercise price ($)	0.258
Share price ($)	0.27

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

Notes to the Financial Statements

For the financial year ended 30 September 2015

7. Interest income/Finance costs

	Group	
	2015	2014
	$'000	$'000
Interest income from:		
- Short-term deposits	**131**	143
- Bond investments	**184**	184
	315	327
Interest expense on:		
- term loans	**(78)**	(10)
- obligations under hire purchase contracts	**(60)**	(43)
	(138)	(53)

8. Other income

	Group	
	2015	2014
	$'000	$'000
Gain on disposal of property, plant and equipment, net	**–**	185
Fair value gain on derivatives	**–**	357
Fair value gain on disposal of available-for-sale investment (transferred from equity upon disposal) (Note 29)	**–**	343
Gain from government incentive schemes	**155**	230
Others	**31**	144
	186	1,259

Notes to the Financial Statements

For the financial year ended 30 September 2015

9. Income tax expense

The major components of income tax expense for the years ended 30 September are:

	Group	
	2015	2014
	$'000	$'000
Consolidated income statement:		
Current income tax		
- Current year	**(3,394)**	(1,737)
- (Under)/over provision in respect of prior years	**(67)**	331
	(3,461)	(1,406)
Deferred income tax		
- Origination and reversal of temporary differences	**422**	16
- (Under)/over provision in respect of prior years	**(70)**	5
	352	21
Income tax expense recognised in profit or loss	**(3,109)**	(1,385)

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 September are as follows:

Profit before tax	**15,983**	8,535
Tax at statutory tax rate of 17% (2014: 17%)	**(2,717)**	(1,451)
Adjustments:		
Effect of differences in statutory tax rate	**(339)**	(267)
Expenses not deductible for tax purposes	**(188)**	(408)
Utilisation of previously unrecognised deferred taxation	**118**	–
Tax incentives	**140**	217
(Under)/over provision in respect of prior years, net	**(137)**	336
Deferred tax assets not recognised	**(232)**	(5)
Income not subject to tax	**101**	94
Partial tax exemption	**92**	54
Others	**53**	45
Income tax expense recognised in profit or loss	**3,109**	(1,385)

As at 30 September 2015, certain subsidiaries in the Group have unutilised tax losses amounting to $1,377,000 (2014: $12,000) available to offset against future taxable profits for which no deferred tax asset is recognised due to uncertainty of their utilisation against future taxable profits. The use of these unutilised tax losses is subject to the agreement of the tax authorities and compliance with provisions of the relevant tax legislations.

Notes to the Financial Statements

For the financial year ended 30 September 2015

10. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares under the Share Option Scheme into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 September:

	Group	
	2015	2014
	$'000	$'000
Profit for the year, net of tax, attributable to owners of the Company	**12,939**	7,049
	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares for basic earnings per share computation	**241,259**	241,259
Effect of dilutive share options	**279**	393
Weighted average number of ordinary shares for diluted earnings per share computation	**241,538**	241,652
	Cents	Cents
Basic earnings per share	**5.36**	2.92
Diluted earnings per share	**5.36**	2.92

Notes to the Financial Statements

For the financial year ended 30 September 2015

11. Property, plant and equipment

Group	Freehold land $'000	Leasehold land $'000	Buildings on freehold land $'000	Buildings on leasehold land $'000	Leasehold improvements $'000	Furniture and fittings $'000	Motor vehicles $'000	Office equipment $'000	Plant and machinery $'000	Tools $'000	Total $'000
Cost and valuation:											
At 1 October 2014											
Cost	2,602	545	4,635	–	4,116	842	5,107	2,513	35,346	5,580	61,286
Valuation	–	–	–	6,588	–	–	–	–	–	–	6,588
	2,602	545	4,635	6,588	4,116	842	5,107	2,513	35,346	5,580	67,874
Additions	3,255	–	3,968	–	258	20	956	346	2,628	493	11,924
Disposals/written off	–	–	–	–	(1,403)	(1)	(140)	(39)	(821)	(303)	(2,707)
Exchange differences	(499)	(85)	(961)	(145)	(236)	(82)	(176)	(119)	(2,962)	(136)	(5,401)
At 30 September 2015	5,358	460	7,642	6,443	2,735	779	5,747	2,701	34,191	5,634	71,690
Representing:											
Cost	5,358	460	7,642	–	2,735	779	5,747	2,701	34,191	5,634	65,247
Valuation	–	–	–	6,443	–	–	–	–	–	–	6,443
	5,358	460	7,642	6,443	2,735	779	5,747	2,701	34,191	5,634	71,690
Accumulated depreciation:											
At 1 October 2014	–	117	1,615	209	2,428	596	3,416	1,526	25,163	3,412	38,482
Depreciation charge for the year	–	10	249	935	284	56	481	210	1,975	217	4,417
Disposals/written off	–	–	–	–	(1,400)	(1)	(118)	(21)	(124)	(2)	(1,666)
Exchange differences	–	(19)	(282)	(31)	(138)	(56)	(164)	(92)	(2,173)	(33)	(2,988)
At 30 September 2015	–	108	1,582	1,113	1,174	595	3,615	1,623	24,841	3,594	38,245
Net carrying amount:											
At 30 September 2015	5,358	352	6,060	5,330	1,561	184	2,132	1,078	9,350	2,040	33,445

Notes to the Financial Statements

For the financial year ended 30 September 2015

11. Property, plant and equipment (cont'd)

Group	Freehold land $'000	Leasehold land $'000	Buildings on freehold land $'000	Buildings on leasehold land $'000	Leasehold improvements $'000	Furniture and fittings $'000	Motor vehicles $'000	Office equipment $'000	Plant and machinery $'000	Tools $'000	Total $'000
Cost and valuation:											
At 1 October 2013											
Cost	2,625	549	4,681	–	2,764	802	5,165	2,063	35,970	6,009	60,628
Valuation	–	–	–	936	–	–	–	–	–	–	936
	2,625	549	4,681	936	2,764	802	5,165	2,063	35,970	6,009	61,564
Additions	–	–	–	6,353	1,108	97	231	318	1,106	720	9,933
Disposals/written off	–	–	–	–	–	(4)	(276)	(22)	(2,160)	(541)	(3,003)
Reclassification	–	–	–	–	–	–	–	–	506	(506)	–
Revaluation surplus	–	–	–	415	–	–	–	–	–	–	415
Elimination of accumulated depreciation on revaluation	–	–	–	(1,109)	–	–	–	–	–	–	(1,109)
Exchange differences	(23)	(4)	(46)	(7)	244	(53)	(13)	154	(76)	(102)	74
At 30 September 2014	2,602	545	4,635	6,588	4,116	842	5,107	2,513	35,346	5,580	67,874
Representing:											
Cost	2,602	545	4,635	–	4,116	842	5,107	2,513	35,346	5,580	61,286
Valuation	–	–	–	6,588	–	–	–	–	–	–	6,588
	2,602	545	4,635	6,588	4,116	842	5,107	2,513	35,346	5,580	67,874
Accumulated depreciation:											
At 1 October 2013	–	107	1,470	191	2,014	597	3,313	1,193	25,075	3,474	37,434
Depreciation charge for the year	–	10	155	1,128	185	56	374	189	1,968	211	4,276
Disposals/written off	–	–	–	–	–	(4)	(259)	(15)	(1,839)	(218)	(2,335)
Elimination of accumulated depreciation on revaluation	–	–	–	(1,109)	–	–	–	–	–	–	(1,109)
Exchange differences	–	–	(10)	(1)	229	(53)	(12)	159	(41)	(55)	216
At 30 September 2014	–	117	1,615	209	2,428	596	3,416	1,526	25,163	3,412	38,482
Net carrying amount:											
At 30 September 2014	2,602	428	3,020	6,379	1,688	246	1,691	987	10,183	2,168	29,392

Notes to the Financial Statements

For the financial year ended 30 September 2015

11. Property, plant and equipment (cont'd)

Company	Leasehold improvements $'000	Buildings on leasehold land $'000	Furniture and fittings $'000	Motor vehicles $'000	Office equipment $'000	Plant and machinery $'000	Tools $'000	Total $'000
Cost:								
At 1 October 2014	2,392	5,659	334	2,983	1,409	8,519	2,976	24,272
Additions	178	–	–	565	151	10	1	905
Transfer to subsidiaries	–	–	–	(85)	(3)	–	–	(88)
Disposals/written off	(1,397)	–	–	–	–	(64)	–	(1,461)
At 30 September 2015	1,173	5,659	334	3,463	1,557	8,465	2,977	23,628
Accumulated depreciation:								
At 1 October 2014	1,451	–	265	1,884	742	7,362	2,652	14,356
Depreciation charge for the year	152	918	8	259	118	294	99	1,848
Transfer to subsidiaries	–	–	–	(65)	(1)	–	–	(66)
Disposals/written off	(1,397)	–	–	–	–	(13)	–	(1,410)
At 30 September 2015	206	918	273	2,078	859	7,643	2,751	14,728
Net carrying amount:								
At 30 September 2015	967	4,741	61	1,385	698	822	226	8,900

Notes to the Financial Statements

For the financial year ended 30 September 2015

11. Property, plant and equipment (cont'd)

Company	Leasehold improvements $'000	Buildings on leasehold land $'000	Furniture and fittings $'000	Motor vehicles $'000	Office equipment $'000	Plant and machinery $'000	Tools $'000	Total $'000
Cost:								
At 1 October 2013	1,397	–	258	3,047	1,128	10,141	3,311	19,282
Additions	995	6,353	76	113	281	173	3	7,994
Transfer to subsidiaries	–	–	–	(123)	–	(1,721)	(203)	(2,047)
Disposals/written off	–	–	–	(54)	–	(74)	(135)	(263)
Revaluation surplus	–	415	–	–	–	–	–	415
Elimination of accumulated depreciation on revaluation	–	(1,109)	–	–	–	–	–	(1,109)
At 30 September 2014	2,392	5,659	334	2,983	1,409	8,519	2,976	24,272
Accumulated depreciation:								
At 1 October 2013	1,397	–	257	1,845	633	8,661	2,736	15,529
Depreciation charge for the year	54	1,109	8	216	109	337	113	1,946
Transfer to subsidiaries	–	–	–	(123)	–	(1580)	(125)	(1,828)
Disposals/written off	–	–	–	(54)	–	(56)	(72)	(182)
Elimination of accumulated depreciation on revaluation	–	(1,109)	–	–	–	–	–	(1,109)
At 30 September 2014	1,451	–	265	1,884	742	7,362	2,652	14,356
Net carrying amount:								
At 30 September 2014	941	5,659	69	1,099	667	1,157	324	9,916

Notes to the Financial Statements

For the financial year ended 30 September 2015

11. Property, plant and equipment (cont'd)

The Group's properties as at 30 September 2015 are:

Name of building/location	Description	Tenure of land
No. 2 & 2A Jalan Tampoi 7, Kawasan Perusahaan Tampoi, 81200 Johor Bahru, Johor, Malaysia	Factory and office premises	Freehold
No. 50 Jalan Industri Taman Perindustrian, Pekan Nenas, 81500 Pekan Nenas Pontian, Johor Darul Takzim, Malaysia	Factory and office premises	Freehold
PTD 123273 HS(D), 330749 Mukim Pulai, Malaysia	Factory premises	Freehold
PTD 123274 HS(D), 330750 Mukim Pulai, Nusa Jaya Industri Park 1 Johor, Malaysia		
PLO 101, Jalan Cyber 5, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim, Malaysia	Factory and office premises	61-year lease commencing from 24 September 2003
No. 8, Jalan Hasil, Kawasan Perindustrian Tampoi, 81200 Johor Bahru, Malaysia	Factory and office premises	Freehold
21 Sungei Kadut Street 4, Singapore 729048	Factory and office premises	86-month lease commencing from 16 October 2013

Revaluation of buildings on leasehold land

The Group's buildings on leasehold land at PLO 101, Jalan Cyber 5, Senai, was independently valued by CB Richard Ellis at $1,487,000 as at 18 September 2012. The valuation was made on the basis of market value of the existing condition under vacant possession. Management believes the carrying value of the buildings on leasehold land is not materially different from its fair value as at the financial year end.

The Group's buildings on leasehold land at 21 Sungei Kadut Street 4, Singapore, was independently valued by Asian Appraisal Company Pte Ltd at $5,659,000 as at 3 September 2014. The valuation was made mainly on the basis of market comparison method. Details of valuation techniques and inputs used are disclosed in Note 37.

If buildings on leasehold land were measured using the cost model, the net carrying amount of buildings on leasehold land would be $5,046,000 (2014: $5,964,000).

Notes to the Financial Statements

For the financial year ended 30 September 2015

11. Property, plant and equipment (cont'd)

Assets under construction

The Group's plant and machinery included assets under construction amounting to $226,000 (2014: $336,000).

Assets held under finance lease

	Group	
	2015	2014
	$'000	$'000
Additions during the year	**11,924**	9,933
Less: Assets held under finance lease:		
- Plant and machinery	**(408)**	(93)
- Motor vehicles	**(359)**	(112)
Purchase of property, plant and equipment as per consolidated statement of cash flows	**11,157**	9,728

The net carrying amounts of plant and machinery and motor vehicles held under finance leases as at 30 September 2015 was $1,003,000 (2014: $467,000) and $1,154,000 (2014: $1,091,000), respectively for the Group.

12. Available-for-sale investments

	Group and Company	
	2015	2014
	$'000	$'000
Quoted equity investments	**8**	8

13. Held-to-maturity investments

	Group and Company	
	2015	2014
	$'000	$'000
Bond investments (Quoted)	**6,106**	6,124

Quoted investments in corporate bonds were made for varying coupon rates ranging from 3.1% to 4.3% (2014: 3.1% to 4.3%) per annum, with maturity dates ranging from 31 August 2020 to 29 August 2022.

Notes to the Financial Statements

For the financial year ended 30 September 2015

14. Investment in subsidiaries

	Company	
	2015	2014
	$'000	$'000
Unquoted equity shares, at cost	**15,703**	15,703
Less: Accumulated impairment losses	**(477)**	(307)
Carrying amount of investment in subsidiaries	**15,226**	15,396

During the financial year, management performed impairment tests for the investment in certain loss-making subsidiaries. An impairment loss of $170,000 (2014: Nil) was recognised during the financial year to write down the cost of investment in a subsidiary to its recoverable amounts.

	Name (Country of incorporation)	Principal activities (Place of business)	Cost of investment		Proportion of ownership interest	
			2015	2014	**2015**	2014
			$'000	$'000	**%**	%
	Held by the Company					
*	NL Metals Sdn Bhd (Malaysia)	Manufacture of NT mainframe, aluminium sliding windows, grilles, gates and other related metal products (Malaysia)	**1,957**	1,957	**100**	100
*	NL Mechanical Engineering Sdn Bhd (Malaysia)	Manufacture of mainframe, grilles, gates, drying racks, hopper, other metal and steel-based products (Malaysia)	**562**	562	**100**	100
*	Nam Lee Pressed Metal Sdn Bhd (Malaysia)	Manufacture of metal fabricated products (Malaysia)	**1,322**	1,322	**100**	100
*	Nam Lee Industries Sdn Bhd (Malaysia)	Manufacture of metal fabricated products (Malaysia)	**1,078**	1,078	**100**	100
#	P.T. Nam Lee Metal Industries (Indonesia)	Manufacturing of building metal products (Indonesia)	**307**	307	**100**	100

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For the financial year ended 30 September 2015

14. Investment in subsidiaries (cont'd)

	Name (Country of incorporation)	Principal activities (Place of business)	Cost of investment		Proportion of ownership interest	
			2015	2014	**2015**	2014
			$'000	$'000	**%**	%
	Held by the Company					
@	Creative Holdings (HK) Limited (Hong Kong)	Investment holding and distribution of decoration materials (Hong Kong)	**477**	477	**59**	59
##	Nam Lee Pressed Metal Pte Ltd (Singapore)	Fabrication, installation and supply of building materials and products (Singapore)	**10,000**	10,000	**100**	100
			15,703	15,703		
	Held through subsidiaries					
@	Foshan Nanhai Creative Glass and Metal Limited (People's Republic of China)	Manufacturing of decoration materials (People's Republic of China)	**–**	–	**59**	59
*	Swan Metal Products Sdn Bhd (Malaysia)	Manufacture of metal fabricated products (Malaysia)	**–**	–	**100**	100

* Audited by Ernst & Young, Johor Bahru, Malaysia
# Not required to be audited by laws of country of incorporation
@ Not required to be disclosed under SGX listing rule 717
Audited by Ernst & Young LLP, Singapore

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For the financial year ended 30 September 2015

15. Inventories

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Balance sheets:				
Finished goods	**9,714**	5,984	**16**	17
Work-in-progress	**4,441**	3,052	**6**	4
Raw materials	**18,782**	16,548	**790**	872
Stock-in-transit (raw materials)	**7,449**	6,870	**6,171**	5,530
Total inventories at lower of cost and net realisable value	**40,386**	32,454	**6,983**	6,423

Included in the consolidated income statement are inventories recognised as an expense in cost of sales amounting to $83,153,000 (2014: $71,231,000).

16. Trade receivables

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
External parties	**32,935**	25,611	**24,435**	15,810
Retention receivables	**6,472**	7,572	**–**	–
Total trade receivables	**39,407**	33,183	**24,435**	15,810

Trade receivables (external parties) are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables denominated in foreign currency at 30 September are as follows:

	Group and Company	
	2015	2014
	$'000	$'000
United States Dollars	**23,807**	14,977

Notes to the Financial Statements

For the financial year ended 30 September 2015

16. Trade receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to $767,000 (2014: $1,968,000) that are past due at the end of reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of reporting period is as follows:

	Group	
	2015	2014
	$'000	$'000
Trade receivables past due but not impaired:		
Lesser than 30 days	**523**	764
30 - 60 days	**117**	661
61 - 90 days	**63**	171
91 - 120 days	**3**	83
More than 120 days	**61**	289
	767	1,968

As at 30 September 2015 and 2014, trade receivables of the Group and Company are not impaired.

Receivables subject to offsetting arrangements

The Company's trade receivables and trade payables from/to subsidiaries that are subject to offsetting arrangements are as follows:

Description	**Gross carrying amounts** $'000	**Gross amounts offset in the balance sheet** $'000	**Net amounts in the balance sheet** $'000
30 September 2015			
Trade receivables from subsidiaries	**392,823**	**(392,823)**	**–**
Trade payables to subsidiaries	**399,692**	**(392,823)**	**6,869**
30 September 2014			
Trade receivables from subsidiaries	336,627	(336,627)	–
Trade payables to subsidiaries	346,179	(336,627)	9,552

Notes to the Financial Statements

For the financial year ended 30 September 2015

17. Other receivables and deposits

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Deposits	**1,401**	1,289	**140**	132
Other receivables	**659**	280	**89**	65
Other recoverables	**–**	–	**80**	36
	2,060	1,569	**309**	233

Other recoverables pertain to self-constructed assets to be sold to subsidiaries of the Company.

18. Amounts due from subsidiaries (non-trade)

The amounts due from subsidiaries are non-trade related, non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

Receivables subject to offsetting arrangements

The Company's amounts due from/to subsidiaries that are subject to offsetting arrangements are as follows:

Description	Gross carrying amounts $'000	Gross amounts offset in the balance sheet $'000	Net amounts in the balance sheet $'000
30 September 2015			
Amounts due from subsidiaries	**61,268**	**(29,949)**	**31,319**
Amounts due to subsidiaries	**29,949**	**(29,949)**	**–**
30 September 2014			
Amounts due from subsidiaries	44,041	(24,712)	19,329
Amounts due to subsidiaries	24,712	(24,712)	–

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For the financial year ended 30 September 2015

19. Derivatives

	Group and Company			
	2015		2014	
	Contract notional amount	**Liabilities**	Contract notional amount	Assets
	$'000	**$'000**	$'000	$'000
Commodity swap	**15,141**	**(2,111)**	6,548	121
Total financial (liabilities)/assets at fair value through profit or loss classified as held for trading	**15,141**	**(2,111)**	6,548	121

The commodity swap agreements are intended to hedge against the volatility of commodity purchases for periods between 1 to 11 months (2014: 1 to 8 months) based on existing sales agreements. These contracts are entered for future committed sales.

20. Trade payables

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
External parties	**11,505**	5,946	**5,281**	2,644
Subsidiaries	**–**	–	**6,869**	9,552
	11,505	5,946	**12,150**	12,196

External parties

Trade payables are non-interest bearing and are normally settled on 60 days' term.

Trade payables denominated in major foreign currencies at 30 September are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Hong Kong Dollars	**138**	123	**–**	–
United States Dollars	**4,407**	2,093	**3,263**	1,778

Subsidiaries

Trade payables to subsidiaries are subject to offsetting arrangements as disclosed in Note 16 and 18.

Notes to the Financial Statements

For the financial year ended 30 September 2015

21. Other payables and accruals

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Sundry creditors	**753**	153	**3**	17
Accrued operating expenses	**12,277**	8,932	**9,677**	6,367
Deposits from customers	**40**	40	**40**	40
	13,070	9,125	**9,720**	6,424

Other payables and accruals are non-interest bearing and have an average term of 2 months.

22. Provision for warranty

A provision is recognised for expected warranty claims on installation and construction projects, based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about claims and/or expected claims.

Based on actual historical warranty claims experience, management assessed that the Group's provision for warranties exceeded the amount necessary to cover outstanding warranty claims on products sold. Accordingly, $116,000 (2014: $137,000) of the warranty provision has been reversed in the current year.

Movements in provision for warranty are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At 1 October	**903**	1,010	**–**	–
Provision made	**31**	30	**–**	–
Reversal	**(116)**	(137)	**–**	–
At 30 September	**818**	903	**–**	–

Notes to the Financial Statements

For the financial year ended 30 September 2015

23. Term loans

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Term loan in MYR				
- Due within one year	**–**	76	**–**	–
- Due after one year	**–**	–	**–**	–
Term loan in SGD				
- Due within one year	**1,000**	–	**1,000**	–
- Due after one year	**3,417**	–	**3,417**	–
Total term loans	**4,417**	76	**4,417**	–

In the previous financial year, term loans of $76,000 denominated in Malaysia Ringgit ("MYR") were payable by a subsidiary to a bank and secured by a corporate guarantee by the Company (Note 34). Interest rate was at 1.25% per annum over the commercial bank base lending rate which bore an interest rate of 4.86% per annum. The loan was fully repaid during the year.

As at the end of the financial year, the Company has an outstanding term loan amounting to $4,417,000. The loan is denominated in Singapore dollar ("SGD") and has a maturity period of 5 years. The loan bears an interest rate of 2.77% per annum.

Notes to the Financial Statements

For the financial year ended 30 September 2015

24. Obligations under hire purchase contracts

The Group leases certain plant and machinery and motor vehicles under hire purchase arrangements that are non-cancellable. These contracts are classified as finance leases and expire within the next 1 to 5 years (2014: 1 to 5 years). These leases have purchase options but with no renewal option or escalation clauses.

Discount rates implicit in the leases ranged from 2.45% to 5.94% (2014: 2.45% to 5.94%) per annum. Future minimum lease payments under the hire purchase contracts together with the present value of the net minimum lease payments are as follows:

	Minimum lease payments 2015 $'000	**Present value of payments 2015 $'000**	Minimum lease payments 2014 $'000	Present value of payments 2014 $'000
Group				
Not later than one year	**543**	**505**	377	348
Later than one year but not later than five years	**501**	**481**	422	407
Total minimum lease payments	**1,044**	**986**	799	755
Less: Amounts representing finance charges	**(58)**	**–**	(44)	–
Present value of minimum lease payments	**986**	**986**	755	755
Company				
Not later than one year	**224**	**208**	156	145
Later than one year but not later than five years	**266**	**254**	210	203
Total minimum lease payments	**490**	**462**	366	348
Less: Amounts representing finance charges	**(28)**	**–**	(18)	–
Present value of minimum lease payments	**462**	**462**	348	348

Notes to the Financial Statements

For the financial year ended 30 September 2015

25. Deferred tax

Deferred tax as at 30 September relates to the following:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Deferred tax liabilities:				
Differences in depreciation for tax purpose	**1,171**	1,422	**268**	358
Revaluation of buildings on leasehold land to fair value	**71**	71	**71**	71
Other timing differences	**(480)**	(189)	**(258)**	(35)
	762	1,304	**81**	394
Deferred tax asset:				
Unutilised tax losses	**–**	(218)	**–**	–
Net, deferred tax liabilities	**762**	(1,086)	**81**	394

Movement of deferred tax is as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At 1 October	**1,086**	1,044	**394**	367
(Reversed)/provided during the year	**(570)**	(155)	**(313)**	13
Utilisation of deferred tax assets	**218**	198	**–**	–
Charged directly to equity:				
- Revaluation of available-for-sale investment to fair value	**–**	7	**–**	7
- Revaluation of buildings on leasehold land to fair value	**–**	71	**–**	71
	–	78	**–**	78
Reversal of deferred tax liability upon disposal of available-for-sale investment	**–**	(64)	**–**	(64)
Exchange differences	**28**	(15)	**–**	–
At 30 September	**762**	1,086	**81**	394

Unrecognised temporary differences relating to investment in subsidiaries

At the end of the reporting period, no deferred tax liability (2014: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as there are no tax effect on the undistributed earnings of the foreign subsidiaries.

Notes to the Financial Statements

For the financial year ended 30 September 2015

25. Deferred tax (cont'd)

Tax consequences of proposed dividends

There are no income tax consequences (2014: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 31).

26. Share capital

	Note	Group and Company			
		2015		2014	
		No. of shares '000	**$'000**	No. of shares '000	$'000
Issued and fully paid ordinary shares:					
At 1 October		**241,259**	**56,758**	241,259	56,758
Exercise of employee share options	6	**–**	**–**	–	–
At 30 September		**241,259**	**56,758**	241,259	56,758

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

27. Capital reserve

Capital reserve represents discount on acquisition of a subsidiary in prior years amounting to $104,000 (2014: to $104,000) at the end of the reporting period.

28. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

29. Fair value adjustment reserve

Fair value adjustment reserve records the cumulative fair value changes of available-for-sale investments until they are derecognised or impaired.

	Group and Company	
	2015	2014
	$'000	$'000
At 1 October	**2**	313
Fair value adjustment for investment arising from:		
- Changes in fair value	**–**	39
- Fair value gain upon disposal	**–**	(343)
- Aggregate deferred tax liability on fair value changes during the year	**–**	(7)
At 30 September	**2**	2

Notes to the Financial Statements

For the financial year ended 30 September 2015

30. Share option reserve

Share option reserve represents the equity-settled share options granted to employees (Note 6). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

31. Dividends

	Group and Company	
	2015	2014
	$'000	$'000
Declared and paid during the financial year:		
Dividend on ordinary shares		
- Final exempt (one-tier) dividend for 2014: 1.0 cent per share (2013: 1.0 cent)	**2,413**	2,413
- Special (one-tier) dividend for 2014: 0.5 cent per share (2013: 0.5 cent)	**1,206**	1,206
Total dividends	**3,619**	3,619
Proposed but not recognised as liability as at 30 September		
Dividend on ordinary shares, subject to shareholders' approval at AGM		
- Final and special (one-tier) dividend for 2015: 2.5 cents per share (2014: 1.5 cents)	**6,031**	3,619

A final dividend in respect of year ended 2015 of 1.0 cent (2014: 1.0 cent) per share and special dividend of 1.5 cent (2014: 0.5 cent) per share under tax exempt one-tier system amounting to $6,031,000 (2014: $3,619,000) was proposed by the Board subsequent to the financial year end. The dividend proposed is not accounted for until it has been approved by the shareholders at the Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the financial year ending 30 September 2016.

32. Asset revaluation reserve

The asset revaluation reserve represents increases in the fair value of buildings on leasehold land, net of tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

Notes to the Financial Statements

For the financial year ended 30 September 2015

33. Related party transactions

(a) ***Sale and purchases of goods and services***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Sales to subsidiaries	**–**	–	**70,703**	48,758
Purchases from subsidiaries	**–**	–	**(83,200)**	(69,544)
Sales of property, plant and equipment to subsidiaries	**–**	–	**40**	266
Rental recharge to a subsidiary	**–**	–	**353**	269
Rental charged by a company owned by directors	**–**	(210)	**–**	(210)

Company owned by directors

Certain directors of the Company, through their combined 100% (2014: 100%) equity interest in a related company, had charged the Company for an annual factory rental of Nil (2014: $210,000).

(b) ***Compensation of key management personnel***

	Group	
	2015	2014
	$'000	$'000
Salaries, bonus and other related expenses	**3,428**	2,373
Contributions to defined contribution plans	**68**	61
Total compensation paid to key management personnel	**3,496**	2,434
Comprise amounts paid to:		
- Directors of the Company	**2,002**	1,305
- Other key management personnel	**1,494**	1,129
	3,496	2,434

(c) ***Compensation of close members of key management personnel***

Remuneration paid to close members of key management personnel	**377**	363

Notes to the Financial Statements

For the financial year ended 30 September 2015

34. Commitments and contingencies

Operating lease commitments

The Group has entered into leases on certain properties that are non-cancellable within a year. These leases have average tenure of between 1 to 5 years. The Group is restricted from subleasing the leased properties to third parties.

Future minimum lease payments under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Not later than one year	**1,039**	1,335	**468**	454
Later than one year but not later than five years	**1,304**	1,401	**1,229**	1,107
Later than five years	**64**	–	**64**	–
	2,407	2,736	**1,761**	1,561

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2015	2014
	$'000	$'000
Capital commitments in respect of property, plant and equipment	**192**	1,145

Other information

The Company has provided a corporate guarantee to a bank for a loan Nil (2014: $76,000) (Note 23) taken by a subsidiary.

Notes to the Financial Statements

For the financial year ended 30 September 2015

35. Cash and cash equivalents

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Short-term deposits	**5,004**	3,235	**5,004**	–
Cash at bank and on hand	**33,428**	32,306	**20,953**	21,692
	38,432	35,541	**25,957**	21,692

Cash and cash equivalents denominated in major foreign currency at 30 September are as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
United States Dollars	**10,394**	8,948	**9,720**	8,541

Short-term deposits are made for varying periods of between 30 days and 3 months (2014: 14 days and 2.5 months) depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The weighted average effective interest rate as at 30 September for the Group is 1.16% (2014: 1.23%) per annum.

36. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, foreign currency risk and credit risk. The board approves, authorises and agrees policies for managing each of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Group's and Company's principal financial instruments, other than derivative financial instruments, comprise term loans and cash and cash equivalents. The main purpose of these financial instruments is to ensure adequate funds for its operations. The Group and Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group and Company also enters into derivative transactions such as commodity swap. The purpose is to manage the currency risks and purchase price volatility arising from its operations.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group actively manages its debt maturity profile, operating cash flows and availability of committed credit facilities to ensure that all refinancing, repayment and funding needs are met. The Group strives to maintain a sufficient level of banking facilities to meet its funding requirements and utilise trust receipts, loans and hire purchase contracts for this purpose.

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For the financial year ended 30 September 2015

36. Financial risk management objectives and policies (cont'd)

(a) *Liquidity risk (cont'd)*

The table below summarises the maturity profile of the Group's and Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2015			2014		
	One year or less	One to five years	Total	One year or less	One to five years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Financial assets:						
Trade receivables	38,576	–	38,576	32,517	–	32,517
Other receivables and deposits	2,060	–	2,060	1,569	–	1,569
Cash and cash equivalents	38,432	–	38,432	35,541	–	35,541
Available-for-sale investments	–	8	8	–	8	8
Held-to-maturity investments	–	6,106	6,106	–	6,124	6,124
Derivatives	–	–	–	121	–	121
Total undiscounted financial assets	79,068	6,114	85,182	69,748	6,132	75,880
Financial liabilities:						
Trade payables	10,961	–	10,961	5,896	–	5,896
Other payables and accruals	13,070	–	13,070	9,125	–	9,125
Derivatives	2,111	–	2,111	–	–	–
Obligations under hire purchase contracts	543	501	1,044	377	422	799
Term loans	1,028	3,740	4,768	80	–	80
Total undiscounted financial liabilities	27,713	4,241	31,954	15,478	422	15,900
Total net undiscounted financial assets	51,355	1,873	53,228	54,270	5,710	59,980

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For the financial year ended 30 September 2015

36. Financial risk management objectives and policies (cont'd)

(a) ***Liquidity risk (cont'd)***

	2015			2014		
	1 year or less $'000	**1 to 5 years $'000**	**Total $'000**	1 year or less $'000	1 to 5 years $'000	Total $'000
Company						
Financial assets:						
Trade receivables	**23,880**	**–**	**23,880**	15,145	–	15,145
Other receivables and deposits	**309**	**–**	**309**	233	–	233
Amounts due from subsidiaries (non-trade)	**31,319**	**–**	**31,319**	19,329	–	19,329
Cash and cash equivalents	**25,957**	**–**	**25,957**	21,692	–	21,692
Available-for-sale investments	**–**	**8**	**8**	–	8	8
Held-to-maturity investments	**–**	**6,106**	**6,106**	–	6,124	6,124
Derivatives	**–**	**–**	**–**	121	–	121
Total undiscounted financial assets	**81,465**	**6,114**	**87,579**	56,520	6,132	62,652
Financial liabilities:						
Trade payables	**12,150**	**–**	**12,150**	12,196	–	12,196
Other payables and accruals	**9,720**	**–**	**9,720**	6,424	–	6,424
Derivatives	**2,111**	**–**	**2,111**	–	–	–
Obligations under hire purchase contracts	**224**	**266**	**490**	156	210	366
Term loans	**1,028**	**3,740**	**4,768**	–	–	–
Total undiscounted financial liabilities	**25,233**	**4,006**	**29,239**	18,776	210	18,986
Total net undiscounted financial assets	**56,232**	**2,108**	**58,340**	37,744	5,922	43,666

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36. Financial risk management objectives and policies (cont'd)

(a) ***Liquidity risk (cont'd)***

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	1 year or less $'000	1 to 5 years $'000	Total $'000
2015			
Financial guarantee	–	–	–
2014			
Financial guarantee	76	–	76

(b) ***Foreign currency risk***

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD, Malaysian Ringgit ("MYR") and Hong Kong Dollar ("HKD"). The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD"). Approximately 68% (2014: 61%) of the Group's sales are denominated in currencies other than functional currencies of the Group entities whilst almost 61% (2014: 44%) of costs are denominated in foreign currencies.

Certain sales transactions of the Company are billed in USD. However, the pricing decisions for these sales transactions are made in the functional currency of the Company.

The Group hedges its foreign currency exposure in respect of forecasted sales or purchases. The Group uses commodity swaps to hedge its foreign currency risk and they are entered into when a firm commitment for a sale or purchase is secured. Most of the commodity swaps have maturities of less than one year after the end of the reporting period.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are disclosed in Note 35.

As disclosed in Note 2.5, exchange differences on the Group's net investments in the foreign subsidiaries are dealt with through the foreign currency translation reserve.

Notes to the Financial Statements

For the financial year ended 30 September 2015

36. Financial risk management objectives and policies (cont'd)

(b) ***Foreign currency risk (cont'd)***

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in USD against SGD, with all other variables held constant.

	Group	
	2015	2014
	$'000	$'000
USD/SGD		
- strengthened 3% (2014: 3%)	**742**	544
- weakened 3% (2014: 3%)	**(742)**	(544)

(c) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and Company's exposure to credit risk arises primarily from trade receivables. The Group and Company trades only with recognised and creditworthy third parties. It is the Group's policy to monitor receivable balances on an ongoing basis with the result that the Group's exposure to bad debts is not unduly significant.

With respect to credit risk arising from the other financial assets, which comprise cash and cash equivalents, other receivables and deposits, available-for-sale investments, held-to-maturity investments and amounts due from subsidiaries, the Group and Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring trade receivables by product-type on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2015		2014	
	$'000	**% of total**	$'000	% of total
By product types:				
Aluminium	**34,389**	**87.3**	26,077	78.6
Mild Steel	**5,001**	**12.7**	7,100	21.4
Others	**17**	**–**	6	–
	39,407	**100.0**	33,183	100.0

Notes to the Financial Statements

For the financial year ended 30 September 2015

36. Financial risk management objectives and policies (cont'd)

(c) ***Credit risk (cont'd)***

Credit risk concentration profile (cont'd)

At the end of the reporting period, there is no significant concentration of credit risk apart for the amounts due from a major customer amounting to approximately 61% (2014: 45%) of total trade receivables. However, the good credit history of this customer reduces the risk to the Group to an acceptable level. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy receivables with good payment record with the Group. Cash and cash equivalents, available-for-sale investments and held-for-maturity investments are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16 (Trade receivables).

Exposure to credit risk

At the end of the reporting period, the Company does not have exposure to credit risk as it has not provided corporate guarantee. In the previous financial year, the Company's maximum exposure to credit risk is represented by a nominal amount of $76,000 relating to a corporate guarantee provided by the Company to a bank on a subsidiary's bank loan.

37. 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 – Unobservable inputs for the asset of 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.

Notes to the Financial Statements

For the financial year ended 30 September 2015

37. Fair value of financial instrument (cont'd)

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

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Note	Group and Company			
		Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs	Total
		Level 1	Level 2	Level 3	
		$'000	$'000	$'000	$'000
2015					
Recurring fair value measurements					
Financial assets/(liabilities):					
Available-for-sale investments	12	**8**	**–**	**–**	**8**
Derivatives					
- Commodity swap	19	**–**	**(2,111)**	**–**	**(2,111)**
Non-financial assets:					
Property, plant and equipment					
- Buildings on leasehold land	11	**–**	**–**	**4,741**	**4,741**
2014					
Recurring fair value measurements					
Financial assets:					
Available-for-sale investments	12	8	–	–	8
Derivatives					
- Commodity swap	19	–	121	–	121
Non-financial assets:					
Property, plant and equipment					
- Buildings on leasehold land	11	–	–	5,659	5,659

Notes to the Financial Statements

For the financial year ended 30 September 2015

37. Fair value of financial instrument (cont'd)

(c) ***Determination of fair value***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities:

Level 1 fair value measurement

Quoted equity instruments (Note 12): Fair value is determined by direct reference to their bid price quotations in an active market at the end of the reporting period.

Level 2 fair value measurement

Derivatives (Note 19): Commodity swap agreements are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including commodity spot and forward rates.

Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value $'000	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurements:				
Property, plant and equipment				
At 30 September 2015				
Buildings on leasehold land *	4,741	Market comparison method	Adjustment to market value^	18% to 50%
At 30 September 2014				
Buildings on leasehold land *	5,659	Market comparison method	Adjustment to market value^	18% to 50%

* Independently valued by Asian Appraisal Company Pte Ltd in September 2014. Using the market comparison method, comparison is being made with recent sales of similar properties within the vicinity.

^ The market value adjustments are made for differences in the location, size, tenure, type and condition of the specific property.

The property, plant and equipment categorised under Level 3 of the fair value hierarchy are generally sensitive to the unobservable inputs tabled above. A significant movement of the unobservable inputs would result in a significant change to the fair value of the asset.

Notes to the Financial Statements

For the financial year ended 30 September 2015

37. Fair value of financial instrument (cont'd)

(c) ***Determination of fair value (cont'd)***

Level 3 fair value measurements (cont'd)

(ii) Movement in Level 3 assets measured at fair value

Assets measured at fair value based on significant unobservable inputs (Level 3) relates to buildings on leasehold land. Movement in these assets is disclosed in Note 11 to financial statements.

(iii) Valuation policies and procedures

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, management reviews the appropriateness of the valuation methodologies and assumptions adopted. Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from year to year are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(d) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

The management has determined that the carrying amounts of cash and cash equivalents, trade receivables, other receivables and deposits, trade payables, other payables and accruals, term loans and amounts due from subsidiaries, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are repriced frequently within a year.

The fair values of the held-to-maturity investments and obligations under hire purchase contracts are not materially different from their carrying values as at 30 September 2015.

Notes to the Financial Statements

For the financial year ended 30 September 2015

37. Fair value of financial instrument (cont'd)

(e) ***Classification of financial instruments***

Set out below is a comparison by category of carrying amounts of all the financial instruments that are carried in the financial statements:

	Loans and receivables $'000	Financial asset through profit or loss $'000	Held-to-maturity assets $'000	Available-for-sale assets $'000	Total $'000
Group					
Assets					
2015					
Available-for-sale investments	**–**	**–**	**–**	**8**	**8**
Held-to-maturity investments	**–**	**–**	**6,106**	**–**	**6,106**
Trade receivables	**39,407**	**–**	**–**	**–**	**39,407**
Other receivables and deposits	**2,060**	**–**	**–**	**–**	**2,060**
Cash and cash equivalents	**38,432**	**–**	**–**	**–**	**38,432**
Less: Goods and services tax receivables	**(831)**	**–**	**–**	**–**	**(831)**
	79,068	**–**	**6,106**	**8**	**85,182**
2014					
Available-for-sale investments	–	–	–	8	8
Held-to-maturity investments	–	–	6,124	–	6,124
Trade receivables	33,183	–	–	–	33,183
Other receivables and deposits	1,569	–	–	–	1,569
Derivatives	–	121	–	–	121
Cash and cash equivalents	35,541	–	–	–	35,541
Less: Goods and services tax receivables	(666)	–	–	–	(666)
	69,627	121	6,124	8	75,880

Notes to the Financial Statements

For the financial year ended 30 September 2015

37. Fair value of financial instrument (cont'd)

(e) *Classification of financial instruments (cont'd)*

	Liabilities at amortised cost $'000	Financial liability through profit or loss $'000	Total $'000
Group			
Liabilities			
2015			
Trade payables	**11,505**	**–**	**11,505**
Other payables and accruals	**13,070**	**–**	**13,070**
Term loans	**4,417**	**–**	**4,417**
Derivatives	**–**	**2,111**	**2,111**
Obligations under hire purchase contracts	**986**	**–**	**986**
Less: Goods and services tax payables	**(544)**	**–**	**(544)**
	29,434	**2,111**	**31,545**
2014			
Trade payables	5,946	–	5,946
Other payables and accruals	9,125	–	9,125
Term loans	76	–	76
Obligations under hire purchase contracts	755	–	755
Less: Goods and services tax payables	(50)	–	(50)
	15,852	–	15,852

Notes to the Financial Statements

For the financial year ended 30 September 2015

37. Fair value of financial instrument (cont'd)

(e) ***Classification of financial instruments (cont'd)***

	Loans and receivables $'000	Financial assets through profit or loss $'000	Held-to-maturity assets $'000	Available-for-sale assets $'000	Total $'000
Company					
Assets					
2015					
Available-for-sale investments	**–**	**–**	**–**	**8**	**8**
Held-to-maturity investments	**–**	**–**	**6,106**	**–**	**6,106**
Trade receivables	**24,435**	**–**	**–**	**–**	**24,435**
Other receivables and deposits	**309**	**–**	**–**	**–**	**309**
Amounts due from subsidiaries (non-trade)	**31,319**	**–**	**–**	**–**	**31,319**
Cash and cash equivalents	**25,957**	**–**	**–**	**–**	**25,957**
Less: Goods and services tax receivables	**(551)**	**–**	**–**	**–**	**(551)**
	81,469	**–**	**6,106**	**8**	**87,583**
2014					
Available-for-sale investments	–	–	–	8	8
Held-to-maturity investments	–	–	6,124	–	6,124
Trade receivables	15,810	–	–	–	15,810
Other receivables and deposits	233	–	–	–	233
Amounts due from subsidiaries (non-trade)	19,329	–	–	–	19,329
Derivatives	–	121	–	–	121
Cash and cash equivalents	21,692	–	–	–	21,692
Less: Goods and services tax receivables	(666)	–	–	–	(666)
	56,398	121	6,124	8	62,651

Notes to the Financial Statements

For the financial year ended 30 September 2015

37. Fair value of financial instrument (cont'd)

(e) *Classification of financial instruments (cont'd)*

	Liabilities at amortised cost $'000	Financial liability through profit or loss $'000	Total $'000
Company			
Liabilities			
2015			
Trade payables	**12,150**	**–**	**12,150**
Other payables and accruals	**9,720**	**–**	**9,720**
Term loans	**4,417**	**–**	**4,417**
Derivatives	**–**	**2,111**	**2,111**
Obligations under hire purchase contracts	**462**	**–**	**462**
	26,749	**2,111**	**28,860**
2014			
Trade payables	12,196	–	12,196
Other payables and accruals	6,424	–	6,424
Obligations under hire purchase contracts	348	–	348
	18,968	–	18,968

Notes to the Financial Statements

For the financial year ended 30 September 2015

38. Capital management

The primary objective of the Group's capital management is to ensure that it maintains an appropriate capital structure in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may increase borrowings or adjust the dividend payment to shareholders as and when appropriate. No changes were made in the objectives, policies or processes during the years ended 30 September 2015 and 30 September 2014.

The Group is currently in net cash position. The Group will continue to be guided by prudent financial policies of which gearing is an important aspect.

		Group	
	Note	2015	2014
		$'000	$'000
Obligations under hire purchase contracts	24	**986**	462
Term loans	23	**4,417**	76
Total gross debt		**5,403**	538
Shareholders' funds			
Share capital		**56,758**	56,758
Other reserves		**(7,138)**	(1,974)
Retained earnings		**74,288**	64,968
		123,908	119,752
Gross debt equity ratio		**4.4%**	0.4%

Notes to the Financial Statements

For the financial year ended 30 September 2015

39. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(a) The aluminium segment

Aluminum products on building construction and other industrial uses, such as: curtain walls, cladding windows and container refrigeration units.

(b) The mild steel segment

Mild steel products on pre-fabricated toilet projects, door frame and entrance gate for building construction projects.

(c) The stainless steel segment

This segment comprises of stainless steel products, such as drying rack and hoppers use for building construction projects.

(d) Others

Others include glasses and shower screens for building construction projects.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Financial Statements

For the financial year ended 30 September 2015

39. Segment information (cont'd)

Business segments

	Aluminium		Mild Steel		Stainless steel		Others		Adjustments		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment revenue:												
Sales to external customers	**141,071**	111,039	**22,757**	29,936	**214**	400	**–**	77	**–**	–	**164,042**	141,452
Results:												
Depreciation	**(3,863)**	(3,661)	**(487)**	(531)	**(67)**	(84)	**–**	–	**–**	–	**(4,417)**	(4,276)
Segment results	**15,542**	4,376	**73**	2,416	**5**	190	**–**	20	**363**	1,533	**15,983**	8,535
Balance sheet:												
Additions to non-current assets	**11,594**	9,382	**226**	339	**104**	212	**–**	–	**–**	–	**11,924**	9,933
Segment assets	**136,609**	105,541	**19,479**	26,584	**4,821**	6,375	**172**	887	**–**	218	**161,081**	139,605
Segment liabilities	**23,112**	11,579	**3,808**	3,325	**464**	408	**120**	662	**8,799**	3,031	**36,303**	19,005

Nature of adjustments to arrive at amounts reported in the consolidated financial statements.

Note A

The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated income statement:

	Group	
	2015	2014
	$'000	$'000
Interest income	**315**	327
Interest expense	**(138)**	(53)
Unallocated income	**186**	1,259
	363	1,533

Note B

The following items are added to segment assets at total assets reported in the consolidated balance sheet:

	Group	
	2015	2014
	$'000	$'000
Deferred tax assets	**–**	218

Notes to the Financial Statements

For the financial year ended 30 September 2015

39. Segment information (cont'd)

Note C

The following items are added to segment liabilities at total liabilities reported in the consolidated balance sheet:

	Group	
	2015	2014
	$'000	$'000
Deferred tax liabilities	**762**	1,304
Income tax payables	**2,634**	896
Term loans	**4,417**	76
Obligations under hire purchase contracts	**986**	755
	8,799	3,031

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue from external customers		Non-current assets	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Singapore	**159,864**	138,171	**10,552**	11,919
Malaysia	**4,178**	3,281	**22,789**	17,369
People's Republic of China	**–**	–	**103**	103
Hong Kong	**–**	–	**1**	1
	164,042	141,452	**33,445**	29,392

Non-current assets information presented above consist of property, plant and equipment, as presented in the consolidated balance sheet.

Information about major customers

In the current financial year, revenue from two major customers amounted to $112 million (2014: $87 million) arising from sales by the aluminium segment and $16 million (2014: $4 million) arising from sales by the aluminium and mild steel segment respectively.

Notes to the Financial Statements

For the financial year ended 30 September 2015

40. Contingent liabilities

Between end of September to mid of October 2015, two of the Malaysia subsidiaries received letters from local tax authority stating that it would like to apply transfer pricing adjustments and penalties for year of assessment 2009 to 2014 totalling of RM6.8 million (approximately $2.2 million). Subsequent to the financial year end, both the Malaysia subsidiaries, through its tax consultant, responded to the local tax authority objecting to the transfer pricing adjustments and penalties. No provisions were made in the financial statements as the financial outcome could not be reliably estimated as of the reporting date.

41. Comparatives figures

Certain amounts in the financial statements for the financial year ended 30 September 2014 have been reclassified to conform to the current year's presentation:

	As Reclassified	As previously report
	$'000	$'000
Consolidated income statement		
Cost of sales	(118,816)	(118,380)
Gross profit	22,636	23,072
Other operating costs	(2,261)	(2,697)

42. Authorisation of financial statements for issue

The financial statements for the year ended 30 September 2015 were authorised for issue in accordance with a resolution of the Directors on 4 January 2016.

Statistics of Shareholdings

As at 31 December 2015

STATISTICS OF SHAREHOLDINGS AS AT 31 DECEMBER 2015

Issued and fully paid-up capital	:	$56,758,000
Number of shares	:	241,259,082
Class of shares	:	Ordinary share fully paid with equal voting rights
Voting rights	:	One vote per share

The Company does not hold any treasury shares as at 31 December 2015.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	12	0.44	370	0.00
100 - 1,000	765	28.01	553,532	0.23
1,001 - 10,000	1,110	40.65	3,855,308	1.60
10,001 - 1,000,000	827	30.28	55,279,456	22.91
1,000,001 and above	17	0.62	181,570,416	75.26
Total	**2,731**	**100.00**	**241,259,082**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Nam Lee Holdings Pte Ltd	140,974,507	58.43	–	–
Yong Koon Chin	90,000	0.04	*140,974,507	58.43
Yong Kin Sen	1,212,909	0.50	**140,984,089	58.44
Yong Poon Miew	381,679	0.16	*140,974,507	58.43

Notes:

* Deemed interest in shares held by Nam Lee Holdings Pte Ltd

** Deemed interest in shares held by spouse and Nam Lee Holdings Pte Ltd

Statistics of Shareholdings

As at 31 December 2015

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	NAM LEE HOLDINGS PTE LTD	140,974,507	58.43
2	RAFFLES NOMINEES (PTE) LIMITED	5,574,193	2.31
3	CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,314,572	2.20
4	KWA CHING TZE	5,125,750	2.12
5	DBS NOMINEES (PRIVATE) LIMITED	3,879,963	1.61
6	UOB KAY HIAN PRIVATE LIMITED	3,129,942	1.30
7	WANG JUNG HSIN	2,909,200	1.21
8	OCBC SECURITIES PRIVATE LIMITED	2,718,052	1.13
9	ZEN PROPERTY MANAGEMENT PTE LTD	1,770,500	0.73
10	PANG CHEOW JOW	1,630,000	0.68
11	NG KWONG CHONG	1,426,586	0.59
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,273,367	0.53
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,247,521	0.52
14	GOH TEOW HEE	1,235,000	0.51
15	YONG KIN SEN	1,212,909	0.50
16	ANG JUI KHOON	1,141,000	0.47
17	LAI CHOY KUEN	1,007,354	0.42
18	SEAH SIN LOO	955,500	0.40
19	TAN PHECK GEE	945,000	0.39
20	ABN AMRO CLEARING BANK N.V.	893,100	0.37
Total		**184,364,016**	**76.42**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

40.11% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Nam Lee Pressed Metal Industries Limited ("the Company") will be held at Ruby Suite, Social Clubhouse, Level II, Orchid Country Club, No. 1 Orchid Club Road, Singapore 769162 on Friday, 29 January 2016 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 30 September 2015 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a one-tier tax-exempt final dividend of 1.0 cent per share for the year ended 30 September 2015 (2014: 1.0 cent per share). **(Resolution 2)**

3. To declare a one-tier tax-exempt special dividend of 1.5 cent per share for the year ended 30 September 2015 (2014: 0.5 cent per share). **(Resolution 3)**

4. To re-elect the following Directors of the Company retiring pursuant to Article 104 of the Articles of Association of the Company.

   Mr Yong Poon Miew **(Resolution 4)**
   Mr Chidambaram Chandrasegar **(Resolution 5)**

   Mr Yong Poon Miew will, upon re-election as a Director of the Company, remain as a member of the Nominating Committee and will be considered non-independent.

   Mr Chidambaram Chandrasegar will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees and will be considered independent.

5. To approve the payment of Directors' fees of S$120,000 for the year ending 30 September 2016, payable quarterly in arrears (2015: S$120,000). **(Resolution 6)**

6. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to issue shares**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

Notice of Annual General Meeting

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

   (a) new shares arising from the conversion or exercise of any convertible securities;

   (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

   (c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)] **(Resolution 8)**

9. **Authority to issue shares under the Nam Lee Employee Share Option Scheme**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant options under the prevailing Nam Lee Employee Share Option Scheme ("the Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (ii)] **(Resolution 9)**

Notice of Annual General Meeting

10. **Renewal of Share Buy Back Mandate**

That approval be and is hereby given:-

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), the exercise by the Directors of Nam Lee Pressed Metal Industries Limited (the "Company") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:-

(i) an on-market share acquisition ("On-Market Purchase") transacted on the Singapore Exchange Securities Trading Limited ("SGX-ST") trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or

(ii) off-market share acquisition ("Off-Market Purchase") pursuant to an equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise be in accordance with all other laws, the Listing Manual and other regulations and rules of the SGX-ST, (the "Mandate");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Mandate may be exercised by the Directors of the Company at any time and from time to time, on and from the date of passing of this Resolution up to:-

(i) the date on which the next annual general meeting of the Company is held or required by law to be held; or

(ii) the date on which the authority conferred by the Mandate is revoked or varied by the Company in general meeting, whichever is the earlier; or

(iii) the date on which the Share buy back is fulfilled up to the full extent of the Mandate; and

(c) the Directors of the Company and/or any of them be and is hereby authorised to do such acts and things (including, without limitation, enter into all transactions, arrangements and agreements and executing such documents) as they and/or he may consider necessary or expedient to give effect to this resolution.

Notice of Annual General Meeting

In this resolution:

"**Maximum Limit**" means that number of Shares representing 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the price paid per Share which does not exceed 5% above the average of the closing market prices of the Shares over the last 5 market days, on which transactions in the Shares were recorded, before the day on which the purchases are made and deemed to be adjusted for any corporate action which occurs after the relevant 5-day period.

The Maximum Price shall apply to both On-Market Purchases and Off-Market Purchases and shall exclude brokerage fees, commission, stamp duties payable, applicable goods and services tax, clearance fees and other related expenses.
[See Explanatory Note (iii)] **(Resolution 10)**

By Order of the Board

Yong Kin Sen
Company Secretary
Singapore, 14 January 2016

Notice of Annual General Meeting

Explanatory Notes:

(i) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) The Ordinary Resolution 9 in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in aggregate (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

(iii) The Ordinary Resolution 10 proposed in item 10 above, if passed, will empower the Directors of the Company effective until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in the Ordinary Resolution. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 30 September 2015 are set out in greater detail in the Letter to Shareholders attached.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3. A member who is a relevant intermediary entitled to attend the Meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 21 Sungei Kadut Street 4, Singapore 729048 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company shall reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Notice of Annual General Meeting

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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NAM LEE PRESSED METAL INDUSTRIES LIMITED
Company Registration No. 197500362M
(Incorporated In The Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________________

of ______________________________

being a member/members of Nam Lee Pressed Metal Industries Limited (the "Company"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above , the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 29 January 2016 at 9.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	**Resolutions relating to:**	**Number of Votes For(1)**	**Number of Votes Against(1)**
1	Directors' Report and Audited Financial Statements for the year ended 30 September 2015		
2	Payment of proposed one-tier tax-exempt final dividend		
3	Payment of proposed one-tier tax-exempt special dividend		
4	Re-election of Mr Yong Poon Miew as a Director		
5	Re-election of Mr Chidambaram Chandrasegar as a Director		
6	Approval of Directors' fees amounting to S$120,000		
7	Re-appointment of Ernst & Young LLP as Auditors		
8	Authority to issue new shares		
9	Authority to issue shares under the Nam Lee Employee Share Option Scheme		
10	Renewal of Share Buy Back Mandate		

(1) If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ________________ 2016

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 21 Sungei Kadut Street 4, Singapore 729048 not less than forty-eight (48) hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 January 2016.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company shall reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

We offer no compromises on quality

NAM LEE PRESSED METAL INDUSTRIES LIMITED
(Company Registration No. 197500362M)

21 Sungei Kadut Street 4, Singapore 729048
Telephone: (65) 6257 5388
Facsimile: (65) 6758 8134
Email: enquiry@namlee.com.sg