

NAM LEE PRESSED METAL INDUSTRIES LIMITED

Incorporated in the Republic of Singapore

(Company No. 197500362M)

ANNOUNCEMENT

PROPOSED ACQUISITION OF FACTORY FACILITY IN JOHOR BAHRU BY SWAN METAL PRODUCTS SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

1. INTRODUCTION

The board of directors of the Company (the "**Board**") wishes to announce that Swan Metal Products Sdn. Bhd. ("**SMP**"), a wholly-owned subsidiary of the Company, has entered into a Sale and Purchase Agreement (the "**SPA**") with SC Johnson Manufacturing (M) Sdn. Bhd. (the "**Vendor**") for the proposed acquisition (the "**Acquisition**") of a single storey factory building and other ancillary buildings bearing the postal address of No. 8, Jalan Hasil, Kawasan Perindustrian Tampoi, 81200 Johor Bahru, (the "**Property**").

Upon completion of the Acquisition, the Property will be used by SMP primarily as a factory.

2. RATIONALE

The Company and its subsidiaries (the "**Group**") presently have five factory premises, of which 4 are located in Johor, Malaysia. The Group has been progressively relocating its manufacturing operations from Singapore to China and Malaysia.

The Group has been searching for a suitable site in Johor to have another factory facility for the manufacture of metal building products. After an extensive search, the Board decided to acquire the Property, primarily as the Property is suitable for the Company's operations and requires minimal fitting out.

3. THE PROPERTY

The Property is a freehold estate. It comprises a single storey factory with an office, a single storey detached factory and other ancillary buildings. The Property is near rectangular in shape and a surveyed land area of approximately 18,485 sq metres.

The appraised value of the Property is RM23,000,000, based on a valuation conducted by Azmi & Co (Johor) Sdn Bhd as at 15 September 2014 based on the cost approach of valuation (the "**Valuation Report**"). The valuation was commissioned by SMP.

4. THE CONSIDERATION

The purchase consideration for the Property is RM20,500,000 (approximately S\$8.0 million) (the “**Consideration**”). The Consideration was arrived at following negotiations between the Company and the Vendor. The Company had considered the Valuation Report as well as other factors such as the prices of similar properties in the various parts of Johor. Pursuant to the terms of the SPA, the Company has paid a deposit of RM 2,050,000.

5. MATERIAL CONDITIONS OF THE ACQUISITION

- 5.1 The Acquisition shall be completed within 90 or 120 days from the date of the SPA, at the option of SMP.
- 5.2 On completion, the Vendor shall deliver the Property to SMP:-
- 5.2.1 free from encumbrance;
 - 5.2.2 with vacant possession; and
 - 5.2.3 on an “as is where is” basis.

6. METHOD OF FINANCING AND FINANCIAL EFFECTS

- 6.1 The Consideration will be funded through internal resources of the Company.
- 6.2 For illustration purposes only, based on the latest audited financial statement of the Company for its financial year ended 30 September 2013, the financial effects of the Acquisition on the Company/Group will be as follows:-
- 6.2.1 Net Tangible Asset (“**NTA**”) per share

Assuming that the Acquisition has been completed on 30 September 2013, the Acquisition would have the following impact on the NTA per share of the Group/Company:-

	Before the Acquisition	After the Acquisition
NTA (S\$'000)	116,469	116,383
NTA per share	48.3	48.2

Note:

NTA per share is calculated based on the total number of issued ordinary shares as at 30 September 2013.

6.2.2 Earnings per share ("EPS")

Assuming that the Acquisition has been completed on 1 October 2012, the Acquisition would have the following impact on the EPS of the Group/Company:-

	Before the Acquisition	After the Acquisition
Profit after tax (S\$'000)	8,898	8.812
EPS	3.716	3.680

Note:

- (1) EPS is calculated based on the total number of issued ordinary shares as at 30 September 2013.
- (2) In arriving at the profit attributable to shareholders after the Acquisition effected at the beginning of the financial year, adjustments have been made for interest and depreciation expense which are expected to be incurred for the acquisition.

7. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual are as follows:-

Rule	Basis	Relative Figures
1006(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not Applicable
1006(b)	The net income attributable to the Acquisition, compared with the group's net profit	Not Applicable
1006(c)	The aggregate value of the consideration given, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares at 27/10/2014 at 28.0cents with 241,259,082	11.9%
1006(d)	Number of equity securities issued by the issuer as consideration compared with the number of equity securities previously in issue	Not Applicable

Based on the above, the proposed Acquisition is a discloseable transaction under Chapter 10 of the Listing Manual.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Acquisition and accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DOCUMENTS FOR INSPECTION

Copies of the SPA and the Valuation Report in respect of the Property may be inspected at the registered office of the Company at 21 Sungei Kadut Street 4, Singapore 729048, during normal business hours for a period of 3 months commencing from the date of this Announcement.

BY ORDER OF THE BOARD

YONG KIN SEN
Managing Director
28 October 2014