

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR HALF YEAR ENDED 31 MARCH 2014

These figures have not been audited

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

Statement of comprehensive income for the period ended 31 March 2014

	Group		%
	31 March 2014 \$'000	31 March 2013 \$'000	
Revenue	78,855	79,358	-0.6%
Cost of Sales	(66,258)	(64,279)	3.1%
Gross Profit	12,597	15,079	-16.5%
Distribution Costs	(1,344)	(1,246)	7.9%
Administrative Costs	(5,941)	(6,045)	-1.7%
Other Operating Costs	(1,881)	(1,056)	78.1%
Profit from operating activities	3,431	6,732	-49.0%
Interest income	75	114	-34.2%
Finance Cost	(60)	(39)	53.8%
Other income	457	2	NM
Profit before taxation	3,903	6,809	-42.7%
Taxation	(717)	(1,503)	-52.3%
Profit for the period	3,186	5,306	-40.0%
Attributable to:			
Equity holders of the Company	3,142	5,252	
Non-controlling interests	44	54	
	3,186	5,306	
Profit for the period	3,186	5,306	
Other comprehensive income:			
Foreign currency translation	(684)	154	
Fair value adjustment	35	(30)	
Other comprehensive income for the period, net of tax	(649)	124	
Total comprehensive income for the period	2,537	5,430	
Attributable to:			
Equity holders of the Company	2,493	5,365	
Non-controlling interests	44	65	
	2,537	5,430	

NM: Not meaningful

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

Profit is arrived at after (charging)/crediting:

	Group		%
	31 March 2014 \$ '000	31 March 2013 \$ '000	
Depreciation of property, plant and equipment	(2,102)	(1,639)	28%
Interest expense	(60)	(39)	54%
Foreign exchange (loss)/gain	(55)	366	NM
Interest income	75	114	-34%
Interest income from bond investments	77	-	NM
Gain on disposal of property, plant and equipment	39	2	NM

NM: Not meaningful

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of Financial Position as at:

	Group		Company	
	31 March 2014 \$ 000	30 September 2013 \$ 000	31 March 2014 \$ 000	30 September 2013 \$ 000
Non-Current Assets				
Property, plant and equipment	29,438	24,130	9,893	3,753
Investments	646	612	646	612
Interest in subsidiaries	-	-	15,396	15,396
Bond investments	6,261	6,143	6,260	6,143
Deferred tax assets	279	416	-	-
	<u>36,624</u>	<u>31,301</u>	<u>32,195</u>	<u>25,904</u>
Current Assets				
Inventories	32,804	45,068	3,975	8,112
Trade debtors	32,126	40,455	16,216	23,158
Other debtors, deposits and prepayments	2,158	2,720	179	985
Amount due from subsidiaries	-	-	11,754	20,625
Tax recoverable	895	624	-	-
Cash and cash equivalents	26,958	23,351	17,243	11,827
	<u>94,941</u>	<u>112,218</u>	<u>49,367</u>	<u>64,707</u>
Current Liabilities				
Trade creditors	6,062	14,173	2,279	6,593
Other creditors and accruals	4,109	7,157	4,076	5,771
Provision for warranty	931	1,010	-	-
Term loans	187	226	-	-
Derivatives	791	236	791	236
Obligations under hire purchase contracts	330	310	121	119
Provision for taxation	1,075	1,075	516	804
	<u>13,485</u>	<u>24,187</u>	<u>7,783</u>	<u>13,523</u>
Net Current Assets				
	<u>81,456</u>	<u>88,031</u>	<u>41,584</u>	<u>51,184</u>
Non-Current Liabilities				
Term loans	-	76	-	-
Obligations under hire purchase contracts	521	589	223	285
Deferred tax liabilities	1,434	1,460	368	367
	<u>1,955</u>	<u>2,125</u>	<u>591</u>	<u>652</u>
	<u>116,125</u>	<u>117,207</u>	<u>73,188</u>	<u>76,436</u>
Equity attributable to equity holders of the Company				
Share capital	56,758	56,758	56,758	56,758
Retained earnings	61,061	61,538	15,887	19,170
Fair value adjustment reserve	348	313	348	313
Capital reserves	104	104	-	-
Share option reserve	195	195	195	195
Foreign currency translation reserve	(3,123)	(2,439)	-	-
	<u>115,343</u>	<u>116,469</u>	<u>73,188</u>	<u>76,436</u>
Non-controlling interests				
	782	738	-	-
Total Equity				
	<u>116,125</u>	<u>117,207</u>	<u>73,188</u>	<u>76,436</u>

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

Amount repayable in one year or less or in demand

31 March 2014 \$'000 Secured	31 March 2014 \$'000 Unsecured	30 September 2013 \$'000 Secured	30 September 2013 \$'000 Unsecured
330	187	310	226

Amount repayable after one year

31 March 2014 \$'000 Secured	31 March 2014 \$'000 Unsecured	30 September 2013 \$'000 Secured	30 September 2013 \$'000 Unsecured
521	-	589	76

Details of any collateral

As at 31 March 2014, the Group's secured borrowings comprised outstanding finance lease balances.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for the period ended 31 March 2014

	Group	
	31 March 2014	31 March 2013
	\$ '000	\$ '000
Cash flows from operating activities		
Profit before tax	3,903	6,809
Adjustments for:		
Depreciation of property, plant and equipment	2,102	1,639
Gain on disposal of property, plant and equipment	(39)	(2)
Fair value loss on derivative	555	571
Interest expense	60	39
Interest income	(75)	(114)
Interest income from bond investments	(77)	-
Foreign currency translation adjustment	(418)	(42)
Operating profit before working capital changes	<u>6,011</u>	<u>8,900</u>
Decrease/(increase) in inventories	12,264	(926)
Decrease/(increase) in debtors	8,891	(7,098)
Decrease in creditors	<u>(11,238)</u>	<u>(2,965)</u>
Cash generated from/(used in) operations	15,928	(2,089)
Income tax paid	(879)	(1,763)
Interest received	75	114
Interest paid	(60)	(39)
Net cash generated from/(used in) operating activities	<u>15,064</u>	<u>(3,777)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,824)	(1,368)
Proceeds from disposal of property, plant and equipment	136	8
Purchase of bond investments	-	(6,155)
Interest income from bond investments	77	-
Net cash used in investing activities	<u>(7,611)</u>	<u>(7,515)</u>
Cash flows from financing activities		
Repayment of finance lease obligations	(140)	(148)
Repayment of term loans	(115)	(985)
Proceed from exercise of employee share options	-	1,174
Dividends paid	(3,619)	(4,795)
Net cash flows used in financing activities	<u>(3,874)</u>	<u>(4,754)</u>
Net increase/(decrease) in cash and cash equivalents	3,579	(16,046)
Cash and cash equivalents at 1 October	23,351	52,788
Effect of exchange rate changes on cash and cash equivalents	28	115
Cash and cash equivalents at 31 March	<u>26,958</u>	<u>36,857</u>

Statement of Changes in Equity for the period ended 31 March 2014

	Attributable to equity holders of the Company								Total equity \$'000
	Share Capital \$'000	Retained Earnings \$'000	Discount on acquisition of a subsidiary \$'000	Foreign Currency Translation Reserve \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity attributable to equity holders of company \$'000	Non controlling interest \$'000	
Group									
Balance at 1 October 2013	56,758	61,538	104	(2,439)	313	195	116,469	738	117,207
Total comprehensive income for the year	-	3,142	-	(684)	35	-	2,493	44	2,537
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	-	(3,619)	-	(3,619)
Balance at 31 March 2014	<u>56,758</u>	<u>61,061</u>	<u>104</u>	<u>(3,123)</u>	<u>348</u>	<u>195</u>	<u>115,343</u>	<u>782</u>	<u>116,125</u>

	Share Capital \$'000	Retained Earnings \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity \$'000
	Company				
Balance at 1 October 2013	56,758	19,170	313	195	76,436
Total comprehensive income for the year	-	336	35	-	371
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	(3,619)
Balance at 31 March 2014	<u>56,758</u>	<u>15,887</u>	<u>348</u>	<u>195</u>	<u>73,188</u>

	Attributable to equity holders of the Company							Non controlling interest \$'000	Total equity \$'000
	Share Capital \$'000	Retained Earnings \$'000	Discount on acquisition of a subsidiary \$'000	Foreign Currency Translation Reserve \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity attributable to equity holders of company \$'000		
Group									
Balance at 1 October 2012	55,228	57,369	104	(2,170)	561	591	111,683	579	112,262
Total comprehensive income for the period	-	5,252	-	143	(30)	-	5,365	65	5,430
Exercise of employee share options	1,496	-	-	-	-	(322)	1,174	-	1,174
Dividends on ordinary shares, net of tax	-	(4,795)	-	-	-	-	(4,795)	-	(4,795)
Balance at 31 March 2013	<u>56,724</u>	<u>57,826</u>	<u>104</u>	<u>(2,027)</u>	<u>531</u>	<u>269</u>	<u>113,427</u>	<u>644</u>	<u>114,071</u>

	Share Capital \$'000	Retained Earnings \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity \$'000
	Company				
Balance at 1 October 2012	55,228	17,637	561	392	73,818
Total comprehensive income for the period	-	3,833	(30)	-	3,803
Exercise of employee share options	1,496	-	-	(123)	1,373
Dividends on ordinary shares, net of tax	-	(4,795)	-	-	(4,795)
Balance at 31 March 2013	<u>56,724</u>	<u>16,675</u>	<u>531</u>	<u>269</u>	<u>74,199</u>

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition of for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.

A) Changes in share capital during the financial period
There was no change in share capital during the financial period.

B) Share options

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

Movement in share options during the financial period

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

	31 March 2014		30 September 2013	
	No	WAEP(\$)	No	WAEP(\$)
Opening balance	2,650,000	0.258	8,200,000	0.258
- Exercised during the period	-	-	(4,650,000)	0.258
- Forfeited during the period	-	-	(900,000)	0.258
Ending balance	<u>2,650,000</u>	<u>0.258</u>	<u>2,650,000</u>	<u>0.258</u>
Exercisable at end of period	<u>2,650,000</u>	<u>0.258</u>	<u>2,650,000</u>	<u>0.258</u>

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group	
	Latest Period 31 March 2014	Previous Period 30 September 2013
Number of ordinary shares	<u>241,259,082</u>	<u>241,259,082</u>

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

Not applicable.

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

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

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 30 September 2013, except as disclosed in note 5 below.

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

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

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period:-	Group	
	Latest Period 31 March 2014	Previous Period 31 March 2013
(i) Based on weighted average number of ordinary shares in issue	1.302 cents	2.202 cents
(ii) On a fully diluted basis	1.301 cents	2.187 cents

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	Group		Company	
	Latest Period 31 March 2014	Previous Period 30 September 2013	Latest Period 31 March 2014	Previous Period 30 September 2013
	47.8 cents	48.3 cents	30.3 cents	31.7 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT

Group turnover remaining relatively unchanged at S\$78.9 million for the six-month period ended 31 March 2014 (1H2014) and S\$79.4 million for the six-month period ended 31 March 2013 (1H2013).

However, gross profit decreased from S\$15.1 million in 1H2013 to S\$12.6 million in 1H2014 and gross profit margin decreased from 19.0% in 1H2013 to 16.0% in 1H2014. This was mainly due to a change in product mix with lower margin.

Distribution costs increased slightly from S\$1.2 million in 1H2013 to S\$1.3 million in 1H2014. Other operating costs increased from S\$1.1 million in 1H2013 to S\$1.9 million in 1H2014 mainly due to foreign exchange differences where there was an exchange gain of S\$0.4 million in 1H2013 and an exchange loss of S\$0.1 million in 1H2014.

The Group's effective tax rate was 18.4% for 1H2014 compared to 22.1% for 1H2013. The lower effective tax rate for 1H2014 was mainly due to the utilisation of tax incentives for a Malaysia subsidiary.

In view of the above, the Group posted profit after tax of S\$3.2 million in 1H2014 compared to S\$5.3 million in 1H2013.

BALANCE SHEET

Property, plant and equipment increased from S\$24.1 million as at 30 September 2013 to S\$29.4 million as at 31 March 2014 mainly due to acquisition of a new leasehold building.

Inventories decreased from S\$45.1 million as at 30 September 2013 to S\$32.8 million as at 31 March 2014, mainly due to completion of some construction projects.

Trade debtors decreased from S\$40.5 million as at 30 September 2013 to S\$32.1 million as at 31 March 2014 mainly due to completion of some construction projects.

Trade creditors, other creditors and accruals decreased from S\$21.3 million as at 30 September 2013 to S\$10.2 million as at 31 March 2014 due to shorter payment term for certain projects.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Although the outlook for global economy remains uncertain, the Group expects the aluminium industry business to contribute positively to the performance of the Group.

The slow down in the local property market, coupled with new entrants to the market, are expected to have some impact on the Group's building products business.

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

11. Dividend

(a) Current financial period reported on

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

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

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nam Lee Industries Pte Ltd	S\$'000 180	S\$'000 NA

14. Confirmation by the Board Pursuant to Rule 705 (5)

We, Yong Kin Sen and Yong Koon Chin, being two directors of Nam Lee Pressed Metal Industries Limited ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year financial results for period ended 31 March 2014 to be false or misleading in any material aspects.

Yong Kin Sen
Managing Director
15 May 2014