

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

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR YEAR ENDED 30 SEPTEMBER 2014

These figures have not been audited

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

Statement of comprehensive income for the period ended 30 September 2014

	Group		%
	30 September 2014 \$'000	30 September 2013 \$'000	
Revenue	141,452	170,798	-17.2%
Cost of Sales	(118,380)	(144,964)	-18.3%
<b>Gross Profit</b>	<b>23,072</b>	<b>25,834</b>	<b>-10.7%</b>
Distribution Costs	(2,642)	(2,734)	-3.4%
Administrative Costs	(10,731)	(11,292)	-5.0%
Other Operating Costs	(2,697)	(2,880)	-6.4%
<b>Profit from operating activities</b>	<b>7,002</b>	<b>8,928</b>	<b>-21.6%</b>
Interest income	327	311	5.1%
Finance Cost	(53)	(71)	-25.4%
Other income	1,259	84	1399.1%
<b>Profit before taxation</b>	<b>8,535</b>	<b>9,252</b>	<b>-7.7%</b>
Taxation	(1,385)	(224)	518.3%
<b>Profit for the period</b>	<b>7,150</b>	<b>9,028</b>	<b>-20.8%</b>
<b>Attributable to:</b>			
Equity holders of the Company	7,049	8,898	
Non-controlling interests	101	130	
	<b>7,150</b>	<b>9,028</b>	
<b>Profit for the period</b>	<b>7,150</b>	<b>9,028</b>	
<b>Other comprehensive income:</b>			
Foreign currency translation	(172)	(240)	
Surplus on revaluation of leasehold buildings	345	-	
Fair value adjustment	(311)	(248)	
<b>Other comprehensive income for the period, net of tax</b>	<b>(138)</b>	<b>(488)</b>	
<b>Total comprehensive income for the period</b>	<b>7,012</b>	<b>8,540</b>	
<b>Attributable to:</b>			
Equity holders of the Company	6,902	8,381	
Non-controlling interests	110	159	
	<b>7,012</b>	<b>8,540</b>	

NM: Not meaningful

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

Profit is arrived at after (charging)/crediting:

	Group		%
	30 September 2014	30 September 2013	
	\$'000	\$'000	
Depreciation of property, plant and equipment	(4,275)	(3,506)	22%
Interest expense	(53)	(71)	-25%
Foreign exchange gain	152	355	-57%
Interest income from bank deposits	143	185	-23%
Interest income from bond investments	184	126	46%
Gain/(loss) on disposal of property, plant and equipment	18	(52)	-135%

NM: Not meaningful

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

Statement of Financial Position as at:

	Group		Company	
	30 September 2014 \$'000	30 September 2013 \$'000	30 September 2014 \$'000	30 September 2013 \$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	29,392	24,130	9,929	3,753
Investments	8	612	8	612
Interest in subsidiaries	-	-	15,396	15,396
Bond investments	6,125	6,143	6,124	6,143
Deferred tax assets	218	416	-	-
	<u>35,743</u>	<u>31,301</u>	<u>31,457</u>	<u>25,904</u>
<b>Current Assets</b>				
Inventories	32,454	45,068	6,423	8,112
Trade debtors	33,183	40,455	15,810	23,158
Other debtors, deposits and prepayments	2,243	2,720	442	985
Amount due from subsidiaries	-	-	9,777	20,625
Derivatives	121	-	121	-
Tax recoverable	320	624	-	-
Cash and cash equivalents	35,542	23,351	21,692	11,827
	<u>103,863</u>	<u>112,218</u>	<u>54,265</u>	<u>64,707</u>
<b>Current Liabilities</b>				
Trade creditors	5,946	14,173	2,644	6,593
Other creditors and accruals	9,125	7,157	6,424	5,771
Provision for warranty	903	1,010	-	-
Term loans	77	226	-	-
Derivatives	-	236	-	236
Obligations under hire purchase contracts	348	310	145	119
Provision for taxation	896	1,075	432	804
	<u>17,295</u>	<u>24,187</u>	<u>9,645</u>	<u>13,523</u>
<b>Net Current Assets</b>	<u>86,568</u>	<u>88,031</u>	<u>44,620</u>	<u>51,184</u>
<b>Non-Current Liabilities</b>				
Term loans	-	76	-	-
Obligations under hire purchase contracts	407	589	203	285
Deferred tax liabilities	1,304	1,460	394	367
	<u>1,711</u>	<u>2,125</u>	<u>597</u>	<u>652</u>
	<u>120,600</u>	<u>117,207</u>	<u>75,480</u>	<u>76,436</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	56,758	56,758	56,758	56,758
Retained earnings	64,968	61,538	18,180	19,170
Fair value adjustment reserve	2	313	2	313
Capital reserves	104	104	-	-
Asset revaluation reserve	345	-	345	-
Share option reserve	195	195	195	195
Foreign currency translation reserve	(2,620)	(2,439)	-	-
	<u>119,752</u>	<u>116,469</u>	<u>75,480</u>	<u>76,436</u>
<b>Non-controlling interests</b>	848	738	-	-
<b>Total Equity</b>	<u>120,600</u>	<u>117,207</u>	<u>75,480</u>	<u>76,436</u>

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

Amount repayable in one year or less or in demand

30 September 2014 \$'000 Secured	30 September 2014 \$'000 Unsecured	30 September 2013 \$'000 Secured	30 September 2013 \$'000 Unsecured
348	77	310	226

Amount repayable after one year

30 September 2014 \$'000 Secured	30 September 2014 \$'000 Unsecured	30 September 2013 \$'000 Secured	30 September 2013 \$'000 Unsecured
407	-	589	76

Details of any collateral

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

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

Consolidated Statement of Cash Flows for the period ended 30 September 2014

	<b>Group</b>	
	<b>30 September 2014</b>	<b>30 September 2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	8,535	9,252
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	4,275	3,506
Property, plant and equipment written off	105	9
(Gain)/loss on disposal of property, plant and equipment	(18)	52
Loss on disposal of investments	1	-
Realisation of fair value reserve	(343)	-
Fair value (gain)/loss on derivative	(358)	310
Interest expense	53	71
Interest income	(143)	(185)
Interest income from bond investments	(184)	(126)
Foreign currency translation adjustment	245	(110)
<b>Operating profit before working capital changes</b>	<b>12,168</b>	<b>12,779</b>
Decrease/(increase) in inventories	12,614	(9,859)
Decrease/(increase) in debtors	7,749	(16,348)
(Decrease)/increase in creditors	(6,366)	2,061
<b>Cash generated from/(used in) operations</b>	<b>26,165</b>	<b>(11,367)</b>
Income tax paid	(1,218)	(3,419)
Interest received	143	185
Interest paid	(53)	(71)
<b>Net cash generated from/(used in) operating activities</b>	<b>25,037</b>	<b>(14,672)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,884)	(3,373)
Proceeds from disposal of property, plant and equipment	318	58
Proceeds from disposal of investments	632	-
Purchase of bond investments	-	(6,143)
Interest income from bond investments	184	126
<b>Net cash used in investing activities</b>	<b>(8,750)</b>	<b>(9,332)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance lease obligations	(347)	(533)
Repayment of term loans	(225)	(1,537)
Proceed from exercise of employee share options	-	1,200
Dividends paid	(3,619)	(4,795)
<b>Net cash flows used in financing activities</b>	<b>(4,191)</b>	<b>(5,665)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,096</b>	<b>(29,669)</b>
<b>Cash and cash equivalents at 1 October</b>	<b>23,351</b>	<b>52,788</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>95</b>	<b>232</b>
<b>Cash and cash equivalents at 30 September</b>	<b>35,542</b>	<b>23,351</b>

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the period ended 30 September 2014

	Attributable to equity holders of the Company						Share option reserve \$'000	Total equity attributable to equity holders of company \$'000	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	Asset revaluation reserve \$'000				
<b>Group</b>										
Balance at 1 October 2013	56,758	61,538	104	(2,439)	313	-	195	116,469	738	117,207
Total comprehensive income for the year	-	7,049	-	(181)	(311)	345	-	6,902	110	7,012
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	-	-	(3,619)	-	(3,619)
Balance at 30 September 2014	<u>56,758</u>	<u>64,968</u>	<u>104</u>	<u>(2,620)</u>	<u>2</u>	<u>345</u>	<u>195</u>	<u>119,752</u>	<u>848</u>	<u>120,600</u>

	Share Capital \$'000	Retained Earnings \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Share option reserve \$'000	Total equity \$'000
	<b>Company</b>					
Balance at 1 October 2013	56,758	19,170	313	-	195	76,436
Total comprehensive income for the year	-	2,629	(311)	345	-	2,663
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	(3,619)
Balance at 30 September 2014	<u>56,758</u>	<u>18,180</u>	<u>2</u>	<u>345</u>	<u>195</u>	<u>75,480</u>

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

	Share Capital \$'000	Retained Earnings \$'000	Discount on acquisition of a subsidiary \$'000	Foreign Currency Translation Reserve \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity attributable to equity holders of company \$'000	Non controlling interest \$'000	Total equity \$'000
<b>Group</b>									
Balance at 1 October 2012	55,228	57,369	104	(2,170)	561	591	111,683	579	112,262
Total comprehensive income for the period	-	8,898	-	(269)	(248)	-	8,381	159	8,540
Exercise of employee share options	1,530	-	-	-	-	(330)	1,200	-	1,200
Forfeiture of employee share options	-	66	-	-	-	(66)	-	-	-
Dividends on ordinary shares, net of tax	-	(4,795)	-	-	-	-	(4,795)	-	(4,795)
Balance at 30 September 2013	56,758	61,538	104	(2,439)	313	195	116,469	738	117,207

	Share Capital \$'000	Retained Earnings \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity \$'000
<b>Company</b>					
Balance at 1 October 2012	55,228	17,637	561	392	73,818
Total comprehensive income for the period	-	6,262	(248)	-	6,014
Exercise of employee share options	1,530	-	-	(131)	1,399
Forfeiture of employee share options	-	66	-	(66)	-
Dividends on ordinary shares, net of tax	-	(4,795)	-	-	(4,795)
Balance at 30 September 2013	56,758	19,170	313	195	76,436

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

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

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

Movement in share options during the financial period

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

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

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

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

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

Not applicable.

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

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

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

Not applicable.

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

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

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

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



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

Earnings per ordinary share for the period:-	Group	
	Latest Period 30 September 2014	Previous Period 30 September 2013
(i) Based on weighted average number of ordinary shares in issue	2.922 cents	3.716 cents
(ii) On a fully diluted basis	2.917 cents	3.697 cents

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

Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	Group		Company	
	Latest Period 30 September 2014	Previous Period 30 September 2013	Latest Period 30 September 2014	Previous Period 30 September 2013
	49.6 cents	48.3 cents	31.3 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 for the financial year ended 30 September 2014 (FY2014) was S\$141.5 million, as compared to S\$170.8 million for the financial year ended 30 September 2013 (FY2013). The decrease in revenue was mainly due to completion of more construction projects in FY2013.

In line with the decrease in turnover, gross profit for FY2014 decreased to S\$23.1 million in FY2014 from S\$25.8 million in FY2013. Gross profit margin improved slightly to 16.3% in FY2014 as compared to 15.1% in FY2013, mainly due to a change in product mix with higher margin.

Distribution costs remained relatively stable at S\$2.6 million and S\$2.7 million in FY2014 and FY2013 respectively. Administrative costs decreased to S\$10.7 million in FY2014 from S\$11.3 million in FY2013, mainly due to a decrease in accrued personnel expenses. Other operating costs remained relatively stable at S\$2.7 million in FY2014 and S\$2.9 million in FY2013 respectively. Other income increased to S\$1.3 million in FY2014 from S\$0.1 million in FY2013 mainly due to realisation gain of fair value reserve and fair value gain on derivative.

The Group's effective tax rate was 16.2% for FY2014 as compared to 2.4% for FY2013. The lower effective tax rate for FY2013 was mainly due to reversal of overprovision in prior years.

In view of above circumstances, the Group posted profit after tax of S\$7.2 million in FY2014 compared to S\$9.0 million in FY2013.

**BALANCE SHEET**

As at 30 September 2014, property, plant and equipment amounted to S\$29.4 million as compared to S\$24.1 million as at 30 September 2013. The increase was mainly due to the acquisition of a new leasehold building during the year.

Inventories decreased to S\$32.5 million as at 30 September 2014 as compared to S\$45.1 million as at 30 September 2013, mainly due to completion of some construction projects.

Trade debtors decreased to S\$33.2 million as at 30 September 2014 compared to S\$40.5 million as at 30 September 2013. The reduction was mainly due to collection of trade debts, following completion of some construction projects.

Trade creditors, other creditors and accruals decreased to S\$15.1 million as at 30 September 2014 as compared to S\$21.3 million as at 30 September 2013 due to shorter payment terms for certain projects.

Cash and cash equivalents increased to S\$35.5 million as at 30 September 2014 from S\$23.4 million as at 30 September 2013, mainly due to collection of trade debts, following the completion of some construction projects.

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

Not applicable.

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

Despite the outlook for the global economy remaining uncertain, the recovery of the US economy is expected to open up demand for aluminium products.

The slow down in local property market, coupled with an increasing number of competitors, are expected to exert pressure on profit margins.

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

**11. Dividend**

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share	1 cent	0.5 cent

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

Any dividend declared for the previous financial period reported on? Yes

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share	1 cent	0.5 cent

(c) Date payable

To be advised

(d) Books closure date

To be advised

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

Not applicable

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

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

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments -

	Aluminium		Mild Steel		Stainless Steel		Others		Adjustments		Consolidated		
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
<b>Segment revenue:</b>													
Sales to external customers	111,039	140,689	29,936	29,741	400	342	77	26	-	-	141,452	170,798	
Result:													
Depreciation	(3,660)	(2,982)	(531)	(455)	(84)	(69)	-	-	-	-	(4,275)	(3,506)	
Segment results	4,334	5,922	2,416	2,996	190	115	20	(105)	(A)	1,575	324	8,535	9,252
<b>Balance sheet</b>													
Additions to non-current assets	9,536	3,544	339	372	212	71	-	-	-	-	10,087	3,987	
Segment assets	102,456	108,666	26,584	25,150	8,742	8,389	1,606	898	(B)	218	416	139,606	143,519
Segment liabilities	11,419	18,358	3,325	3,343	408	454	822	421	(C)	3,032	3,736	19,006	26,312

Other segment information:

	2014 \$'000	2013 \$'000
<b>(A)Unallocated (expenses)/income</b>		
Interest income	143	311
Interest expense	(53)	(71)
Other income	1,485	84
	<u>1,575</u>	<u>324</u>

	2014 \$'000	2013 \$'000
<b>(B)Unallocated assets</b>		
Deferred tax assets	<u>218</u>	<u>416</u>

	2014 \$'000	2013 \$'000
<b>(C)Unallocated liabilities</b>		
Deferred tax liabilities	1,304	1,460
Provision for taxation	896	1,075
Term loans	77	302
Obligations under hire purchase contracts	755	899
	<u>3,032</u>	<u>3,736</u>

Geographical segments -

	Singapore		Malaysia		Indonesia		China		Hong Kong		Consolidated	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Segment revenue:												
Sales to external customers	138,171	168,100	3,281	2,698	-	-	-	-	-	-	141,452	170,798
Other segment information:												
Non-current assets	11,919	6,415	17,369	17,591	-	-	103	123	1	1	29,392	24,130

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographic segments.**

Refer to Section 8 above.

**16. A breakdown of sales.**

Group	30 September 2014 \$'000	30 September 2013 \$'000	+/(-) %
(a) Sales reported for first half year	78,855	79,358	-1%
(b) Operating profit after tax reported for first half year	3,186	5,306	-40%
(a) Sales reported for second half year	62,597	91,440	-32%
(b) Operating profit after tax reported for second half year	3,964	3,722	7%

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Latest Full Year \$'000	Previous Full Year \$'000
Total Annual Dividend	3,619	3,619

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Joanna Yong Li Yuen	44	Daughter of Yong Koon Chin, an executive director and substantial shareholder	Commercial Manager - 2009 Managing commercial contracts and cost management of projects of the Company.	Nil

By Order of the Board

Yong Kin Sen  
Managing Director  
29 November 2014