

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR HALF YEAR ENDED 31 MARCH 2016

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 2016

	Group		%
	31 March 2016 \$'000	31 March 2015 \$'000	
Revenue	71,220	71,180	0.1%
Cost of Sales	(53,773)	(57,483)	-6.5%
<b>Gross Profit</b>	<b>17,447</b>	<b>13,697</b>	<b>27.4%</b>
Distribution Costs	(1,176)	(1,238)	-5.0%
Administrative Costs	(5,512)	(5,671)	-2.8%
Other Operating Costs	(3,094)	(429)	621.2%
<b>Profit from operating activities</b>	<b>7,665</b>	<b>6,359</b>	<b>20.5%</b>
Interest income	125	215	-41.9%
Finance Cost	(81)	(43)	88.4%
Other income	311	107	190.7%
<b>Profit before taxation</b>	<b>8,020</b>	<b>6,638</b>	<b>20.8%</b>
Taxation	(1,924)	(1,506)	27.8%
<b>Profit for the period</b>	<b>6,096</b>	<b>5,132</b>	<b>18.8%</b>
<b>Attributable to:</b>			
Equity holders of the Company	6,132	5,116	
Non-controlling interests	(36)	16	
	<b>6,096</b>	<b>5,132</b>	
<b>Profit for the period</b>	<b>6,096</b>	<b>5,132</b>	
<b>Other comprehensive income:</b>			
Foreign currency translation	292	(1,552)	
Fair value adjustment	(4)	2	
<b>Other comprehensive income for the period, net of tax</b>	<b>288</b>	<b>(1,550)</b>	
<b>Total comprehensive income for the period</b>	<b>6,384</b>	<b>3,582</b>	
<b>Attributable to:</b>			
Equity holders of the Company	6,472	3,496	
Non-controlling interests	(88)	86	
	<b>6,384</b>	<b>3,582</b>	

Note: Some comparative figures have been reclassified to conform to the current year's presentation.

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 2016 \$'000	31 March 2015 \$'000	
Depreciation of property, plant and equipment	(2,071)	(1,800)	15%
Interest expense	(81)	(43)	88%
Foreign exchange (loss)/gain	(1,110)	690	NM
Interest income from bank deposits	33	123	-73%
Interest income from held-to-maturity investments	92	92	0%
Gain on disposal of property, plant and equipment	18	-	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 2016 \$ '000	30 September 2015 \$ '000	31 March 2016 \$ '000	30 September 2015 \$ '000
<b>Non-current assets</b>				
Property, plant and equipment	33,675	33,445	7,804	8,900
Available-for-sale investments	4	8	4	8
Interest in subsidiaries	-	-	15,226	15,226
Held-to-maturity investments	6,097	6,106	6,097	6,106
	<u>39,776</u>	<u>39,559</u>	<u>29,131</u>	<u>30,240</u>
<b>Current assets</b>				
Inventories	35,954	40,386	2,105	6,983
Trade receivables	23,193	39,407	12,034	24,435
Other receivables, deposits and prepayments	3,687	3,297	413	538
Amount due from subsidiaries	-	-	27,447	31,319
Cash and cash equivalents	45,025	38,432	30,663	25,957
	<u>107,859</u>	<u>121,522</u>	<u>72,662</u>	<u>89,232</u>
<b>Current liabilities</b>				
Trade payables	4,972	11,505	1,901	12,150
Other payables and accruals	7,353	13,070	5,259	9,720
Provision for warranty	794	818	-	-
Term loans	1,000	1,000	1,000	1,000
Derivatives	1,144	2,111	1,144	2,111
Obligations under hire purchase contracts	369	505	37	208
Income tax payables	3,033	2,634	1,993	1,755
	<u>18,665</u>	<u>31,643</u>	<u>11,334</u>	<u>26,944</u>
<b>Net current assets</b>	<u>89,194</u>	<u>89,879</u>	<u>61,328</u>	<u>62,288</u>
<b>Non-current liabilities</b>				
Term loans	2,917	3,417	2,917	3,417
Obligations under hire purchase contracts	212	481	175	254
Deferred tax liabilities	703	762	154	81
	<u>3,832</u>	<u>4,660</u>	<u>3,246</u>	<u>3,752</u>
	<u>125,138</u>	<u>124,778</u>	<u>87,213</u>	<u>88,776</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	56,770	56,758	56,770	56,758
Retained earnings	74,392	74,288	29,913	31,476
Fair value adjustment reserve	(2)	2	(2)	2
Capital reserve	104	104	-	-
Asset revaluation reserve	345	345	345	345
Share option reserve	187	195	187	195
Foreign currency translation reserve	(7,440)	(7,784)	-	-
	<u>124,356</u>	<u>123,908</u>	<u>87,213</u>	<u>88,776</u>
<b>Non-controlling interests</b>	<u>782</u>	<u>870</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>125,138</u>	<u>124,778</u>	<u>87,213</u>	<u>88,776</u>

Note: Some comparative figures have been reclassified to conform to the current year's presentation.

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

Amount repayable in one year or less or in demand

31 March 2016 \$'000 Secured	31 March 2016 \$'000 Unsecured	30 September 2015 \$'000 Secured	30 September 2015 \$'000 Unsecured
369	1,000	505	1,000

Amount repayable after one year

31 March 2016 \$'000 Secured	31 March 2016 \$'000 Unsecured	30 September 2015 \$'000 Secured	30 September 2015 \$'000 Unsecured
212	2,917	481	3,417

Details of any collateral

As at 31 March 2016, 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 2016

	<b>Group</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	8,020	6,638
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	2,071	1,800
Gain on disposal of property, plant and equipment	(18)	-
Property, plant and equipment written off	519	19
Write back for provision of warranty	(35)	(8)
Amortisation of bond premium	10	9
Fair value (gain)/loss on derivative	(967)	347
Interest expense	81	43
Interest income from bank deposits	(33)	(123)
Interest income from held-to-maturity investments	(92)	(92)
Foreign currency translation adjustment	932	(1,472)
	<hr/>	<hr/>
<b>Operating profit before working capital changes</b>	10,488	7,161
Decrease/(increase) in inventories	4,432	(10,845)
Decrease/(increase) in debtors	15,824	(3,682)
(Decrease)/increase in creditors	(12,274)	2,310
	<hr/>	<hr/>
<b>Cash generated from/(used in) operations</b>	18,470	(5,056)
Income tax paid	(1,585)	(615)
Interest received	33	123
Interest paid	(81)	(43)
	<hr/>	<hr/>
<b>Net cash generated from/(used in) operating activities</b>	16,837	(5,591)
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,640)	(9,714)
Proceeds from disposal of property, plant and equipment	142	66
Interest income from held-to-maturity investments	92	92
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(2,406)	(9,556)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Repayment of finance lease obligations	(405)	(269)
Proceeds from term loan drawdown	-	5,000
Repayment of term loan	(500)	(159)
Proceed from exercise of employee share options	9	-
Dividends paid	(6,033)	(3,619)
	<hr/>	<hr/>
<b>Net cash flows (used in)/generated from financing activities</b>	(6,929)	953
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	7,502	(14,194)
<b>Cash and cash equivalents at 1 October</b>	38,432	35,541
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(909)	671
<b>Cash and cash equivalents at 31 March</b>	<hr/> <hr/>	<hr/> <hr/>
	45,025	22,018

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 31 March 2016

	-----Attributable to equity holders of the Company----->							Total equity attributable to equity holders of company \$'000	Non controlling interest \$'000	Total equity \$'000
	Share capital	Retained earnings	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	Asset revaluation reserve	Share option reserve			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
<b>Group</b>										
Balance at 1 October 2015	56,758	74,288	104	(7,784)	2	345	195	123,908	870	124,778
Total comprehensive income for the year	-	6,132	-	344	(4)	-	-	6,472	(88)	6,384
Exercise of employee share options	12	-	-	-	-	-	(3)	9	-	9
Forfeiture of employee share options	-	5	-	-	-	-	(5)	-	-	-
Dividends on ordinary shares, net of tax	-	(6,033)	-	-	-	-	-	(6,033)	-	(6,033)
Balance at 31 March 2016	56,770	74,392	104	(7,440)	(2)	345	187	124,356	782	125,138

	Share capital	Retained earnings	Fair value adjustment reserve	Asset revaluation reserve	Share option reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	<b>Company</b>					
Balance at 1 October 2015	56,758	31,476	2	345	195	88,776
Total comprehensive income for the year	-	4,465	(4)	-	-	4,461
Exercise of employee share options	12	-	-	-	(3)	9
Forfeiture of employee share options	-	5	-	-	(5)	-
Dividends on ordinary shares, net of tax	-	(6,033)	-	-	-	(6,033)
Balance at 31 March 2016	56,770	29,913	(2)	345	187	87,213

	-----Attributable to equity holders of the Company----->							Total equity attributable to equity holders of company \$'000	Non controlling interest \$'000	Total equity \$'000
	Share capital \$'000	Retained earnings \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Share option reserve \$'000			
Group										
Balance at 1 October 2014	56,758	64,968	104	(2,620)	2	345	195	119,752	848	120,600
Total comprehensive income for the period	-	5,116	-	(1,622)	2	-	-	3,496	86	3,582
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	-	-	(3,619)	-	(3,619)
Balance at 31 March 2015	56,758	66,465	104	(4,242)	4	345	195	119,629	934	120,563

	Share Capital \$'000	Retained Earnings \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Share option reserve \$'000	Total equity \$'000
	Company					
Balance at 1 October 2014	56,758	18,180	2	345	195	75,480
Total comprehensive income for the period	-	5,892	2	-	-	5,894
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	(3,619)
Balance at 31 March 2015	56,758	20,453	4	345	195	77,755

**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**

During the second quarter, there was an increased of 35,000 shares due to exercise of employee share options. Thus the number of issued and paid-up ordinary shares increased from 241,259,082 to 241,294,082.

**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 2016		30 September 2015	
	No	WAEP(\$)	No	WAEP(\$)
Opening balance	2,650,000	0.258	2,650,000	0.258
- Exercised during the period	(35,000)	0.258	-	-
- Forfeited during the period	(65,000)	0.258	-	-
Ending balance	<u>2,550,000</u>	<u>0.258</u>	<u>2,650,000</u>	<u>0.258</u>
Exercisable at end of period	<u>2,550,000</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 2016	Previous Period 30 September 2015
Number of ordinary shares	<u>241,294,082</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 2015, 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 2015. 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 2016	Previous Period 31 March 2015
(i) Based on weighted average number of ordinary shares in issue	2.541 cents	2.121 cents
(ii) On a fully diluted basis	2.537 cents	2.119 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 2016	Previous Period 30 September 2015	Latest Period 31 March 2016	Previous Period 30 September 2015
	51.5 cents	51.4 cents	36.1 cents	36.8 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 remained stable at approximately S\$71.2 million for the six months ended 31 March 2015 ("1H2015") and 31 March 2016 ("1H2016").

Gross profit increased from S\$13.7 million in 1H2015 to S\$17.4 million in 1H2016, mainly due to a change in product mix with higher margin.

Distribution costs and administrative costs remained relatively stable for 1H2015 and 1H2016. Other operating costs increased from S\$0.4 million in 1H2015 to S\$3.1 million in 1H2016, mainly due to higher loss in derivative in 1H2016 and foreign exchange differences whereby there was an exchange loss in 1H2016 as compared to an exchange gain in 1H2015.

The Group's effective tax rate remained relatively stable at 22.7% and 24.0% for 1H2015 and 1H2016 respectively.

In view of the above circumstances, the Group's profit after tax increased by S\$1.0 million or 18.8% from S\$5.1 million in 1H2015 to S\$6.1 million in 1H2016.

**BALANCE SHEET**

Inventories decreased from S\$40.4 million as at 30 September 2015 to S\$36.0 million as at 31 March 2016, mainly due to completion of some construction projects.

Trade receivables decreased from S\$39.4 million as at 30 September 2015 to S\$23.2 million as at 31 March 2016, mainly due to lower sales in the three months ended 31 March 2016 as compared to the three months ended 30 September 2015.

Other receivables, deposits and prepayments of S\$3.7 million as at 31 March 2016 comprise of payment of transfer pricing adjustments and penalties of S\$1.0 million by two of the Malaysia subsidiaries, which is in relation to the contingent liabilities disclosed in the Group's annual report 2015. Both of the Malaysia subsidiaries are still appealing against this transfer pricing adjustments and penalties. No tax provisions were made as the financial outcome could not be reliably estimated as at 31 March 2016.

Trade payables, other creditors and accruals decreased from S\$24.6 million as at 30 September 2015 to S\$12.3 million as at 31 March 2016, in line with the lower sales in the three months ended 31 March 2016 as compared to the three months ended 30 September 2015, coupled with shorter payment terms for certain projects.

Cash and cash equivalents increased from S\$38.4 million as at 30 September 2015 to S\$45.0 million as at 31 March 2016, as a result of collection of trade debts and settlement of trade payables.

**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.**

The challenging global and regional economic environment will likely have an impact on the aluminium industry business.

The outlook for the local property market continues to be challenging due to government cooling measures, strong market competition and tight labor market. As such, it will continue to add challenges to the operating environment of the Group's building products business.

The Group will focus on improving operational efficiency and cost control measures to maintain the competitiveness of its businesses.

**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/recommendeded, 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**

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

**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 the period ended 31 March 2016 to be false or misleading in any material aspects.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1)**

The Group has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

Yong Kin Sen  
Managing Director  
13 May 2016