

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR HALF YEAR ENDED 31 MARCH 2015

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 2015

	Group		%
	31 March 2015 \$'000	31 March 2014 \$'000	
Revenue	71,180	78,855	-9.7%
Cost of Sales	<u>(57,416)</u>	<u>(66,346)</u>	-13.5%
Gross Profit	13,764	12,509	10.0%
Distribution Costs	(1,200)	(1,344)	-10.7%
Administrative Costs	(5,776)	(5,941)	-2.8%
Other Operating Costs	<u>(429)</u>	<u>(1,793)</u>	-76.1%
Profit from operating activities	6,359	3,431	85.3%
Interest income	215	152	41.5%
Finance Cost	(43)	(60)	-28.3%
Other income	<u>107</u>	<u>380</u>	-71.9%
Profit before taxation	6,638	3,903	70.1%
Taxation	(1,506)	(717)	110.0%
Profit for the period	<u>5,132</u>	<u>3,186</u>	61.1%
Attributable to:			
Equity holders of the Company	5,116	3,142	
Non-controlling interests	<u>16</u>	<u>44</u>	
	<u>5,132</u>	<u>3,186</u>	
Profit for the period	5,132	3,186	
Other comprehensive income:			
Foreign currency translation	(1,552)	(684)	
Fair value adjustment	2	35	
Other comprehensive income for the period, net of tax	<u>(1,550)</u>	<u>(649)</u>	
Total comprehensive income for the period	<u>3,582</u>	<u>2,537</u>	
Attributable to:			
Equity holders of the Company	3,496	2,493	
Non-controlling interests	<u>86</u>	<u>44</u>	
	<u>3,582</u>	<u>2,537</u>	

Note: The 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 2015 \$'000	31 March 2014 \$'000	
Depreciation of property, plant and equipment	(1,800)	(2,102)	-14%
Interest expense	(43)	(60)	-28%
Foreign exchange gain/(loss)	690	(55)	-1355%
Interest income from bank deposits	123	75	64%
Interest income from bond investments	92	77	20%
Gain on disposal of property, plant and equipment	-	39	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 2015 \$ '000	30 September 2014 \$ '000	31 March 2015 \$ '000	30 September 2014 \$ '000
Non-Current Assets				
Property, plant and equipment	37,005	29,392	9,451	9,916
Investments	10	8	10	8
Interest in subsidiaries	-	-	15,396	15,396
Bond investments	6,180	6,124	6,180	6,124
Deferred tax assets	218	218	-	-
	43,413	35,742	31,037	31,444
Current Assets				
Inventories	43,299	32,454	8,511	6,423
Trade debtors	37,024	33,183	23,315	15,810
Other debtors, deposits and prepayments	2,161	2,320	289	455
Amount due from subsidiaries	-	-	28,595	19,329
Derivatives	-	121	-	121
Tax recoverable	368	244	-	-
Cash and cash equivalents	22,018	35,541	13,647	21,692
	104,870	103,863	74,357	63,830
Current Liabilities				
Trade creditors	10,155	5,946	5,303	12,196
Other creditors and accruals	7,217	9,125	7,003	6,424
Provision for warranty	912	903	-	-
Amount due to subsidiaries	-	-	8,051	-
Term loans	1,000	76	1,000	-
Derivatives	226	-	226	-
Obligations under hire purchase contracts	520	348	164	145
Provision for taxation	1,956	896	1,425	432
	21,986	17,294	23,172	19,197
Net Current Assets	82,884	86,569	51,185	44,633
Non-Current Liabilities				
Term loans	3,917	-	3,917	-
Obligations under hire purchase contracts	558	407	156	203
Deferred tax liabilities	1,259	1,304	394	394
	5,734	1,711	4,467	597
	120,563	120,600	77,755	75,480
Equity attributable to equity holders of the Company				
Share capital	56,758	56,758	56,758	56,758
Retained earnings	66,465	64,968	20,453	18,180
Fair value adjustment reserve	4	2	4	2
Capital reserves	104	104	-	-
Asset revaluation reserve	345	345	345	345
Share option reserve	195	195	195	195
Foreign currency translation reserve	(4,242)	(2,620)	-	-
	119,629	119,752	77,755	75,480
Non-controlling interests	934	848	-	-
Total Equity	120,563	120,600	77,755	75,480

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

Amount repayable in one year or less or in demand

31 March 2015 \$'000 Secured	31 March 2015 \$'000 Unsecured	30 September 2014 \$'000 Secured	30 September 2014 \$'000 Unsecured
520	1,000	348	76

Amount repayable after one year

31 March 2015 \$'000 Secured	31 March 2015 \$'000 Unsecured	30 September 2014 \$'000 Secured	30 September 2014 \$'000 Unsecured
558	3,917	407	-

Details of any collateral

As at 31 March 2015, 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 2015

	Group	
	31 March 2015 \$'000	31 March 2014 \$'000
Cash flows from operating activities		
Profit before tax	6,638	3,903
Adjustments for:		
Depreciation of property, plant and equipment	1,800	2,102
Gain on disposal of property, plant and equipment	-	(39)
Property, plant and equipment written off	19	-
Fair value loss on derivative	347	555
Interest expense	43	60
Interest income from bank deposits	(123)	(75)
Interest income from bond investments	(92)	(77)
Foreign currency translation adjustment	(1,471)	(418)
Operating profit before working capital changes	7,161	6,011
(Increase)/decrease in inventories	(10,845)	12,264
(Increase)/decrease in debtors	(3,682)	8,891
Increase/(decrease) in creditors	2,310	(11,238)
Cash (used in)/generated from operations	(5,056)	15,928
Income tax paid	(615)	(879)
Interest received	123	75
Interest paid	(43)	(60)
Net cash (used in)/generated from operating activities	(5,591)	15,064
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,714)	(7,824)
Proceeds from disposal of property, plant and equipment	66	136
Interest income from bond investments	92	77
Net cash used in investing activities	(9,556)	(7,611)
Cash flows from financing activities		
Repayment of finance lease obligations	(269)	(140)
Proceeds from term loan drawdown	4,917	-
Repayment of term loan	(76)	(115)
Dividends paid	(3,619)	(3,619)
Net cash flows generated from/(used in) financing activities	953	(3,874)
Net decrease in cash and cash equivalents	(14,194)	3,579
Cash and cash equivalents at 1 October	35,541	23,351
Effect of exchange rate changes on cash and cash equivalents	671	28
Cash and cash equivalents at 31 March	22,018	26,958

Statement of Changes in Equity for the period ended 31 March 2015

	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				
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 year	-	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	<u>56,758</u>	<u>66,465</u>	<u>104</u>	<u>(4,242)</u>	<u>4</u>	<u>345</u>	<u>195</u>	<u>119,629</u>	<u>934</u>	<u>120,563</u>

	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 year	-	5,892	2	-	-	5,894
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	(3,619)
Balance at 31 March 2015	<u>56,758</u>	<u>20,453</u>	<u>4</u>	<u>345</u>	<u>195</u>	<u>77,755</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 2013	56,758	61,538	104	(2,439)	313	195	116,469	738	117,207
Total comprehensive income for the period	-	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	56,758	61,061	104	(3,123)	348	195	115,343	782	116,125

	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 period	-	336	35	-	371
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	(3,619)
Balance at 31 March 2014	56,758	15,887	348	195	73,188

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 2015		30 September 2014	
	No	WAEP(\$)	No	WAEP(\$)
Opening balance	2,650,000	0.258	2,650,000	0.258
- Exercised during the period	-	-	-	-
- Forfeited during the period	-	-	-	-
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 2015	Previous Period 30 September 2014
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 2014, 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 2014. 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 2015	Previous Period 31 March 2014
(i) Based on weighted average number of ordinary shares in issue	2.121 cents	1.302 cents
(ii) On a fully diluted basis	2.119 cents	1.301 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 2015	Previous Period 30 September 2014	Latest Period 31 March 2015	Previous Period 30 September 2014
	49.6 cents	49.6 cents	32.2 cents	31.3 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 decreased by S\$7.7 million or 9.8% from S\$78.9 million for the six months period ended 31 March 2014 (1H2014) to S\$71.2 million for the six months period ended 31 March 2015 (1H2015). The decrease in revenue was mainly due to completion of more construction projects in 1H2014.

Gross profit increased from S\$12.5 million in 1H2014 to S\$13.8 million in 1H2015. Gross profit margin improved from 15.9% in 1H2014 to 19.3% in 1H2015, mainly due to a change in product mix with higher margin.

Distribution costs decreased from S\$1.3 million in 1H2014 to S\$1.2 million in 1H2015, which is in line with the decrease in sales volume. Administrative costs remained relatively stable at S\$5.9 million and S\$5.8 million in 1H2014 and 1H2015 respectively. Other operating costs decreased from S\$1.8 million in 1H2014 to S\$0.4 million in 1H2015, mainly due to higher foreign exchange gain in 1H2015.

The Group's effective tax rate was 22.7% for 1H2015 as compared to 18.4% for 1H2014. The lower effective tax rate for 1H2014 was mainly due to utilisation of more tax incentive for a Malaysian subsidiary.

In view of the above circumstances, the Group's profit after tax increased by S\$1.9 million or 61.1% from S\$3.2 million in 1H2014 to S\$5.1 million in 1H2015.

BALANCE SHEET

As at 31 March 2015, property, plant and equipment amounted to S\$37.0 million as compared to S\$29.4 million as at 30 September 2014. The increase was mainly due to the acquisition of a new factory building by a Malaysian subsidiary.

Inventories increased from S\$32.5 million as at 30 September 2014 to S\$43.3 million as at 31 March 2015, mainly due to timing difference on progressive delivery for projects.

Trade debtors increased from S\$33.2 million as at 30 September 2014 to S\$37.0 million as at 31 March 2015. The increase was mainly due to higher sales in the three months ended 31 March 2015 (2Q2015) as compared to the three months ended 30 September 2014.

Trade creditors, other creditors and accruals increased from S\$15.1 million as at 30 September 2014 to S\$17.4 million as at 31 March 2015, which is in line with the higher sales in 2Q2015.

Term loan increased from S\$0.8 million as at 30 September 2014 to S\$4.9 million as at 31 March 2015 due to new term loan drawdown for capital expenditure and operational purpose.

Cash and cash equivalents decreased from S\$35.5 million as at 30 September 2014 to S\$22.0 million as at 31 March 2015, mainly due to acquisition of a new factory building by a Malaysian subsidiary.

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 remains uncertain, the Group anticipates the aluminium industry business to contribute positively to the performance of the Group.

The slow down in local property market and intense market competition, are expected to exert pressure on profit margins of the Group's building products business.

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? 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 period ended 31 March 2015 to be false or misleading in any material aspects.

Yong Kin Sen
Managing Director
14 May 2015