

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR HALF YEAR ENDED 31 MARCH 2019

These figures have not been audited

1 (a) (i) 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 year.

Statement of comprehensive income for the period ended 31 March 2019

	Group		%
	31 March 2019 \$ '000	31 March 2018 \$ '000	
Revenue	66,025	85,793	-23.0%
Cost of sales	<u>(53,100)</u>	<u>(70,453)</u>	-24.6%
Gross Profit	12,925	15,340	-15.7%
Distribution costs	(1,059)	(1,327)	-20.2%
Administrative costs	(5,039)	(5,594)	-9.9%
Other Operating costs	<u>(1,879)</u>	<u>(1,394)</u>	34.8%
Profit from operating activities	4,948	7,025	-29.6%
Interest income	225	205	9.8%
Finance cost	(26)	(42)	-38.1%
Other income	<u>388</u>	<u>219</u>	77.2%
Profit before taxation	5,535	7,407	-25.3%
Taxation	(1,408)	(1,865)	-24.5%
Profit for the period	<u>4,127</u>	<u>5,542</u>	-25.5%
Attributable to:			
Equity holders of the Company	4,127	5,536	
Non-controlling interests	<u>-</u>	<u>6</u>	
	<u>4,127</u>	<u>5,542</u>	
Profit for the period	4,127	5,542	
Other comprehensive income:			
Foreign currency translation	72	1,194	
Fair value adjustment on available-for-sale investments	-	(1)	
Fair value adjustment on quoted securities	1	-	
Other comprehensive income for the period, net of tax	<u>73</u>	<u>1,193</u>	
Total comprehensive income for the period	<u>4,200</u>	<u>6,735</u>	
Attributable to:			
Equity holders of the Company	4,202	6,771	
Non-controlling interests	<u>(2)</u>	<u>(36)</u>	
	<u>4,200</u>	<u>6,735</u>	

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 and the corresponding period of the immediately preceding financial year.

Profit is arrived at after (charging)/crediting:

	Group		%
	31 March 2019 \$'000	31 March 2018 \$'000	
Depreciation of property, plant and equipment	(1,708)	(1,840)	-7%
Interest expense	(26)	(42)	-38%
Foreign exchange gain/(loss), net	118	(113)	NM
Interest income from bank deposits	134	114	18%
Interest income from held-to-maturity investments	-	91	NM
Interest income from quoted securities	91	-	NM
Gain/(loss) on disposal of property, plant and equipment	18	(19)	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:

	31 March 2019 \$ '000	Group 30 September 2018 \$ '000 (Restated [^])	1 October 2017 \$ '000 (Restated [^])	31 March 2019 \$ '000	Company 30 September 2018 \$ '000 (Restated [^])	1 October 2017 \$ '000 (Restated [^])
Non-current assets						
Property, plant and equipment	42,899	40,948	36,542	6,638	7,035	6,908
Available-for-sale investments	-	5	5	-	5	5
Held-to-maturity investments	-	6,047	6,067	-	6,047	6,067
Quoted securities	6,043	-	-	6,043	-	-
Investment in subsidiaries	-	-	-	15,226	15,226	15,226
Deferred tax assets	675	788	755	-	-	-
	<u>49,617</u>	<u>47,788</u>	<u>43,369</u>	<u>27,907</u>	<u>28,313</u>	<u>28,206</u>
Current assets						
Inventories	41,281	38,896	33,192	2,961	6,362	5,915
Trade receivables	26,120	35,634	37,710	16,681	25,900	21,634
Other receivables, deposits and prepayments	5,086	4,967	4,160	459	399	351
Amount due from subsidiaries (non-trade)	-	-	-	43,862	26,547	17,853
Derivatives	-	-	421	-	-	421
Cash and fixed deposits	40,058	45,287	43,600	31,123	38,668	37,964
	<u>112,545</u>	<u>124,784</u>	<u>119,083</u>	<u>95,086</u>	<u>97,876</u>	<u>84,138</u>
Current liabilities						
Trade payables	6,498	7,473	7,279	4,197	3,111	6,077
Other payables and accruals	10,038	17,197	14,048	5,373	8,731	7,417
Provision for warranty	636	625	615	-	-	-
Term loans	917	1,000	1,000	917	1,000	1,000
Derivatives	951	731	-	951	731	-
Obligations under hire purchase contracts	179	198	190	179	198	170
Income tax payables	1,924	1,886	2,201	1,619	1,572	1,353
	<u>21,143</u>	<u>29,110</u>	<u>25,333</u>	<u>13,236</u>	<u>15,343</u>	<u>16,017</u>
Net current assets	<u>91,402</u>	<u>95,674</u>	<u>93,750</u>	<u>81,850</u>	<u>82,533</u>	<u>68,121</u>
Non-current liabilities						
Term loans	-	417	1,417	-	417	1,417
Obligations under hire purchase contracts	162	240	237	162	240	235
Deferred tax liabilities	903	987	949	193	184	65
	<u>1,065</u>	<u>1,644</u>	<u>2,603</u>	<u>355</u>	<u>841</u>	<u>1,717</u>
Net assets	<u>139,954</u>	<u>141,818</u>	<u>134,516</u>	<u>109,402</u>	<u>110,005</u>	<u>94,610</u>
Equity attributable to equity holders of the Company						
Share capital	57,184	57,184	57,018	57,184	57,184	57,018
Retained earnings	90,467	92,404	85,238	52,122	52,726	37,460
Fair value adjustment reserve	-	(1)	(1)	-	(1)	(1)
Capital reserve	104	104	104	-	-	-
Share option reserve	96	96	133	96	96	133
Foreign currency translation reserve	(8,110)	(8,184)	(8,846)	-	-	-
	<u>139,741</u>	<u>141,603</u>	<u>133,646</u>	<u>109,402</u>	<u>110,005</u>	<u>94,610</u>
Non-controlling interests	213	215	870	-	-	-
Total equity	<u>139,954</u>	<u>141,818</u>	<u>134,516</u>	<u>109,402</u>	<u>110,005</u>	<u>94,610</u>

[^]: Refer to note 5 for impact on adoption of SFRS (I)

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

Amount repayable in one year or less or in demand

31 March 2019 \$'000 Secured	31 March 2019 \$'000 Unsecured	30 September 2018 \$'000 Secured	30 September 2018 \$'000 Unsecured
179	917	198	1,000

Amount repayable after one year

31 March 2019 \$'000 Secured	31 March 2019 \$'000 Unsecured	30 September 2018 \$'000 Secured	30 September 2018 \$'000 Unsecured
162	-	240	417

Details of any collateral

As at 31 March 2019, 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 2019

	Group	
	31 March 2019	31 March 2018
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	5,535	7,407
Adjustments for:		
Depreciation of property, plant and equipment	1,708	1,840
(Gain)/loss on disposal of property, plant and equipment	(18)	19
Property, plant and equipment written off	1	56
Provision/(write back) for provision of warranty	12	(10)
Amortisation of bond premium	10	10
Fair value loss on derivatives	219	859
Interest expense	26	42
Interest income from bank deposits	(134)	(114)
Interest income from held-to-maturity investments	-	(91)
Interest income from quoted securities	(91)	-
Foreign currency translation adjustment	104	361
Operating profit before working capital changes	<u>7,372</u>	<u>10,379</u>
(Increase)/decrease in inventories	(2,385)	1,227
Decrease/(increase) in receivables	9,395	(876)
Decrease in payables	<u>(8,133)</u>	<u>(1,918)</u>
Cash generated from operations	6,249	8,812
Income tax paid	(1,342)	(1,858)
Interest received	134	114
Interest paid	(26)	(42)
Net cash generated from operating activities	<u>5,015</u>	<u>7,026</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,641)	(1,706)
Proceeds from disposal of property, plant and equipment	78	149
Interest income from held-to-maturity investments	-	91
Interest income from quoted securities	91	-
Net cash used in investing activities	<u>(3,472)</u>	<u>(1,466)</u>
Cash flows from financing activities		
Repayment of finance lease obligations	(97)	(124)
Repayment of term loan	(500)	(500)
Proceeds from exercise of employee share options	-	129
Dividends paid	(6,064)	(4,851)
Net cash flows used in financing activities	<u>(6,661)</u>	<u>(5,346)</u>
Net (decrease)/increase in cash and fixed deposits	(5,118)	214
Cash and cash equivalents at 1 October	45,287	43,600
Effect of exchange rate changes on cash and cash equivalents	(111)	(274)
Cash and fixed deposits at 31 March	<u>40,058</u>	<u>43,540</u>

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 2019

	-----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 2018	57,184	89,969	104	(8,184)	(1)	1,867	96	141,035	215	141,250
Effect of adopting SFRS (I) 1	-	2,435	-	-	-	(1,867)	-	568	-	568
Balance at 1 October 2018 (Restated)	57,184	92,404	104	(8,184)	(1)	-	96	141,603	215	141,818
Total comprehensive income for the period	-	4,127	-	74	1	-	-	4,202	(2)	4,200
Dividends on ordinary shares, net of tax	-	(6,064)	-	-	-	-	-	(6,064)	-	(6,064)
Balance at 31 March 2019	57,184	90,467	104	(8,110)	-	-	96	139,741	213	139,954

	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 2018	57,184	52,493	(1)	194	96	109,966
Effect of adopting SFRS (I) 1	-	233	-	(194)	-	39
Balance at 1 October 2018 (Restated)	57,184	52,726	(1)	-	96	110,005
Total comprehensive income for the period	-	5,460	1	-	-	5,461
Dividends on ordinary shares, net of tax	-	(6,064)	-	-	-	(6,064)
Balance at 31 March 2019	57,184	52,122	-	-	96	109,402

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

	Share capital	Retained earnings	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	Asset revaluation reserve	Share option reserve	Total equity attributable to equity holders of company	Non controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group										
Balance at 1 October 2017	57,018	82,803	104	(8,846)	(1)	1,867	133	133,078	870	133,948
Effect of adopting SFRS (I) 1	-	2,435	-	-	-	(1,867)	-	568	-	568
Balance at 1 October 2017 (Restated)	57,018	85,238	104	(8,846)	(1)	-	133	133,646	870	134,516
Total comprehensive income for the period	-	5,536	-	1,236	(1)	-	-	6,771	(36)	6,735
Exercise of employee share options	166	-	-	-	-	-	(37)	129	-	129
Dividends on ordinary shares, net of tax	-	(4,851)	-	-	-	-	-	(4,851)	-	(4,851)
Balance at 31 March 2018 (Restated)	57,184	85,923	104	(7,610)	(2)	-	96	135,695	834	136,529

	Share Capital	Retained Earnings	Fair value adjustment reserve	Asset revaluation reserve	Share option reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company						
Balance at 1 October 2017	57,018	37,227	(1)	194	133	94,571
Effect of adopting SFRS (I) 1	-	233	-	(194)	-	39
Balance at 1 October 2017 (Restated)	57,018	37,460	(1)	-	133	94,610
Total comprehensive income for the period	-	4,262	(1)	-	-	4,261
Exercise of employee share options	166	-	-	-	(37)	129
Dividends on ordinary shares, net of tax	-	(4,851)	-	-	-	(4,851)
Balance at 31 March 2018 (Restated)	57,184	36,871	(2)	-	96	94,149

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the 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. There were no shares held as treasury shares 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 2019		30 September 2018	
	No.	WAEP(\$)	No.	WAEP(\$)
Opening balance	1,300,000	0.258	1,800,000	0.258
- Exercised during the period	-	0.258	(500,000)	0.258
Ending balance	<u>1,300,000</u>	<u>0.258</u>	<u>1,300,000</u>	<u>0.258</u>
Exercisable at end of period	<u>1,300,000</u>	<u>0.258</u>	<u>1,300,000</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 2019	Previous Period 30 September 2018
Number of ordinary shares	<u>242,544,082</u>	<u>242,544,082</u>

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

Not applicable.

1 (d) (v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period 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 2018, 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 a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS (I)), on 01 October 2018 and has prepared its financial information under SFRS (I) for the half year ended 31 March 2019.

Other than the adoption of SFRS (I) 1, which is effective for its financial year beginning 1 October 2018, the Group expects that the adoption of the new financial reporting framework will have no material impact to the Group's and the Company's financial statements in the year of initial application.

The impact of adopting the following SFRS (I) on the Group's and Company's financial statements are set out as follows:

SFRS (I) 1 - First-time adoption of Singapore Financial Reporting Standards (International)

On the transition to SFRS (I), the Group and the Company restated comparative periods financial statements to retrospectively apply SFRS (I) where applicable, except where SFRS (I) specifically prohibited such retrospective applications and where optional exemptions from retrospective applications were elected.

The Group and the Company have elected to measure its land and buildings using the cost model by applying "deemed cost" transition exemptions. Accordingly, the Group and Company have reclassified \$1,867,000 and \$194,000 respectively of asset revaluation reserve to the opening retained earnings as at 1 October 2017.

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 2019	Previous Period 31 March 2018
(i) Based on weighted average number of ordinary shares in issue	1.702 cents	2.283 cents
(ii) On a fully diluted basis	1.700 cents	2.281 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.

	Group		Company	
	Latest Period 31 March 2019	Previous Period 30 September 2018 (Restated [^])	Latest Period 31 March 2019	Previous Period 30 September 2018 (Restated [^])
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	57.6 cents	58.4 cents	45.1 cents	45.4 cents

[^]: Refer to note 5 for impact on adoption of SFRS (I)

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/ STATEMENT OF COMPREHENSIVE INCOME

Group revenue decreased by S\$19.8 million or 23.0% from S\$85.8 million for the financial period ended 31 March 2018 ("1H2018") to S\$66.0 million for the financial period ended 31 March 2019 ("1H2019"). The decrease was mainly attributable to a decrease in revenue from the aluminium segment.

Gross profit decreased from S\$15.3 million in 1H2018 to S\$12.9 million in 1H2019 while gross profit margin increased from 17.9% in 1H2018 to 19.6% in 1H2019, mainly due to a change in product mix with higher margin.

Distribution costs decreased from S\$1.3 million in 1H2018 to S\$1.1 million in 1H2019, which is in line with the lower revenue in 1H2019. Administrative costs decreased from S\$5.6 million in 1H2018 to S\$5.0 million in 1H2019, which was mainly due to lower accrued personnel cost in 1H2019. Other operating costs increased from S\$1.4 million in 1H2018 to S\$1.9 million in 1H2019. This was mainly due to higher loss in derivative recorded in 1H2019. Other income increased from S\$0.2 million in 1H2018 to S\$0.4 million in 1H2019, mainly due to a net foreign exchange gain in 1H2019 and a net foreign exchange loss in 1H2018.

The Group's effective tax rate remained relatively stable at 25.2% and 25.4% for 1H2018 and 1H2019 respectively.

In view of the above circumstances, the Group's profit after tax decreased from S\$5.5 million in 1H2018 to S\$4.1 million in 1H2019.

STATEMENT OF FINANCIAL POSITION

Inventories increased from S\$38.9 million as at 30 September 2018 to S\$41.3 million as at 31 March 2019, mainly due to building up of inventories for on-going projects.

Trade receivables decreased from S\$35.6 million as at 30 September 2018 to S\$26.1 million as at 31 March 2019, mainly due to lower sales in the three months ended 31 March 2019 as compared to the three months ended 30 September 2018.

Cash and fixed deposits decreased from S\$45.3 million as at 30 September 2018 to S\$40.1 million as at 31 March 2019, as a result of an increase in inventories, payment of dividends, trade and other payables, offset by collection of trade receivables.

Trade payables, other payables and accruals decreased from S\$24.7 million as at 30 September 2018 to S\$16.5 million as at 31 March 2019, mainly due to lower cost of sales in the three months ended 31 March 2019 as compared to the three months ended 30 September 2018.

Derivatives liabilities increased from S\$0.7 million as at 30 September 2018 to S\$1.0 million as at 31 March 2019 as a result of changes in fair value.

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.

Our aluminium industrial product business is expected to continue to be affected by the uncertainties of the global economy. Despite higher costs, intense market competition and government cooling measures, our building product business is expected to improve.

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

11. If a decision regarding dividend has been made:-

(a) Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	0.5 cent

(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

No interim dividend has been declared in previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Tax exempt (one-tier)

(d) The date the dividend is payable.

Payment of the interim dividend will be made on 31 May 2019.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

NOTICE IS HEREBY GIVEN THAT the Transfer Book and Register of Members of Nam Lee Pressed Industries Limited (the "Company") will be closed from 5.00 p.m. (Singapore time) on 21 May 2019 to 5.00 p.m. (Singapore time) on 22 May 2019 (both dates inclusive) for the preparation of dividend warrants for the interim dividend.

Duly completed registrable transfers of the ordinary shares in the capital of the Company ("Shares") received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd of 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. (Singapore time) on 21 May 2019 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. (Singapore time) on 21 May 2019 will be entitled to the interim dividend.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

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 obtain 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 2019 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
10 May 2019