

FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR YEAR ENDED 31 DECEMBER 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 December 2015

	Group		%
	31 December 2015 \$'000	31 December 2014 \$'000	
Revenue	39,088	30,934	26.4%
Cost of Sales	(30,126)	(24,477)	23.1%
Gross Profit	8,962	6,457	38.8%
Distribution Costs	(690)	(581)	18.8%
Administrative Costs	(2,827)	(2,804)	0.8%
Other Operating Costs	(1,612)	(163)	889.0%
Profit from operating activities	3,833	2,909	31.8%
Interest income	63	101	-37.5%
Finance Cost	(44)	(16)	175.0%
Other income	120	2	NM
Profit before taxation	3,972	2,996	32.6%
Taxation	(595)	(458)	29.9%
Profit for the period	3,377	2,538	33.1%
Attributable to:			
Equity holders of the Company	3,411	2,478	
Non-controlling interests	(34)	60	
	3,377	2,538	
Profit for the period	3,377	2,538	
Other comprehensive income:			
Foreign currency translation	(163)	(1,129)	
Fair value adjustment	(2)	1	
Other comprehensive income for the period, net of tax	(165)	(1,128)	
Total comprehensive income for the period	3,212	1,410	
Attributable to:			
Equity holders of the Company	3,263	1,316	
Non-controlling interests	(51)	94	
	3,212	1,410	

NM: Not meaningful

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 December 2015 \$`000	31 December 2014 \$`000	
Depreciation of property, plant and equipment	(1,024)	(773)	32%
Interest expense	(44)	(16)	175%
Foreign exchange (loss)/gain	(126)	291	NM
Interest income from bank deposits	17	54	-69%
Interest income from held-to-maturity investments	46	47	-2%
Gain/(loss) on disposal of property, plant and equipment	5	(1)	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 December 2015 \$'000	30 September 2015 \$'000	31 December 2015 \$'000	30 September 2015 \$'000
Non-current assets				
Property, plant and equipment	33,572	33,445	8,459	8,900
Available-for-sale investments	6	8	6	8
Interest in subsidiaries	-	-	15,226	15,226
Held-to-maturity investments	6,101	6,106	6,101	6,106
	<u>39,679</u>	<u>39,559</u>	<u>29,792</u>	<u>30,240</u>
Current assets				
Inventories	37,591	40,386	456	6,983
Trade receivables	39,040	39,407	28,777	24,435
Other receivables, deposits and prepayments	2,685	3,133	445	538
Amount due from subsidiaries	-	-	25,260	31,319
Tax recoverable	62	164	-	-
Cash and cash equivalents	37,510	38,432	25,049	25,957
	<u>116,888</u>	<u>121,522</u>	<u>79,987</u>	<u>89,232</u>
Current liabilities				
Trade payables	5,592	11,505	1,871	12,150
Other payables and accruals	11,355	13,070	7,273	9,720
Provision for warranty	783	818	-	-
Term loans	1,000	1,000	1,000	1,000
Derivatives	2,313	2,111	2,313	2,111
Obligations under hire purchase contracts	370	505	43	208
Income tax payables	3,081	2,634	2,333	1,755
	<u>24,494</u>	<u>31,643</u>	<u>14,833</u>	<u>26,944</u>
Net current assets	<u>92,394</u>	<u>89,879</u>	<u>65,154</u>	<u>62,288</u>
Non-current liabilities				
Term loans	3,167	3,417	3,167	3,417
Obligations under hire purchase contracts	330	481	214	254
Deferred tax liabilities	586	762	47	81
	<u>4,083</u>	<u>4,660</u>	<u>3,428</u>	<u>3,752</u>
	<u>127,990</u>	<u>124,778</u>	<u>91,518</u>	<u>88,776</u>
Equity attributable to equity holders of the Company				
Share capital	56,758	56,758	56,758	56,758
Retained earnings	77,699	74,288	34,220	31,476
Fair value adjustment reserve	-	2	-	2
Capital reserve	104	104	-	-
Asset revaluation reserve	345	345	345	345
Share option reserve	195	195	195	195
Foreign currency translation reserve	(7,930)	(7,784)	-	-
	<u>127,171</u>	<u>123,908</u>	<u>91,518</u>	<u>88,776</u>
Non-controlling interests	819	870	-	-
Total equity	<u>127,990</u>	<u>124,778</u>	<u>91,518</u>	<u>88,776</u>

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

Amount repayable in one year or less or in demand

31 December 2015 \$'000 Secured	31 December 2015 \$'000 Unsecured	30 September 2015 \$'000 Secured	30 September 2015 \$'000 Unsecured
370	1,000	505	1,000

Amount repayable after one year

31 December 2015 \$'000 Secured	31 December 2015 \$'000 Unsecured	30 September 2015 \$'000 Secured	30 September 2015 \$'000 Unsecured
330	3,167	481	3,417

Details of any collateral

As at 31 December 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 December 2015

	Group	
	31 December 2015	31 December 2014
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	3,972	2,996
Adjustments for:		
Depreciation of property, plant and equipment	1,024	773
(Gain)/loss on disposal of property, plant and equipment	(5)	1
Property, plant and equipment written off	-	3
(Write back)/accrued for provision of warranty	(35)	30
Amortisation of bond premium	5	4
Fair value loss on derivative	202	298
Interest expense	44	16
Interest income from bank deposits	(17)	(54)
Interest income from held-to-maturity investments	(46)	(47)
Foreign currency translation adjustment	30	(983)
Operating profit before working capital changes	<u>5,174</u>	<u>3,037</u>
Decrease/(increase) in inventories	2,795	(3,257)
Decrease in debtors	815	818
(Decrease)/increase in creditors	<u>(7,663)</u>	<u>8</u>
Cash generated from operations	1,121	606
Income tax paid	(222)	(45)
Interest received	17	54
Interest paid	(44)	(16)
Net cash generated from operating activities	<u>872</u>	<u>599</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,356)	(9,083)
Proceeds from disposal of property, plant and equipment	115	50
Interest income from held-to-maturity investments	46	47
Net cash used in investing activities	<u>(1,195)</u>	<u>(8,986)</u>
Cash flows from financing activities		
Repayment of finance lease obligations	(286)	(131)
Repayment of term loan	(250)	(57)
Net cash flows used in financing activities	<u>(536)</u>	<u>(188)</u>
Net decrease in cash and cash equivalents	(859)	(8,575)
Cash and cash equivalents at 1 October	38,432	35,541
Effect of exchange rate changes on cash and cash equivalents	(63)	337
Cash and cash equivalents at 31 December	<u><u>37,510</u></u>	<u><u>27,303</u></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 December 2015

	-----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 2015	56,758	74,288	104	(7,784)	2	345	195	123,908	870	124,778
Total comprehensive income for the year	-	3,411	-	(146)	(2)	-	-	3,263	(51)	3,212
Balance at 31 December 2015	56,758	77,699	104	(7,930)	-	345	195	127,171	819	127,990

	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 2015	56,758	31,476	2	345	195	88,776
Total comprehensive income for the year	-	2,744	(2)	-	-	2,742
Balance at 31 December 2015	56,758	34,220	-	345	195	91,518

<-----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 2014	56,758	64,968	104	(2,620)	2	345	195	119,752	848	120,600
Total comprehensive income for the period	-	2,478	-	(1,163)	1	-	-	1,316	94	1,410
Balance at 31 December 2014	56,758	67,446	104	(3,783)	3	345	195	121,068	942	122,010

	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 2014	56,758	18,180	2	345	195	75,480
Total comprehensive income for the period	-	1,960	1	-	-	1,961
Balance at 31 December 2014	56,758	20,140	3	345	195	77,441

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 December 2015		30 September 2015	
	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 December 2015	Previous Period 30 September 2015
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 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 December 2015	Previous Period 31 December 2014
(i) Based on weighted average number of ordinary shares in issue	1.414 cents	1.027 cents
(ii) On a fully diluted basis	1.413 cents	1.027 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 December 2015	Previous Period 30 September 2015	Latest Period 31 December 2015	Previous Period 30 September 2015
	52.7 cents	51.4 cents	37.9 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 increased by S\$8.2 million or 26.4% from S\$30.9 million for the three months ended 31 December 2014 (1Q2015) to S\$39.1 million for the three months ended 31 December 2015 (1Q2016). The increase was mainly attributable to increased revenue from the aluminium segment in 1Q2016.

Gross profit increased from S\$6.5 million in 1Q2015 to S\$9.0 million in 1Q2016. Gross profit margin improved from 20.9% in 1Q2015 to 22.9% in 1Q2016, mainly due to a change in product mix with higher margin.

Distribution costs increased from S\$0.6 million in 1Q2015 to S\$0.7 million in 1Q2016 as a result of the increase in sales volume. Other operating costs increased from S\$0.2 million in 1Q2015 to S\$1.6 million in 1Q2016, mainly due to a loss in derivative in 1Q2016 and foreign exchange differences where there was an exchange loss in 1Q2016 as compared to an exchange gain in 1Q2015.

The Group's effective tax rate remained relatively stable at 15.3% and 15.0% for 1Q2015 and 1Q2016 respectively.

In view of the above circumstances, the Group's profit after tax increased by S\$0.9 million or 33.0% from S\$2.5 million in 1Q2015 to S\$3.4 million in 1Q2016.

BALANCE SHEET

Non-current assets remained relatively stable at S\$39.7 million and S\$39.6 million as at 31 December 2015 and 30 September 2015 respectively.

Inventories decreased from S\$40.4 million as at 30 September 2015 to S\$37.6 million as at 31 December 2015, mainly due to completion of some construction projects.

Trade payables, other creditors and accruals decreased from S\$24.6 million as at 30 September 2015 to S\$16.9 million as at 31 December 2015, due to shorter payment term for certain projects.

Cash and cash equivalents decreased slightly from S\$38.4 million as at 30 September 2015 to S\$37.5 million as at 31 December 2015, mainly due to 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 to have an impact on the aluminium industry business.

The outlook for the local property market remains challenging as a result of government cooling measures and market concern over interest rate hikes. In addition, strong market competition and tight labor market 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 the Group.

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

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 first quarter financial results for the period ended 31 December 2015 to be false or misleading in any material aspects.

Yong Kin Sen
Managing Director
12 February 2016