

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR HALF YEAR ENDED 31 MARCH 2017

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 years.

Statement of comprehensive income for the period ended 31 March 2017

	Group		%
	31 March 2017 \$'000	31 March 2016 \$'000	
Revenue	67,210	71,220	-5.6%
Cost of Sales	<u>(54,500)</u>	<u>(54,067)</u>	0.8%
Gross Profit	12,710	17,153	-25.9%
Distribution Costs	(1,214)	(1,301)	-6.7%
Administrative Costs	(5,440)	(5,093)	6.8%
Other Operating Costs	<u>(748)</u>	<u>(3,094)</u>	-75.8%
Profit from operating activities	5,308	7,665	-30.8%
Interest income	277	125	121.6%
Finance Cost	(56)	(81)	-30.9%
Other income	<u>1,533</u>	<u>311</u>	392.9%
Profit before taxation	7,062	8,020	-11.9%
Taxation	(1,675)	(1,924)	-12.9%
Profit for the period	<u>5,387</u>	<u>6,096</u>	-11.6%
Attributable to:			
Equity holders of the Company	5,415	6,132	
Non-controlling interests	<u>(28)</u>	<u>(36)</u>	
	<u>5,387</u>	<u>6,096</u>	
Profit for the period	5,387	6,096	
Other comprehensive income:			
Foreign currency translation	(1,252)	292	
Fair value adjustment	2	(4)	
Other comprehensive income for the period, net of tax	<u>(1,250)</u>	<u>288</u>	
Total comprehensive income for the period	<u>4,137</u>	<u>6,384</u>	
Attributable to:			
Equity holders of the Company	4,118	6,472	
Non-controlling interests	<u>19</u>	<u>(88)</u>	
	<u>4,137</u>	<u>6,384</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 the corresponding period of the immediately preceding financial year.

Profit is arrived at after (charging)/crediting:

	Group		%
	31 March 2017 \$ 000	31 March 2016 \$ 000	
Depreciation of property, plant and equipment	(1,736)	(2,071)	-16%
Interest expense	(56)	(81)	-31%
Foreign exchange gain/(loss), net	691	(1,110)	NM
Interest income from bank deposits	186	33	464%
Interest income from held-to-maturity investments	91	92	-1%
(Loss)/gain on disposal of property, plant and equipment	(101)	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 2017 \$ 000	30 September 2016 \$ 000	31 March 2017 \$ 000	30 September 2016 \$ 000
Non-current assets				
Property, plant and equipment	36,301	36,651	6,871	6,940
Available-for-sale investments	7	5	7	5
Interest in subsidiaries	-	-	15,226	15,226
Held-to-maturity investments	6,077	6,087	6,077	6,087
Deferred tax assets	8	141	-	-
	42,393	42,884	28,181	28,258
Current assets				
Inventories	35,908	31,231	1,368	3,353
Trade receivables	22,511	29,911	9,279	16,583
Other receivables, deposits and prepayments	3,423	3,617	484	530
Amount due from subsidiaries	-	-	31,139	22,826
Derivatives	483	329	483	329
Tax recoverable	460	472	-	-
Cash and cash equivalents	41,780	46,006	35,067	38,777
	104,565	111,566	77,820	82,398
Current liabilities				
Trade payables	5,095	7,357	4,702	11,130
Other payables and accruals	5,194	9,315	3,317	5,814
Provision for warranty	678	759	-	-
Term loans	1,000	1,000	1,000	1,000
Derivatives	-	-	-	-
Obligations under hire purchase contracts	238	297	126	87
Income tax payables	2,029	1,855	1,750	1,463
	14,234	20,583	10,895	19,494
Net current assets	90,331	90,983	66,925	62,904
Non-current liabilities				
Term loans	1,917	2,417	1,917	2,417
Obligations under hire purchase contracts	157	79	154	62
Deferred tax liabilities	1,975	2,007	140	80
	4,049	4,503	2,211	2,559
	128,675	129,364	92,895	88,603
Equity attributable to equity holders of the Company				
Share capital	56,770	56,770	56,770	56,770
Retained earnings	77,982	77,393	35,743	31,453
Fair value adjustment reserve	1	(1)	1	(1)
Capital reserve	104	104	-	-
Asset revaluation reserve	1,867	1,867	194	194
Share option reserve	187	187	187	187
Foreign currency translation reserve	(9,267)	(7,968)	-	-
	127,644	128,352	92,895	88,603
Non-controlling interests	1,031	1,012	-	-
Total equity	128,675	129,364	92,895	88,603

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 2017 \$'000	31 March 2017 \$'000	30 September 2016 \$'000	30 September 2016 \$'000
Secured	Unsecured	Secured	Unsecured
238	1,000	297	1,000

Amount repayable after one year

31 March 2017 \$'000	31 March 2017 \$'000	30 September 2016 \$'000	30 September 2016 \$'000
Secured	Unsecured	Secured	Unsecured
157	1,917	79	2,417

Details of any collateral

As at 31 March 2017, 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 2017

	Group	
	31 March 2017 \$ '000	31 March 2016 \$ '000
Cash flows from operating activities		
Profit before tax	7,062	8,020
Adjustments for:		
Depreciation of property, plant and equipment	1,736	2,071
Loss/(gain) on disposal of property, plant and equipment	101	(18)
Property, plant and equipment written off	8	519
Write back for provision of warranty	(81)	(35)
Amortisation of bond premium	10	10
Fair value gain on derivative	(154)	(967)
Interest expense	56	81
Interest income from bank deposits	(186)	(33)
Interest income from held-to-maturity investments	(91)	(92)
Foreign currency translation adjustment	(337)	932
Operating profit before working capital changes	8,124	10,488
(Increase)/decrease in inventories	(4,677)	4,432
Decrease in receivables	7,594	15,824
Decrease in payables	(6,464)	(12,274)
Cash generated from operations	4,577	18,470
Income tax paid	(1,388)	(1,585)
Interest received	186	33
Interest paid	(56)	(81)
Net cash generated from operating activities	3,319	16,837
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,669)	(2,640)
Proceeds from disposal of property, plant and equipment	265	142
Interest income from held-to-maturity investments	91	92
Net cash used in investing activities	(2,313)	(2,406)
Cash flows from financing activities		
Repayment of finance lease obligations	(183)	(405)
Repayment of term loan	(500)	(500)
Proceed from exercise of employee share options	-	9
Dividends paid	(4,826)	(6,033)
Net cash flows used in financing activities	(5,509)	(6,929)
Net (decrease)/increase in cash and cash equivalents	(4,503)	7,502
Cash and cash equivalents at 1 October	46,006	38,432
Effect of exchange rate changes on cash and cash equivalents	277	(909)
Cash and cash equivalents at 31 March	41,780	45,025

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 2017

	-----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 2016	56,770	77,393	104	(7,968)	(1)	1,867	187	128,352	1,012	129,364
Total comprehensive income for the year	-	5,415	-	(1,299)	2	-	-	4,118	19	4,137
Dividends on ordinary shares, net of tax	-	(4,826)	-	-	-	-	-	(4,826)	-	(4,826)
Balance at 31 March 2017	56,770	77,982	104	(9,267)	1	1,867	187	127,644	1,031	128,675

	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 2016	56,770	31,453	(1)	194	187	88,603
Total comprehensive income for the year	-	9,116	2	-	-	9,118
Dividends on ordinary shares, net of tax	-	(4,826)	-	-	-	(4,826)
Balance at 31 March 2017	56,770	35,743	1	194	187	92,895

<-----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 2015	56,758	74,288	104	(7,784)	2	345	195	123,908	870	124,778
Total comprehensive income for the period	-	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
Company						
Balance at 1 October 2015	56,758	31,476	2	345	195	88,776
Total comprehensive income for the period	-	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

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 2017		30 September 2016	
	No	WAEP(\$)	No	WAEP(\$)
Opening balance	2,550,000	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>2,550,000</u>	<u>0.258</u>
Exercisable at end of period	<u>2,550,000</u>	<u>0.258</u>	<u>2,550,000</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 2017	Previous Period 30 September 2016
Number of ordinary shares	<u>241,294,082</u>	<u>241,294,082</u>

1 (d) (iv) A statement showing all sales, transfer, 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 2016, 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 2016. 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 2017	Previous Period 31 March 2016
(i) Based on weighted average number of ordinary shares in issue	2.244 cents	2.541 cents
(ii) On a fully diluted basis	2.240 cents	2.537 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 2017	Previous Period 30 September 2016	Latest Period 31 March 2017	Previous Period 30 September 2016
	52.9 cents	53.2 cents	38.5 cents	36.7 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 decreased by S\$4.0 million or 5.6% from S\$71.2 million for the six months ended 31 March 2016 ("1H2016") to S\$67.2 million for the six months ended 31 March 2017 ("1H2017"). The decrease was mainly attributable to a decrease in revenue from the aluminium segment in the three months ended 31 March 2017.

Gross profit decreased from S\$17.2 million in 1H2016 to S\$12.7 million in 1H2017. Gross profit margin decreased from 24.1% in 1H2016 to 18.9% in 1H2017. The lower gross profit margin was due to a change in product mix with lower margin and for the reason disclosed under other income referred to below.

Distribution costs and administrative costs remained relatively stable in 1H2016 and 1H2017. Other operating costs declined from S\$3.1 million in 1H2016 to S\$0.7 million in 1H2017. This was primarily the result of net foreign exchange loss and a net loss in derivative recorded in 1H2016. In 1H2017, the Group recorded net foreign exchange gain as well as a net gain in derivative, and, this is consistent with the increased in other income from S\$0.3 million in 1H2016 to S\$1.5 million in 1H2017.

The Group's effective tax rates remained relatively stable at 24.0% and 23.7% for 1H2016 and 1H2017 respectively.

In view of the above circumstances, the Group's profit after tax decreased by S\$0.7 million or 11.6% from S\$6.1 million in 1H2016 to S\$5.4 million in 1H2017.

BALANCE SHEET

Inventories increased from S\$31.2 million as at 30 September 2016 to S\$35.9 million as at 31 March 2017, mainly due to building up of inventories for on-going projects.

Trade receivables decreased from S\$29.9 million as at 30 September 2016 to S\$22.5 million as at 31 March 2017, mainly due to lower sales in the three months ended 31 March 2017 as compared to the three months ended 30 September 2016.

Trade payables, other creditors and accruals decreased from S\$16.7 million as at 30 September 2016 to S\$10.3 million as at 31 March 2017, in line with the lower sales in the three months ended 31 March 2017 as compared to the three months ended 30 September 2016.

Cash and cash equivalents decreased from S\$46.0 million as at 30 September 2016 to S\$41.8 million as at 31 March 2017, as a result of payment of dividends and early 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 uncertainty of global economic environment, coupled with the local government's cooling measures in the property market, hefty supply of properties, intense market competition and tight labor market are expected to exert pressure on the Group's profit margins in both aluminium industry and building product businesses.

In view of the above circumstances, the Group will continue to 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 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 2017 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
15 May 2017