

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER ENDED 30 JUNE 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 30 June 2015

	Group		%
	30 June 2015 \$'000	30 June 2014 \$'000	
Revenue	114,385	106,219	7.7%
Cost of Sales	(90,173)	(90,396)	-0.2%
Gross Profit	24,212	15,823	53.0%
Distribution Costs	(2,068)	(1,984)	4.2%
Administrative Costs	(8,482)	(7,648)	10.9%
Other Operating Costs	(3,272)	(2,266)	44.4%
Profit from operating activities	10,390	3,925	164.7%
Interest income	249	246	1.4%
Finance Cost	(92)	(73)	26.0%
Other income	134	994	-86.5%
Profit before taxation	10,681	5,092	109.8%
Taxation	(3,786)	(1,291)	193.3%
Profit for the period	6,895	3,801	81.4%
Attributable to:			
Equity holders of the Company	6,951	3,746	
Non-controlling interests	(56)	55	
	6,895	3,801	
Profit for the period	6,895	3,801	
Other comprehensive income:			
Foreign currency translation	(2,975)	(480)	
Fair value adjustment	-	(198)	
Other comprehensive income for the period, net of tax	(2,975)	(678)	
Total comprehensive income for the period	3,920	3,123	
Attributable to:			
Equity holders of the Company	3,928	3,073	
Non-controlling interests	(8)	50	
	3,920	3,123	

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		%
	30 June 2015 \$ '000	30 June 2014 \$ '000	
Depreciation of property, plant and equipment	(3,000)	(3,114)	-4%
Interest expense	(92)	(73)	26%
Foreign exchange loss	(158)	(268)	-41%
Interest income from bank deposits	111	108	3%
Interest income from bond investments	138	138	0%
Loss on disposal of property, plant and equipment	(181)	(31)	484%

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	
	30 June 2015 \$ 000	30 September 2014 \$ 000	30 June 2015 \$ 000	30 September 2014 \$ 000
Non-Current Assets				
Property, plant and equipment	35,576	29,392	9,520	9,916
Investments	8	8	8	8
Interest in subsidiaries	-	-	15,396	15,396
Bond investments	6,164	6,124	6,164	6,124
Deferred tax assets	218	218	-	-
	41,966	35,742	31,088	31,444
Current Assets				
Inventories	40,699	32,454	4,509	6,423
Trade debtors	37,811	33,183	21,191	15,810
Other debtors, deposits and prepayments	2,952	2,320	371	455
Amount due from subsidiaries	-	-	20,607	19,329
Derivatives	-	121	-	121
Tax recoverable	371	244	-	-
Cash and cash equivalents	23,818	35,541	20,023	21,692
	105,651	103,863	66,701	63,830
Current Liabilities				
Trade creditors	7,485	5,946	2,335	12,196
Other creditors and accruals	6,835	9,125	5,445	6,424
Provision for warranty	830	903	-	-
Term loans	1,000	76	1,000	-
Derivatives	1,197	-	1,197	-
Obligations under hire purchase contracts	555	348	210	145
Provision for taxation	3,416	896	2,009	432
	21,318	17,294	12,196	19,197
Net Current Assets	84,333	86,569	54,505	44,633
Non-Current Liabilities				
Term loans	3,667	-	3,667	-
Obligations under hire purchase contracts	544	407	245	203
Deferred tax liabilities	1,187	1,304	358	394
	5,398	1,711	4,270	597
	120,901	120,600	81,323	75,480
Equity attributable to equity holders of the Company				
Share capital	56,758	56,758	56,758	56,758
Retained earnings	68,300	64,968	24,023	18,180
Fair value adjustment reserve	2	2	2	2
Capital reserve	104	104	-	-
Asset revaluation reserve	345	345	345	345
Share option reserve	195	195	195	195
Foreign currency translation reserve	(5,643)	(2,620)	-	-
	120,061	119,752	81,323	75,480
Non-controlling interests	840	848	-	-
Total Equity	120,901	120,600	81,323	75,480

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

Amount repayable in one year or less or in demand

30 June 2015 \$'000 Secured	30 June 2015 \$'000 Unsecured	30 September 2014 \$'000 Secured	30 September 2014 \$'000 Unsecured
555	1,000	348	76

Amount repayable after one year

30 June 2015 \$'000 Secured	30 June 2015 \$'000 Unsecured	30 September 2014 \$'000 Secured	30 September 2014 \$'000 Unsecured
544	3,667	407	-

Details of any collateral

As at 30 June 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 30 June 2015

	Group	
	30 June 2015 \$ '000	30 June 2014 \$ '000
Cash flows from operating activities		
Profit before tax	10,681	5,092
Adjustments for:		
Depreciation of property, plant and equipment	3,000	3,114
Loss on disposal of property, plant and equipment	181	31
Gain on disposal of investments	-	(26)
Realisation of fair value reserve	-	(235)
Fair value loss/(gain) on derivative	1,318	(281)
Interest expense	92	73
Interest income from bank deposits	(111)	(108)
Interest income from bond investments	(138)	(138)
Foreign currency translation adjustment	(2,333)	(184)
Operating profit before working capital changes	12,690	7,338
(Increase)/decrease in inventories	(8,245)	12,863
(Increase)/decrease in debtors	(5,260)	11,764
Decrease in creditors	(824)	(9,826)
Cash (used in)/generated from operations	(1,639)	22,139
Income tax paid	(1,509)	(1,074)
Interest received	111	108
Interest paid	(92)	(73)
Net cash (used in)/generated from operating activities	(3,129)	21,100
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,126)	(8,838)
Proceeds from disposal of property, plant and equipment	70	211
Proceeds from disposal of investments	-	478
Interest income from bond investments	138	138
Net cash used in investing activities	(9,918)	(8,011)
Cash flows from financing activities		
Repayment of finance lease obligations	(401)	(261)
Proceeds from term loan drawdown	5,000	-
Repayment of term loan	(409)	(169)
Dividends paid	(3,619)	(3,619)
Net cash flows generated from/(used in) financing activities	571	(4,049)
Net (decrease)/increase in cash and cash equivalents	(12,476)	9,040
Cash and cash equivalents at 1 October	35,541	23,351
Effect of exchange rate changes on cash and cash equivalents	753	(45)
Cash and cash equivalents at 30 June	23,818	32,346

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 30 June 2015

	-----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 year	-	6,951	-	(3,023)	-	-	-	3,928	(8)	3,920
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	-	-	(3,619)	-	(3,619)
Balance at 30 June 2015	56,758	68,300	104	(5,643)	2	345	195	120,061	840	120,901

	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 year	-	9,462	-	-	-	9,462
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	(3,619)
Balance at 30 June 2015	56,758	24,023	2	345	195	81,323

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

	Share capital \$'000	Retained earnings \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Share option reserve \$'000	Total equity attributable to equity holders of company \$'000	Non controlling interest \$'000	Total equity \$'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	-	3,746	-	(480)	(198)	-	3,068	50	3,118
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	-	(3,619)	-	(3,619)
Balance at 30 June 2014	56,758	61,665	104	(2,919)	115	195	115,918	788	116,706

	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	-	1,114	(198)	-	916
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	(3,619)
Balance at 30 June 2014	56,758	16,665	115	195	73,733

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.

	30 June 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 30 June 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 30 June 2015	Previous Period 30 June 2014
(i) Based on weighted average number of ordinary shares in issue	2.881 cents	1.553 cents
(ii) On a fully diluted basis	2.879 cents	1.551 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 30 June 2015	Previous Period 30 September 2014	Latest Period 30 June 2015	Previous Period 30 September 2014
	49.8 cents	49.6 cents	33.7 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 increased by S\$8.2 million or 7.7% from S\$106.2 million for the nine-month period ended 30 June 2014 (3Q2014) to S\$114.4 million for the nine-month period ended 30 June 2015 (3Q2015). The increase was mainly attributable to the increased revenue from the aluminium segment in 3Q2015.

Gross profit increased from S\$15.8 million in 3Q2014 to S\$24.2 million in 3Q2015. Gross profit margin improved from 14.9% in 3Q2014 to 21.2% in 3Q2015, mainly due to a change in product mix with higher margin.

Distribution costs increased from S\$2.0 million in 3Q2014 to S\$2.1 million in 3Q2015 which is in line with the increased sales volume. Administrative costs increased from S\$7.6 million in 3Q2014 to S\$8.5 million in 3Q2015 mainly due to higher accrued personnel expenses. Other operating costs increased from S\$2.3 million in 3Q2014 to S\$3.3 million in 3Q2015, mainly due to fair value loss in derivative in 3Q2015.

The Group's effective tax rate was 25.4% for 3Q2014 as compared to 35.4% for 3Q2015. The lower effective tax rate for 3Q2014 was mainly due to the utilisation of tax incentive for a Malaysian subsidiary. The effective tax rate of 35.4% for 3Q2015 was mainly due to timing difference for qualified expenses for tax purposes.

In view of the above circumstances, the Group's profit after tax increased by S\$3.1 million or 81.4% from S\$3.8 million in 3Q2014 to S\$6.9 million in 3Q2015.

BALANCE SHEET

As at 30 June 2015, property, plant and equipment amounted to S\$35.6 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\$40.7 million as at 30 June 2015, mainly due to building up of inventories in anticipation of the commencement of new projects.

Trade debtors increased from S\$33.2 million as at 30 September 2014 to S\$37.8 million as at 30 June 2015. The increase was mainly due to higher sales in the three months ended 30 June 2015 as compared to the three months ended 30 September 2014.

Trade creditors, other creditors and accruals decreased from S\$15.1 million as at 30 September 2014 to S\$14.3 million as at 30 June 2015 due to shorter payment terms for certain projects.

Term loan increased from S\$0.1 million as at 30 September 2014 to S\$4.7 million as at 30 June 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\$23.8 million as at 30 June 2015, mainly due to the acquisition of a new factory building by a Malaysian subsidiary and a net decrease in working capital.

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 uncertainties in global and regional economies, the Group expects the aluminium industry business to continue to contribute positively to the performance of the Group.

The slow down in the local property market, coupled with keen market competition and tight labor market, continue to add challenges to the operating environment 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/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 third quarter financial results for the period ended 30 June 2015 to be false or misleading in any material aspects.

Yong Kin Sen
Managing Director
13 August 2015