



NAM LEE PRESSED METAL INDUSTRIES LIMITED

(Company Registration No. 1975-00362-M)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FULL YEAR ENDED 30 SEPTEMBER 2022

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NAM LEE PRESSED METAL INDUSTRIES LIMITED

(Company Registration No. 1975-00362-M)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Group		Group		
	6 Months Ended		12 Months Ended		
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21	Change
	S\$'000	S\$'000	S\$'000	S\$'000	%
Revenue	117,173	104,170	229,153	198,687	15.3%
Cost of sales	(106,313)	(89,893)	(199,847)	(166,297)	20.2%
Gross profit	10,860	14,277	29,306	32,390	(9.5%)
Selling and distribution expenses	(1,315)	(1,532)	(2,583)	(2,627)	(1.7%)
Administrative expenses	(4,773)	(5,409)	(11,360)	(12,753)	(10.9%)
Other operating expenses	(789)	(371)	(2,252)	(2,681)	(16.0%)
Operating profit	3,983	6,965	13,111	14,329	(8.5%)
Interest income	23	33	38	61	(37.7%)
Finance costs	(1,044)	(538)	(1,803)	(1,029)	75.2%
Other income	(1,910)	3,624	2,197	6,889	(68.1%)
Profit before tax	1,052	10,084	13,543	20,250	(33.1%)
Income tax expenses	(716)	(2,320)	(3,386)	(4,534)	(25.3%)
Profit for the year	336	7,764	10,157	15,716	(35.4%)
Attributable to:					
Owners of the Company	336	7,764	10,157	15,716	(35.4%)
	336	7,764	10,157	15,716	(35.4%)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit for the year	336	7,764	10,157	15,716	(35.4%)
Other comprehensive income:					
Foreign currency translation	(1,847)	144	(2,267)	(453)	400.4%
Fair value adjustment on quoted securities	-	-	-	(1)	(100.0%)
Other comprehensive (loss)/income for the year, net of tax	(1,847)	144	(2,267)	(454)	399.3%
Total comprehensive income for the year	(1,511)	7,908	7,890	15,262	(48.3%)
Attributable to:					
Owners of the Company	(1,511)	7,908	7,890	15,262	(48.3%)
	(1,511)	7,908	7,890	15,262	(48.3%)

NM: Not meaningful

NAM LEE PRESSED METAL INDUSTRIES LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	62,050	63,770	26,243	25,852
Right-of-use assets	10,021	11,287	9,724	10,288
Quoted securities	2	2	2	2
Investment in subsidiaries	-	-	11,814	5,654
Deferred tax assets	384	456	-	-
Total non-current assets	72,457	75,515	47,783	41,796
Current assets				
Quoted securities	-	1,252	-	1,252
Inventories	78,972	69,699	7,345	12,304
Trade receivables	50,810	37,960	33,811	28,417
Contract assets	9,037	5,779	-	-
Other receivables and deposits	2,185	1,910	323	256
Prepayments	2,343	2,334	298	630
Amounts due from subsidiaries (non-trade)	-	-	79,121	75,936
Derivatives	402	1,716	402	1,716
Tax recoverable	1,160	924	-	-
Cash and fixed deposits	30,789	25,241	23,923	18,438
Total current assets	175,698	146,815	145,223	138,949
Total assets	248,155	222,330	193,006	180,745
Current Liabilities				
Trade payables	7,741	9,617	10,539	12,079
Other payables and accruals	20,119	21,141	4,646	11,121
Provision for warranty	1,097	686	-	-
Loans and borrowings	38,030	8,326	33,519	8,253
Derivatives	667	-	667	-
Obligation under hire purchase contracts	137	95	59	95
Lease liabilities	528	913	276	236
Income tax payables	806	2,516	142	2,372
Total current liabilities	69,125	43,294	49,848	34,156
Non-current liabilities				
Loans and borrowings	5,850	8,775	5,850	8,775
Obligation under hire purchase contracts	238	153	94	153
Lease liabilities	10,253	10,817	10,198	10,475
Deferred tax liabilities	1,490	1,141	400	388
Total non-current liabilities	17,831	20,886	16,542	19,791
Total liabilities	86,956	64,180	66,390	53,947
Net assets	161,199	158,150	126,616	126,798
Equity attributable to owners of the Company				
Share capital	57,582	57,582	57,582	57,582
Treasury shares	(532)	(532)	(532)	(532)
Retained earnings	115,071	109,755	69,570	69,752
Capital reserve	104	104	-	-
Foreign currency translation reserve	(11,022)	(8,755)	-	-
Fair value adjustment reserve	(4)	(4)	(4)	(4)
Total equity	161,199	158,150	126,616	126,798

NAM LEE PRESSED METAL INDUSTRIES LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Retained earnings	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group							
Balance as at 1 October 2021	57,582	(532)	109,755	104	(8,755)	(4)	158,150
Total comprehensive income for the year, net of tax	-	-	10,157	-	(2,267)	-	7,890
Dividends on ordinary shares	-	-	(4,841)	-	-	-	(4,841)
Balance as at 30 September 2022	57,582	(532)	115,071	104	(11,022)	(4)	161,199
Balance as at 1 October 2020	57,582	(532)	97,670	104	(8,302)	(3)	146,519
Total comprehensive income for the year, net of tax	-	-	15,716	-	(453)	(1)	15,262
Dividends on ordinary shares	-	-	(3,631)	-	-	-	(3,631)
Balance as at 30 September 2021	57,582	(532)	109,755	104	(8,755)	(4)	158,150

NAM LEE PRESSED METAL INDUSTRIES LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY (cont'd)

	Share capital	Treasury shares	Retained earnings	Fair value adjustment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Company</u>					
Balance as at 1 October 2021	57,582	(532)	69,752	(4)	126,798
Total comprehensive income for the year, net of tax	-	-	4,659	-	4,659
Dividends on ordinary shares	-	-	(4,841)	-	(4,841)
Balance as at 30 September 2022	57,582	(532)	69,570	(4)	126,616
Balance as at 1 October 2020	57,582	(532)	59,389	(3)	116,436
Total comprehensive income for the year, net of tax	-	-	13,994	(1)	13,993
Dividends on ordinary shares	-	-	(3,631)	-	(3,631)
Balance as at 30 September 2021	57,582	(532)	69,752	(4)	126,798

NAM LEE PRESSED METAL INDUSTRIES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 Months Ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Operating activities		
Profit before tax	13,543	20,250
Adjustments for:		
Depreciation of property, plant and equipment	5,094	4,894
Depreciation of right-of-use assets	1,117	1,457
(Gain) / Loss on disposal of property, plant and equipment, net	(7)	11
Property, plant and equipment written off	23	22
Derecognition of right-of-use assets	28	-
Fair value gain on derivatives	(850)	(5,018)
Finance costs	1,803	1,029
Interest income from fixed deposits	(5)	(7)
Interest income from quoted securities	(33)	(54)
Provision for warranty and replacement cost, net	411	674
Amortisation of bond premium	2	4
Provision for onerous contract	59	368
Provision for / (Write back of) – net realizable value and slow moving	52	(201)
Foreign currency translation adjustment	(1,125)	38
Operating cash flows before changes in working capital	20,112	23,467
Increase in inventories	(9,325)	(14,753)
Increase in receivables and contract assets	(16,392)	(11,804)
(Decrease) / Increase in payables	(3,349)	8,086
Increase in derivatives	2,831	4,625
Cash flows (used in) / from operations	(6,123)	9,621
Income taxes paid	(4,919)	(1,641)
Interest received	5	7
Interest paid	(1,411)	(1,029)
Net cash flows (used in) / from operating activities	(12,448)	6,958
Investing activities		
Purchase of property, plant and equipment	(4,922)	(6,098)
Proceeds on disposal of property, plant and equipment	125	166
Proceeds from quoted security	1,250	4,000
Interest income from quoted securities	33	54
Net cash flows used in investing activities	(3,514)	(1,878)
Financing activities		
Increase in fixed deposit - pledged	(3)	(4)
Repayment of finance lease obligations	(115)	(90)
Payment of principal portion of lease liabilities	(828)	(1,088)
Net proceed from loans and borrowings	26,779	5,401
Dividends paid on ordinary shares	(4,841)	(3,631)
Net cash flows from financing activities	20,992	588
Net increase in cash and cash equivalents	5,030	5,668
Cash and cash equivalents at the beginning of the year	25,052	19,395
Effect of exchange rate changes on cash and cash equivalents	524	(11)
Cash and cash equivalents at the end of the year	30,606	25,052

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Nam Lee Pressed Metal Industries Limited (the "Company") is a limited liability company, which is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed consolidated financial statements as at and for second half and full year ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The registered office and principal place of business of the Company is located at 4 Gul Way, Singapore 629192.

The principal activities of the Company include the design, fabrication, supply and installation of steel and aluminium products such as gates, door frames, railings, laundry racks, letter boxes, sliding windows, sliding doors, curtain wall and cladding system for building and infrastructure projects and the supply of aluminium industrial products for container refrigeration units.

The principal activities of the subsidiaries are manufacture of steel and aluminium industrial products (such as aluminium sliding windows, grilles, gates, drying racks, hopper, other metal and metal fabricated products) and fabrication, installation and supply of building materials and products.

2. Basis of Preparation

The condensed consolidated financial statements for the second half and full year ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore ("ASC"). The condensed consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last interim consolidated financial statements for the six months period ended 31 March 2022.

The accounting policies adopted are consistent with those adopted by the Group and the Company in its most recently audited consolidated financial statements for the year ended 30 September 2021, which were prepared in accordance with SFRS(I)s. The Group has adopted all the applicable new and revised SFRS(I)s and SFRS(I) Interpretations that are mandatory for the accounting periods beginning on or after 1 Oct 2021 as set out in Note 2.1.

The condensed consolidated financial statements are presented in Singapore Dollars ("SGD" or "S\$") and all values in the tables are rounded to the nearest thousand (S\$'000), except when otherwise indicated.

2.1. Adoption of new and amended standards and interpretation

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 October 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.2. Use of judgements and estimates

The preparation of the Group's condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the condensed consolidated financial statements:

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. Basis of Preparation (cont'd)

2.2. Use of judgements and estimates (cont'd)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for various groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of trade receivables as at 30 September 2022 was \$50,810,000 (30 September 2021: \$37,960,000) respectively.

(ii) Impairment of investment in subsidiaries

The Group assesses at the end of each reporting period whether there is any objective evidence that an investment in subsidiary is impaired. Factors such as the subsidiary being in a shortfall position compared to the cost of investment or in a recurring loss-making position are objective evidence of impairment. If any indication exists, the Group makes an estimate of the subsidiary's recoverable amount.

A subsidiary's recoverable amount is the higher of its carrying amount and its value in use. Where the carrying amount of an investment in subsidiary exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. The value in use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the terminal growth rate used for extrapolation purposes.

The carrying amount of the Company's investment in subsidiaries at the end of the reporting period was \$11,814,000 (30 September 2021: \$5,654,000).

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Segment analysis

Business segment

	Aluminium		Mild Steel		Stainless Steel		Others		Adjustments		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 April to 30 September												
Revenue												
Sales to external customers	91,936	89,206	14,751	12,507	299	340	10,187	2,117	-	-	117,173	104,170
Results												
Depreciation	(2,787)	(2,915)	(177)	(273)	(48)	(59)	(155)	(68)	-	-	(3,167)	(3,315)
Provision for a replacement cost	-	(495)	-	-	-	-	-	-	-	-	-	(495)
Segment result	1,153	9,802	(688)	(739)	(187)	265	1,229	243	(455)	513	1,052	10,084
Balance sheet												
Additions to non-current assets	2,288	3,189	312	326	8	152	208	92	-	-	2,816	3,759
1 October to 30 September												
Revenue												
Sales to external customers	192,204	171,858	22,483	22,871	690	555	13,776	3,403	-	-	229,153	198,687
Results												
Depreciation	(5,515)	(5,429)	(351)	(660)	(95)	(124)	(250)	(138)	-	-	(6,211)	(6,351)
Provision for a replacement cost	-	(495)	-	-	-	-	-	-	-	-	-	(495)
Segment result	17,036	21,384	(3,136)	(1,722)	(146)	375	208	(690) (A)	(419)	903	13,543	20,250
Balance sheet												
Additions to non-current assets	4,469	5,676	412	1,127	36	211	264	198	-	-	5,181	7,212
Segment assets	188,626	176,148	32,837	25,380	5,684	6,897	20,624	13,449 (B)	384	456	248,155	222,330
Segment liabilities	15,858	25,962	6,562	2,704	228	286	6,976	2,492 (C)	57,332	32,736	86,956	64,180

Other segment information

	6 Months Ended		12 Months Ended		As At	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(A) Unallocated (expenses)/income						
Interest income	23	33	38	61		
Interest expense	(1,044)	(538)	(1,803)	(1,029)		
Unallocated income	566	1,018	1,346	1,871		
	(455)	513	(419)	903		
(B) Unallocated assets						
Deferred tax assets					384	456
(C) Unallocated liabilities						
Deferred tax liabilities					1,490	1,141
Income tax payables					806	2,516
Loans and borrowings					43,880	17,101
Obligations under hire purchase contracts					375	248
Lease liabilities					10,781	11,730
					57,332	32,736

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Segment analysis (cont'd)

Geographical segment

	Singapore		Malaysia		Consolidated	
	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 April to 30 September						
Segment revenue						
Sales to external customers	115,098	102,123	2,075	2,047	117,173	104,170
1 October to 30 September						
Segment revenue						
Sales to external customers	223,683	194,590	5,470	4,097	229,153	198,687
Other segment information						
Non-current assets	38,418	38,866	33,653	36,191	72,071	75,057

A breakdown of sales:

	Group	
	12 Months Ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
(a) Sales reported for first half of year	111,980	94,517
(b) Operating profit after income tax before deducting non-controlling interests reported for first half of year	9,821	7,952
(a) Sales reported for second half of year	117,173	104,170
(b) Operating profit after income tax before deducting non-controlling interests reported for second half year	336	7,764

5. Profit before tax

Profit before tax is arrived at after charging / (crediting) the following:

	Group			
	6 Months Ended		12 Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	2,628	2,641	5,094	4,894
Depreciation of right-of-use assets	539	674	1,117	1,457
(Gain)/Loss on disposal of property, plant and equipment, net	(7)	12	(7)	11
Property, plant and equipment written off	11	10	23	22
Derecognition of right-of-use assets	28	-	28	-
Fair value loss/(gain) on derivatives	2,477	(2,607)	(850)	(5,018)
Finance costs	1,044	538	1,803	1,029
Interest income from fixed deposits	(4)	(4)	(5)	(7)
Interest income from quoted securities	(19)	(29)	(33)	(54)
Provision for warranty and replacement cost, net	277	624	411	674
Amortisation of bond premium	1	1	2	4
Provision for / (Write back of) onerous contract	59	(169)	59	368
Provision for / (Write back of) – net realizable value and slow moving	52	-	52	(201)
Foreign currency exchange loss / (gain), net	18	(372)	721	986
Covid-19 support and relief measures	(141)	(414)	(398)	(1,161)

6. Income tax expenses

The major components of income tax expense in the condensed consolidated income statement are:

	Group			
	6 Months Ended		12 Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	S\$'000	S\$'000	S\$'000	S\$'000
Consolidated interim income statement:				
Current income tax				
- Current year	(679)	(1,825)	(3,010)	(4,023)
- Over provision in respect of prior years	102	84	93	84
	(577)	(1,741)	(2,917)	(3,939)
Deferred income tax				
- Origination and reversal of temporary differences	(86)	(579)	(380)	(595)
- Under provision in respect of prior years	(53)	-	(89)	-
	(139)	(579)	(469)	(595)
Income tax expense recognised in profit or loss	(716)	(2,320)	(3,386)	(4,534)

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. Earnings per share

	Group			
	6 Months Ended		12 Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Earnings per ordinary share (EPS) for the year: -				
(i) Based on weighted average number of ordinary shares (in cents)	0.14	3.20	4.20	6.49
- Weighted average number of shares	242,056,382	242,056,382	242,056,382	242,056,382
(ii) On a fully diluted basis (in cents)	0.14	3.20	4.20	6.49
- Adjusted weighted average number of shares	242,056,382	242,056,382	242,056,382	242,056,382

8. Property, plant and equipment

During the financial year ended 30 September 2022, the Group acquired assets amounting to S\$5,164,000 (30 September 2021: S\$6,098,000) and disposed and written off of assets with net book value of S\$141,000 (30 September 2021: S\$199,000).

	Group	
	12 Months Ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Addition during the year	5,164	6,098
Less:		
- Motor vehicle purchased through finance lease arrangements	(242)	-
Purchase of property, plant and equipment as per consolidated statement of cash flows	4,922	6,098

9. Right-of-use assets

Group	Group			Company		
	Leasehold buildings	Office equipment	Total	Leasehold buildings	Office equipment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 October 2020	11,488	175	11,663	10,792	58	10,850
Additions	1,099	15	1,114	-	-	-
Depreciation expense	(1,410)	(47)	(1,457)	(544)	(18)	(562)
Derecognition of right-of-use assets	(27)	(2)	(29)	-	-	-
Exchange differences	(4)	-	(4)	-	-	-
At 30 September 2021	11,146	141	11,287	10,248	40	10,288
Additions	10	7	17	-	-	-
Depreciation expense	(1,069)	(48)	(1,117)	(546)	(18)	(564)
Derecognition of right-of-use assets	(163)	-	(163)	-	-	-
Exchange differences	(3)	-	(3)	-	-	-
At 30 September 2022	9,921	100	10,021	9,702	22	9,724

10. Cash and fixed deposits

Cash and cash equivalents at the end of the year does not include fixed deposits pledged to a licensed bank for bank guarantee facilities.

	Group		Company	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	183	189	-	-
Cash at bank and on hand	30,606	25,052	23,923	18,438
	30,789	25,241	23,923	18,438
Less: fixed deposit pledged	(183)	(189)	-	-
Total cash and cash equivalents	30,606	25,052	23,923	18,438

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. Aggregate amount of group's borrowings and debt securities

	Group		Company	
	As At		As At	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable in one year or less, or on demand:-</u>				
Secured	3,062	3,020	2,984	3,020
Unsecured	35,633	6,314	30,870	5,564
Sub-Total	38,695	9,334	33,854	8,584
<u>Amount repayable after one year</u>				
Secured	6,088	8,928	5,944	8,928
Unsecured	10,253	10,817	10,198	10,475
Sub-Total	16,341	19,745	16,142	19,403
Total borrowings and debt securities	55,036	29,079	49,996	27,987

Details of any collateral

The Group's borrowings are secured by a property and certain motor vehicles under term loan and finance lease.

12. Share capital

	Number of shares	Percentage (%)	Share Capital S\$'000
<u>Ordinary shares</u>			
Balance as at 30 September 2021 and 30 September 2022	243,744,082	100.00%	57,582
<u>Treasury shares</u>			
Balance as at 30 September 2021 and 30 September 2022	(1,687,700)	0.69%	(532)
Issued ordinary shares net of treasury shares	242,056,382	99.31%	57,050

There were no sales, transfers, cancellation and/or use of treasury shares during the year.

13. Net asset value

	Group		Company	
	As At		As At	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Net asset backing per ordinary share based on the existing issued share capital as at the end of the financial year reported on (in cents)	66.60	65.34	52.31	52.38

14. Related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these condensed consolidated financial statements. The balances are unsecured, non-interest bearing and repayable on demand.

Compensation of key management personnel

	Group	
	12 Months Ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Salaries, bonus and other related expenses	3,906	4,517
Contributions to defined contribution plans	125	117
Total compensation paid to key management personnel	4,031	4,634
Comprise amount paid to:		
- Directors of the Company	778	794
- Advisors of the Company	1,772	2,229
- Other key management personnel	1,481	1,611
	4,031	4,634

15. Significant commitments for purchases of property, plant and equipment

Commitments for purchase of property, plant and equipment amounted to S\$6,313,000 as at 30 September 2022.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. Financial assets and financial liabilities

	Group		Company	
	As At		As At	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Trade receivables	50,810	37,960	33,811	28,417
Other receivables and deposits	2,185	1,910	323	256
Amounts due from subsidiaries (non-trade)	-	-	79,121	75,936
Cash and fixed deposits	30,789	25,241	23,923	18,438
Derivatives	402	1,716	402	1,716
Quoted securities	2	1,252	2	1,252
	84,188	68,079	137,582	126,015
Less: Goods and services tax receivables	(1,330)	(1,345)	(981)	(1,164)
Total undiscounted financial assets	82,858	66,734	136,601	124,851
Financial liabilities				
Trade payables	7,741	9,617	10,539	12,079
Other payables and accruals	19,586	20,536	4,646	11,121
Loans and borrowings	44,536	17,574	40,006	17,501
Derivatives	667	-	667	-
Obligations under hire purchase contracts	401	266	162	266
Lease liabilities	19,314	21,054	18,998	19,983
Total undiscounted financial liabilities	92,245	69,047	75,018	60,950
Total net undiscounted (financial liabilities) / financial assets	(9,387)	(2,313)	61,583	63,901

17. Financial assets and financial liabilities

(a) Fair value hierarchy

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Significant unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Fair value of financial instruments that are carried at fair value

	Group and Company As At					
	30-Sep-22			30-Sep-21		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Recurring fair value measurements						
Financial assets:						
Quoted securities	2	-	2	1,254	-	1,254
Derivatives - Interest rate swap	-	402	402	-	1,716	1,716
Financial liabilities:						
Derivatives - Commodity swap	-	(667)	(667)	-	-	-

18. Subsequent events

There were no known subsequent events which have led to adjustments to these condensed consolidated financial statements.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

- 1 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; and
(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 increased by S\$30.5 million or 15.3% from S\$198.7 million for FY2021 to S\$229.2 million for FY2022. The increase was broad based with more derived from construction projects in progress.

Gross profit decreased from S\$32.4 million in FY2021 to S\$29.3 million in FY2022 while gross profit margin decreased from 16.3% in FY2021 to 12.8% in FY2022, mainly due to higher labour cost and factory overhead incurred in conjunction with more construction projects in progress.

Selling and distribution expenses remained relatively stable in FY2022.

Administrative expenses decreased from S\$12.8 million in FY2021 to S\$11.4 million in FY2022 mainly due to provision for lower bonuses and remuneration which are tied to profit levels.

Other operating expenses decreased from S\$2.7 million in FY2021 to S\$2.3 million in FY2022 mainly due to lower foreign currency exchange loss.

With the additional borrowings in FY2022, financing cost increased to S\$1.8 million in FY2022 from S\$1.0 million in FY2021.

Other income of S\$2.2 million in FY2022 decreased from S\$6.9 million in FY2021 mainly due to a S\$4.2 million reduction in fair value gain on derivative contracts on materials. Gains were made in the first half of the year and losses incurred in the second half of the year. These derivative contracts are to hedge changes in price of raw materials with volume based on requirements for secured contracts with customers.

The Group's effective tax rate was 25.0% for FY2022 and includes tax on profits in Singapore and Malaysia at the corporate tax rates of 17% and 24% respectively.

In view of the above, the Group's profit after tax decreased from S\$15.7 million in FY2021 to S\$10.2 million in FY2022.

STATEMENT OF FINANCIAL POSITION

Assets and liabilities with significant fluctuations are explained as follows:

Property, plant and equipment decreased slightly to S\$62.1 million as at 30 September 2022, from S\$63.8 million as at 30 September 2021, the net result of acquisitions of S\$5.2 million, depreciation of S\$5.1 million and exchange translation movements.

Inventories increased to S\$79.0 million as at 30 September 2022 compared with S\$69.7 million as at 30 September 2021. Trade receivables and contract assets increased to S\$59.8 million as at 30 September 2022 compared with S\$43.7 million as at 30 September 2021. These increases correspond with the higher level of production and billings in FY2022 and holding of inventories to meet future production needs.

Borrowing increased to S\$43.9 million as at 30 September 2022 compared with S\$17.1 million as at 30 September 2021. Trade payables, other payables and accruals decreased in aggregate by S\$2.9 million to S\$27.9 million as at 30 September 2022 compared with S\$30.8 million as at 30 September 2021. These were mainly due to utilisation of trust receipts to repay supplier invoices.

Negative foreign currency translation reserves had increased by S\$2.3 million reflecting the effect of depreciating Malaysian Ringgit on the net assets of the Malaysian subsidiaries.

STATEMENT OF CASH FLOW

Net cash flows used in operating activities for FY2022 was S\$12.4 million as increase in working capital was higher than the cash flow from the operations. Interest and income tax paid amounted to S\$6.3 million.

Net cash flows used in investing activities for FY2022 was S\$3.5 million, comprising principally S\$4.9 million for purchase of property, plant and equipment; offset by S\$1.2 million proceed from quoted security.

Net cash flows generated from financing activities for FY2022 was S\$21.0 million. S\$26.8 million of funds from borrowings were partially offset by dividend paid to shareholders and repayment of lease liabilities.

NAM LEE PRESSED METAL INDUSTRIES LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

- 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 our auditors.

- 3 Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results.**

Not applicable.

- 5 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 group's result was affected by the rising raw material prices, labour cost and other operating costs in 2H FY2022.

The COVID-19 pandemic coupled with the prolonged conflict in Ukraine-Russia has a major impact globally, with supply chains disruptions, rising inflation, interest rate hike and foreign exchange rate fluctuations.

The management's primary focus is on operational efficiency and controlling costs during this challenging time. We will continue to be prudent in terms of cash conservation and cash flow management to ensure its operations remain sustainable in this challenging environment.

We expect more challenging environment and the demand for reefer containers, and thus the components that we manufacture, to reduce significantly in the next 12 months.

- 6 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.**

There were no interested person transactions that required obtaining a general mandate from shareholders under Rule 920(1)(a)(ii).

- 7 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).

NAM LEE PRESSED METAL INDUSTRIES LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

8 Dividend

(a) Current financial period reported on

Yes

<u>Name of dividend</u>	<u>Final</u>	<u>Special</u>
Dividend type	Cash	Cash
Dividend amount per share	1.5 Singapore cent	0.5 Singapore cent

(b) Corresponding period of the immediately preceding financial year

No

<u>Name of dividend</u>	<u>Final</u>	<u>Special</u>
Dividend type	Cash	Cash
Dividend amount per share	1.5 Singapore cent	0.5 Singapore cent

(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) Date payable

To be advised

(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.

To be advised

9 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

		<u>2022</u>	<u>2021</u>
		<u>S\$'000</u>	<u>S\$'000</u>
Final dividend	(i)	4,841	4,841
Total		<u>4,841</u>	<u>4,841</u>

(i) The proposed dividend in respect of FY2022 is subjected to shareholders' approval at the forthcoming Annual General Meeting.

10 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Pursuant to Rule 704(13), we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholders of the Company.

On behalf of the Board of Directors

Eric Yong Han Keong
Managing Director
25-Nov-2022