



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 2023

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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-23	30-Sep-22	30-Sep-23	30-Sep-22	Change
	S\$'000	S\$'000	S\$'000	S\$'000	%
Revenue	86,528	117,173	158,906	229,153	(30.7%)
Cost of sales	(77,511)	(106,313)	(144,076)	(199,847)	(27.9%)
Gross profit	9,017	10,860	14,830	29,306	(49.4%)
Selling and distribution expenses	(1,114)	(1,315)	(2,218)	(2,583)	(14.1%)
Administrative expenses	(4,634)	(4,773)	(8,833)	(11,360)	(22.2%)
Other operating expenses	(927)	(789)	(3,646)	(2,252)	61.9%
Operating profit	2,342	3,983	133	13,111	(99.0%)
Interest income	8	23	11	38	(71.1%)
Finance costs	(862)	(1,044)	(2,005)	(1,803)	11.2%
Other income	440	(1,910)	1,325	2,197	(39.7%)
Profit / (Loss) before tax	1,928	1,052	(536)	13,543	NM
Income tax expenses	(599)	(716)	(468)	(3,386)	(86.2%)
Profit / (Loss) for the year	1,329	336	(1,004)	10,157	NM
Attributable to:					
Owners of the Company	1,329	336	(1,004)	10,157	NM
	1,329	336	(1,004)	10,157	NM

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit / (Loss) for the year	1,329	336	(1,004)	10,157	NM
Other comprehensive income:					
Foreign currency translation	(1,560)	(1,847)	(2,774)	(2,267)	22.4%
Other comprehensive loss for the year, net of tax	(1,560)	(1,847)	(2,774)	(2,267)	22.4%
Total comprehensive (loss) / income for the year	(231)	(1,511)	(3,778)	7,890	NM
Attributable to:					
Owners of the Company	(231)	(1,511)	(3,778)	7,890	NM
	(231)	(1,511)	(3,778)	7,890	NM

NM: Not meaningful

NAM LEE PRESSED METAL INDUSTRIES LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	60,543	62,050	28,028	26,243
Right-of-use assets	9,248	10,021	9,199	9,724
Quoted securities	-	2	-	2
Investment in subsidiaries	-	-	31,763	11,814
Deferred tax assets	866	384	-	-
Total non-current assets	70,657	72,457	68,990	47,783
Current assets				
Inventories	62,602	78,972	4,319	7,345
Trade receivables	34,227	50,810	13,903	33,811
Contract assets	13,774	9,037	-	-
Other receivables and deposits	1,780	2,185	94	323
Prepayments	1,675	2,343	143	298
Amounts due from subsidiaries (non-trade)	-	-	56,817	79,121
Derivatives	216	402	216	402
Tax recoverable	1,091	1,160	-	-
Cash and fixed deposits	27,659	30,789	15,399	23,923
Total current assets	143,024	175,698	90,891	145,223
Total assets	213,681	248,155	159,881	193,006
Current Liabilities				
Trade payables	6,648	7,741	17,549	10,539
Other payables and accruals	19,757	20,119	5,619	4,646
Provision for warranty	932	1,097	-	-
Loans and borrowings	18,300	38,030	9,472	33,519
Derivatives	-	667	-	667
Lease liabilities	468	665	353	335
Income tax payables	459	806	-	142
Total current liabilities	46,564	69,125	32,993	49,848
Non-current liabilities				
Loans and borrowings	2,973	5,850	2,973	5,850
Lease liabilities	10,061	10,491	9,978	10,292
Deferred tax liabilities	1,503	1,490	390	400
Total non-current liabilities	14,537	17,831	13,341	16,542
Total liabilities	61,101	86,956	46,334	66,390
Net assets	152,580	161,199	113,547	126,616
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	109,222	115,071	56,497	69,570
Capital reserve	104	104	-	-
Foreign currency translation reserve	(13,796)	(11,022)	-	-
Fair value adjustment reserve	-	(4)	-	(4)
Total equity	152,580	161,199	113,547	126,616

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 2022	57,582	(532)	115,071	104	(11,022)	(4)	161,199
Reclassification of fair value reserve	-	-	(4)	-	-	4	-
Total comprehensive income for the year, net of tax	-	-	(1,004)	-	(2,774)	-	(3,778)
Dividends on ordinary shares	-	-	(4,841)	-	-	-	(4,841)
Balance as at 30 September 2023	57,582	(532)	109,222	104	(13,796)	-	152,580
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

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
Company					
Balance as at 1 October 2022	57,582	(532)	69,570	(4)	126,616
Reclassification of fair value reserve	-	-	(4)	4	-
Total comprehensive income for the year, net of tax	-	-	(8,228)	-	(8,228)
Dividends on ordinary shares	-	-	(4,841)	-	(4,841)
Balance as at 30 September 2023	57,582	(532)	56,497	-	113,547
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

NAM LEE PRESSED METAL INDUSTRIES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 Months Ended	
	30-Sep-23	30-Sep-22
	S\$'000	S\$'000
Operating activities		
(Loss) / Profit before tax	(536)	13,543
Adjustments for:		
Depreciation of property, plant and equipment	4,769	5,094
Depreciation of right-of-use assets	813	1,117
Gain on disposal of property, plant and equipment, net	(30)	(7)
Property, plant and equipment written off	42	23
Derecognition of right-of-use assets	(8)	28
Fair value loss / (gain) on derivatives	263	(850)
Finance costs	2,005	1,803
Interest income from fixed deposits	(11)	(5)
Interest income from quoted securities	-	(33)
(Reversal) / Provision for warranty	(165)	411
Amortisation of bond premium	-	2
Allowance for expected credit loss	3	-
(Write back of) / Provision for onerous contract	(246)	59
Allowance for inventory obsolescence and slow moving	128	52
Foreign currency translation adjustment	(62)	(1,125)
Operating cash flows before changes in working capital	6,965	20,112
Decrease / (Increase) in inventories	16,249	(9,325)
Decrease / (Increase) in receivables and contract assets	12,916	(16,392)
Decrease in payables	(1,381)	(3,349)
(Decrease) / Increase in derivatives	(744)	2,831
Cash flows from / (used in) operations	34,005	(6,123)
Income taxes paid	(1,222)	(4,919)
Interest received	11	5
Interest paid	(1,833)	(1,411)
Net cash flows from / (used in) operating activities	30,961	(12,448)
Investing activities		
Purchase of property, plant and equipment	(5,312)	(4,922)
Proceeds on disposal of property, plant and equipment	230	125
Proceeds from quoted security	-	1,250
Interest income from quoted securities	-	33
Net cash flows used in investing activities	(5,082)	(3,514)
Financing activities		
Increase in fixed deposit - pledged	(4)	(3)
Payment of principal portion of lease liabilities	(659)	(943)
Net (repayment of) / proceed from loans and borrowings	(22,607)	26,779
Dividends paid on ordinary shares	(4,841)	(4,841)
Net cash flows (used in) / from financing activities	(28,111)	20,992
Net (decrease) / increase in cash and cash equivalents	(2,232)	5,030
Cash and cash equivalents at the beginning of the year	30,606	25,052
Effect of exchange rate changes on cash and cash equivalents	(891)	524
Cash and cash equivalents at the end of the year	27,483	30,606

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 2023 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 2023 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 2023.

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 2022, 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 2022 as set out in Note 2.1.

The condensed consolidated financial statements are presented in Singapore Dollars ("SGD" or "\$") 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 2022. 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) Allowance for expected credit losses of trade receivables and contract assets

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 and contract assets as at 30 September 2023 was \$48,001,000 (30 September 2022: \$59,847,000) 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 \$31,763,000 (30 September 2022: \$11,814,000).

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		UPVC		Adjustments		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	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	50,062	91,936	21,547	14,751	143	299	14,776	10,187	-	-	86,528	117,173
Results												
Depreciation	(2,456)	(2,787)	(92)	(177)	(35)	(48)	(99)	(155)	-	-	(2,682)	(3,167)
Segment result	(3,904)	1,153	6,009	(688)	564	(187)	(327)	1,229	(414)	(455)	1,928	1,052
Balance sheet												
Additions to non-current assets	2,666	2,288	24	312	5	8	28	208	-	-	2,723	2,816
1 October to 30 September												
Revenue												
Sales to external customers	89,786	192,204	41,647	22,483	1,156	690	26,317	13,776	-	-	158,906	229,153
Results												
Depreciation	(4,993)	(5,515)	(259)	(351)	(73)	(95)	(257)	(250)	-	-	(5,582)	(6,211)
Segment result	(8,628)	17,036	6,749	(3,136)	906	(146)	1,106	207 (A)	(669)	(418)	(536)	13,543
Balance sheet												
Additions to non-current assets	5,205	4,469	111	412	9	36	39	264	-	-	5,364	5,181
Segment assets	154,830	188,626	31,036	32,837	4,505	5,684	22,444	20,624 (B)	866	384	213,681	248,155
Segment liabilities	14,631	15,858	5,813	6,562	153	228	6,740	6,976 (C)	33,764	57,332	61,101	86,956

Other segment information

	6 Months Ended		12 Months Ended		As At	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(A) Unallocated (expenses)/income						
Interest income	8	23	11	38		
Interest expense	(862)	(1,044)	(2,005)	(1,803)		
Unallocated income	440	566	1,325	1,347		
	(414)	(455)	(669)	(418)		
(B) Unallocated assets						
Deferred tax assets					866	384
(C) Unallocated liabilities						
Deferred tax liabilities					1,503	1,490
Income tax payables					459	806
Loans and borrowings					21,273	43,880
Lease liabilities					10,529	11,156
					33,764	57,332

NAM LEE PRESSED METAL INDUSTRIES LIMITED

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Segment analysis (cont'd)

Geographical segment

	Singapore		Malaysia		Consolidated	
	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 April to 30 September						
Segment revenue						
Sales to external customers	85,374	115,098	1,154	2,075	86,528	117,173
1 October to 30 September						
Segment revenue						
Sales to external customers	156,732	223,683	2,174	5,470	158,906	229,153
Other segment information						
Non-current assets	39,013	38,418	30,778	33,653	69,791	72,071

A breakdown of sales:

	Group	
	12 Months Ended	
	30-Sep-23	30-Sep-22
	S\$'000	S\$'000
(a) Sales reported for first half of year	72,378	111,980
(b) Operating (loss) / profit after income tax before deducting non-controlling interests reported for first half of year	(2,333)	9,821
(a) Sales reported for second half of year	86,528	117,173
(b) Operating profit after income tax before deducting non-controlling interests reported for second half year	1,329	336

5. Profit before tax

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

	Group			
	6 Months Ended		12 Months Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	2,384	2,628	4,769	5,094
Depreciation of right-of-use assets	298	539	813	1,117
Gain on disposal of property, plant and equipment, net	(30)	(7)	(30)	(7)
Property, plant and equipment written off	4	11	42	23
Derecognition of right-of-use assets	(8)	28	(8)	28
Fair value loss / (gain) on derivatives	120	2,477	263	(850)
Finance costs	862	1,044	2,005	1,803
Interest income from fixed deposits	(8)	(4)	(11)	(5)
Interest income from quoted securities	-	(19)	-	(33)
(Reversal) / Provision for warranty	(345)	277	(165)	411
Amortisation of bond premium	(2)	1	-	2
Allowance for expected credit loss	3	-	3	-
(Write back of) / Provision for onerous contract	(246)	59	(246)	59
Allowance for inventory obsolescence and slow moving	128	52	128	52
Foreign currency exchange loss, net	109	18	1,943	721
Covid-19 support and relief measures	-	(141)	-	(398)
Bad debt recovered	-	-	(539)	-
Rental income	(309)	(253)	(562)	(508)

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-23	30-Sep-22	30-Sep-23	30-Sep-22
	S\$'000	S\$'000	S\$'000	S\$'000
Consolidated interim income statement:				
Current income tax				
- Current year	(587)	(679)	(944)	(3,010)
- Over provision in respect of prior years	61	102	61	93
	(526)	(577)	(883)	(2,917)
Deferred income tax				
- Origination and reversal of temporary differences	(11)	(86)	478	(380)
- Under provision in respect of prior years	(62)	(53)	(63)	(89)
	(73)	(139)	415	(469)
Income tax expense recognised in profit or loss	(599)	(716)	(468)	(3,386)

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-23	30-Sep-22	30-Sep-23	30-Sep-22
Earnings per ordinary share (EPS) for the year: -				
(i) Based on weighted average number of ordinary shares (in cents)	0.55	0.14	(0.41)	4.20
- 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)	0.55	0.14	(0.41)	4.20
- 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 2023, the Group acquired assets amounting to S\$5,312,000 (30 September 2022: S\$5,164,000) and disposed and written off of assets with net book value of S\$242,000 (30 September 2022: S\$141,000).

	Group	
	12 Months Ended	
	30-Sep-23	30-Sep-22
	S\$'000	S\$'000
Addition during the year	5,312	5,164
Less:		
- Motor vehicle purchased through finance lease arrangements	-	(242)
Purchase of property, plant and equipment as per consolidated statement of cash flows	5,312	4,922

9. Right-of-use assets

Group	Group				Company		
	Land use rights	Accommodation	Office equipment	Total	Land use rights	Office equipment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 October 2021	10,248	898	141	11,287	10,248	40	10,288
Additions	-	10	7	17	-	-	-
Depreciation expense	(546)	(523)	(48)	(1,117)	(546)	(18)	(564)
Derecognition of right-of-use assets	-	(163)	-	(163)	-	-	-
Exchange differences	-	(3)	-	(3)	-	-	-
At 30 September 2022	9,702	219	100	10,021	9,702	22	9,724
Additions	-	-	52	52	-	52	52
Depreciation expense	(545)	(219)	(49)	(813)	(545)	(20)	(565)
Derecognition of right-of-use assets	-	-	(12)	(12)	-	(12)	(12)
At 30 September 2023	9,157	-	91	9,248	9,157	42	9,199

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-23	30-Sep-22	30-Sep-23	30-Sep-22
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	176	183	-	-
Cash at bank and on hand	27,483	30,606	15,399	23,923
	27,659	30,789	15,399	23,923
Less: fixed deposit pledged	(176)	(183)	-	-
Total cash and cash equivalents	27,483	30,606	15,399	23,923

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-23	30-Sep-22	30-Sep-23	30-Sep-22
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable in one year or less, or on demand:-</u>				
Secured	4,855	3,062	4,773	2,984
Unsecured	13,913	35,633	5,052	30,870
Sub-Total	18,768	38,695	9,825	33,854
<u>Amount repayable after one year</u>				
Secured	3,080	6,088	3,019	5,944
Unsecured	9,954	10,253	9,932	10,198
Sub-Total	13,034	16,341	12,951	16,142
Total borrowings and debt securities	31,802	55,036	22,776	49,996

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 2022 and 30 September 2023	243,744,082	100.00%	57,582
<u>Treasury shares</u>			
Balance as at 30 September 2022 and 30 September 2023	(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-23	30-Sep-22	30-Sep-23	30-Sep-22
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)	63.03	66.60	46.91	52.31

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-23	30-Sep-22
	S\$'000	S\$'000
Salaries, bonus and other related expenses	2,305	3,910
Contributions to defined contribution plans	98	125
Total compensation paid to key management personnel	2,403	4,035
Comprise amount paid to:		
- Directors of the Company	869	778
- Advisors of the Company	588	1,772
- Other key management personnel	946	1,485
	2,403	4,035

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

Commitments for purchase of property, plant and equipment amounted to S\$3,037,000 as at 30 September 2023.

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-23	30-Sep-22	30-Sep-23	30-Sep-22
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Trade receivables	34,227	50,810	13,903	33,811
Other receivables and deposits	1,780	2,185	94	323
Amounts due from subsidiaries (non-trade)	-	-	56,817	79,121
Cash and fixed deposits	27,659	30,789	15,399	23,923
Derivatives	216	402	216	402
Quoted securities	-	2	-	2
	63,882	84,188	86,429	137,582
Less: Goods and services tax receivables	(177)	(1,330)	(390)	(981)
Total undiscounted financial assets	63,705	82,858	86,039	136,601
Financial liabilities				
Trade payables	6,648	7,741	17,549	10,539
Other payables and accruals	17,268	19,118	4,130	4,546
Loans and borrowings	21,749	44,529	12,803	39,998
Derivatives	-	667	-	667
Lease liabilities	18,392	19,716	18,184	19,160
Total undiscounted financial liabilities	64,057	91,771	52,666	74,910
Total net undiscounted (financial liabilities) / financial assets	(352)	(8,913)	33,373	61,691

17. Financial assets and financial liabilities

(a) Fair value hierarchy

The Group categorises 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-23			30-Sep-22		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Recurring fair value measurements</u>						
Financial assets:						
Quoted securities	-	-	-	2	-	2
Derivatives - Interest rate swaps	-	20	20	-	402	402
Derivatives - Commodity swaps	-	196	196	-	-	-
Financial liabilities:						
Derivatives - Commodity swaps	-	-	-	-	(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 decreased by S\$70.3 million or 30.7% from S\$229.2 million for FY2022 to S\$158.9 million for FY2023. The decrease was mainly attributable to lower demand from the reefer container after offset against higher revenue contribution from construction projects in progress.

Gross profit decreased from S\$29.3 million in FY2022 to S\$14.8 million in FY2023 and gross profit margin decreased from 12.8% in FY2022 to 9.3% in FY2023, mainly due to lower revenue from the reefer container business and higher labour cost and factory overhead incurred in conjunction with more construction projects in progress.

Selling and distribution expenses decreased from S\$2.6 million in FY2022 to S\$2.2 million in FY2023 with lower level of activities.

Administrative expenses decreased from S\$11.4 million in FY2022 to S\$8.8 million in FY2023 mainly due to provision for lower bonuses and remuneration which are tied to the Group's financial performance.

Other operating expenses increased from S\$2.3 million in FY2022 to S\$3.6 million in FY2023 mainly due to higher foreign currency exchange loss.

Finance cost increased to S\$2.0 million in FY2023 from S\$1.8 million in FY2022 due to interest rate hike.

Other income of S\$1.3 million in FY2023 decreased from S\$2.2 million in FY2022 mainly due to a S\$0.9 million reduction in fair value gain on derivative contracts on materials. 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 tax expenses of S\$0.5m mainly derived from tax on profits in Singapore and Malaysia at the corporate tax rates of 17% and 24% after offsetting reversal of deferred tax expenses.

In view of the above, the Group's loss after tax decreased from profit of S\$10.2 million in FY2022 to loss of S\$1.0 million in FY2023.

STATEMENT OF FINANCIAL POSITION

Assets and liabilities with significant fluctuations are explained as follows:

Property, plant and equipment decreased to S\$60.5 million as at 30 September 2023, from S\$62.1 million as at 30 September 2022, the net result of acquisitions of S\$5.3 million, depreciation of S\$4.8 million and exchange translation movements.

Inventories decreased to S\$62.6 million as at 30 September 2023 compared with S\$79.0 million as at 30 September 2022. Trade receivables, other receivables and deposits decreased to S\$36.0 million as at 30 September 2023 compared with S\$53.0 million as at 30 September 2022. Trade payables, other payables and accruals decreased to S\$26.4 million as at 30 September 2023 compared with S\$27.9 million as at 30 September 2022. These decreases were in tandem with lower demand from reefer container.

Contract assets increased to S\$13.8 million as at 30 September 2023 compared with S\$9.0 million as at 30 September 2022. The increase corresponded with the higher level of billings in construction business in FY2023.

Loans and borrowings (current and non-current) decreased to S\$21.3 million as at 30 September 2023 compared with S\$43.9 million as at 30 September 2022. These were mainly due to the net repayment of trust receipts and term loan.

Negative foreign currency translation reserves had increased by S\$2.8 million reflecting the effect of depreciating Malaysian Ringgit on the net assets of the Malaysian subsidiaries.

STATEMENT OF CASH FLOW

Net cash flows generated from operating activities for FY2023 was S\$31.0 million which was derived from the operating cash flows before changes in working capital of S\$7.0 million, after taking into account the net increase in inventories, receivables, payables and derivatives of S\$27.0 million, and the net interest and income tax paid of S\$3.0 million.

Net cash flows used in investing activities for FY2023 was S\$5.1 million, comprising principally S\$5.3 million for purchase of property, plant and equipment; offset by S\$0.2 million proceed from disposal of property, plant and equipment.

Net cash flows used in financing activities for FY2023 was S\$28.1 million, comprising for the net repayment of loans and borrowings and dividend paid to shareholders.

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 construction business has been on track over the past year and its performance is expected to continue to be stable for FY2024. The demand for marine container refrigeration units has been low and volatile this year, primarily because the container shipping industry, which experienced a positive demand shock over the past two years, is now gradually seeing some form of normalisation.

The Group will continue to focus on operational efficiency and cost control measures, as well as to remain prudent and vigilant in inventory control and credit management so as to safeguard its position.

- 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

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	0.25 Singapore cent

(b) Corresponding period of the immediately preceding financial year

Yes

Name of dividend	Final	Special
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.

	2023	2022
	S\$'000	S\$'000
Final dividend	605	4,841
Total	605	4,841

(i) The proposed dividend in respect of FY2023 is subject 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
28-Nov-2023