



# NAM LEE PRESSED METAL INDUSTRIES LIMITED

(Company Registration No. 1975-00362-M)

NAM LEE PRESSED METAL  
INDUSTRIES LIMITED

## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

### 1 (a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2020

	Group		
	6 Months Ended		
	31-Mar-20	31-Mar-19	Change
	S\$'000	S\$'000	%
<b>Revenue</b>	<b>58,073</b>	<b>66,025</b>	<b>(12.0%)</b>
Cost of sales	(50,499)	(53,100)	(4.9%)
<b>Gross profit</b>	<b>7,574</b>	<b>12,925</b>	<b>(41.4%)</b>
Selling and distribution expenses	(1,050)	(1,059)	(0.8%)
Administrative expenses	(4,541)	(5,039)	(9.9%)
Other operating expenses	(2,515)	(1,879)	33.8%
<b>Operating (loss) / profit</b>	<b>(532)</b>	<b>4,948</b>	<b>NM</b>
Interest income	198	225	(12.0%)
Finance costs	(87)	(26)	234.6%
Other income	1,139	388	193.6%
<b>Profit before tax</b>	<b>718</b>	<b>5,535</b>	<b>(87.0%)</b>
Income tax expense	(593)	(1,408)	(57.9%)
<b>Profit for the period</b>	<b>125</b>	<b>4,127</b>	<b>(97.0%)</b>
<u>Attributable to:</u>			
Owners of the Company	125	4,127	(97.0%)
Non-controlling interests	-	-	NM
	<b>125</b>	<b>4,127</b>	<b>(97.0%)</b>

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2020

<b>Profit for the period</b>	<b>125</b>	<b>4,127</b>	<b>(97.0%)</b>
<b>Other comprehensive income:</b>			
Foreign currency translation	206	72	186.1%
Fair value adjustment on quoted securities	(1)	1	NM
<b>Other comprehensive income for the period, net of tax</b>	<b>205</b>	<b>73</b>	<b>180.8%</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>330</b>	<b>4,200</b>	<b>(92.1%)</b>
<u>Attributable to:</u>			
Owners of the Company	330	4,202	(92.1%)
Non-controlling interests	-	(2)	NM
	<b>330</b>	<b>4,200</b>	<b>(92.1%)</b>

NM: Not meaningful

# NAM LEE PRESSED METAL INDUSTRIES LIMITED

## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

- 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 and the corresponding period of the immediately preceding financial year.

### Note

(i) Profit for the period is arrived at after charging/(crediting) the following:

	Group		
	6 Months Ended		
	31-Mar-20	31-Mar-19	Change
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	1,865	1,708	9.2%
Depreciation of right-of-use assets	609	-	NM
Gain on disposal of property, plant and equipment	(12)	(18)	(33.3%)
Property, plant and equipment written off	-	1	NM
Fair value loss on derivatives	1,693	219	673.1%
Interest expenses	87	26	234.6%
Interest income from fixed deposits	(107)	(134)	(20.1%)
Interest income from quoted securities	(91)	(91)	0.0%
(Write back) / provision for warranty, net	(118)	12	NM
Amortisation of bond premium	12	10	20.0%
Foreign currency exchange gain, net	(774)	(118)	555.9%

NM: Not meaningful

# NAM LEE PRESSED METAL INDUSTRIES LIMITED

## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

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 31 MARCH 2020

	Group		Company	
	31-Mar-20	30-Sep-19	31-Mar-20	30-Sep-19
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	46,241	45,806	5,839	6,280
Right-of-use assets	2,245	-	1,151	-
Quoted securities	6,019	6,031	6,019	6,031
Investment in subsidiaries	-	-	14,749	14,749
Deferred tax assets	305	310	-	-
Total non-current assets	54,810	52,147	27,758	27,060
<b>Current assets</b>				
Inventories	48,734	40,452	5,362	5,007
Trade receivables and contract assets	27,570	34,114	16,608	19,999
Other receivables, deposits and prepayments	7,130	5,489	866	505
Amounts due from subsidiaries (non-trade)	-	-	55,227	51,781
Cash and fixed deposits	28,635	35,293	22,544	27,223
Total current assets	112,069	115,348	100,607	104,515
<b>Total assets</b>	<b>166,879</b>	<b>167,495</b>	<b>128,365</b>	<b>131,575</b>
<b>Current liabilities</b>				
Trade payables	6,851	8,090	545	4,966
Other payables and accruals	13,584	11,951	4,745	6,903
Provision for warranty	558	676	-	-
Term loans	-	417	-	417
Derivatives	1,711	346	1,711	346
Lease liabilities	1,284	128	255	128
Income tax payables	283	745	139	585
Total current liabilities	24,271	22,353	7,395	13,345
<b>Net current assets</b>	<b>87,798</b>	<b>92,995</b>	<b>93,212</b>	<b>91,170</b>
<b>Non-current liabilities</b>				
Lease liabilities	1,148	112	1,073	112
Deferred tax liabilities	1,004	1,025	162	218
Total non-current liabilities	2,152	1,137	1,235	330
<b>Net assets</b>	<b>140,456</b>	<b>144,005</b>	<b>119,735</b>	<b>117,900</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	57,582	57,184	57,582	57,184
Treasury shares	(532)	-	(532)	-
Retained earnings	91,418	94,949	62,688	60,629
Capital reserve	104	104	-	-
Foreign currency translation reserve	(8,113)	(8,319)	-	-
Fair value adjustment reserve	(3)	(2)	(3)	(2)
Share option reserve	-	89	-	89
<b>Total equity</b>	<b>140,456</b>	<b>144,005</b>	<b>119,735</b>	<b>117,900</b>

# NAM LEE PRESSED METAL INDUSTRIES LIMITED

## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

### 1 (b) (ii) Aggregate amount of the group's borrowings and debt securities.

	Group	
	As At	
	31-Mar-20	30-Sep-19
	S\$'000	S\$'000
<b><u>Amount repayable in one year or less, or on demand:-</u></b>		
Unsecured	1,209	417
Secured	75	128
<b>Sub-Total</b>	<b>1,284</b>	<b>545</b>
<b><u>Amount repayable after one year</u></b>		
Unsecured	1,061	-
Secured	87	112
<b>Sub-Total</b>	<b>1,148</b>	<b>112</b>
<b>Total borrowings and debt securities</b>	<b>2,432</b>	<b>657</b>

#### Details of any collateral

At 31 March 2020 and 30 September 2019, the Group's secured borrowings refer to lease liabilities secured against certain motor vehicles.

# NAM LEE PRESSED METAL INDUSTRIES LIMITED

## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

### 1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2020

	Group	
	6 Months Ended	
	31-Mar-20	31-Mar-19
	S\$'000	S\$'000
<b>Operating activities:</b>		
Profit before income tax	718	5,535
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	1,865	1,708
Depreciation of right-of-use assets	609	-
Gain on disposal of property, plant and equipment	(12)	(18)
Property, plant and equipment written off	-	1
Fair value loss on derivatives	1,693	219
Interest expenses	87	26
Interest income from fixed deposits	(107)	(134)
Interest income from quoted securities	(91)	(91)
(Write back) / provision for warranty, net	(118)	12
Amortisation of bond premium	12	10
Foreign currency translation adjustment	128	104
<b>Operating cash flow before working capital changes</b>	<b>4,784</b>	<b>7,372</b>
Increase in inventories	(8,282)	(2,385)
Decrease in receivables	4,903	9,395
Increase in payables	394	(8,133)
Decrease in derivatives	(328)	-
<b>Cash generated from operations</b>	<b>1,471</b>	<b>6,249</b>
Income taxes paid	(1,071)	(1,342)
Interest received	107	134
Interest paid	(87)	(26)
<b>Net cash generated from operating activities</b>	<b>420</b>	<b>5,015</b>
<b>Investing activities:</b>		
Purchases of property, plant and equipment	(2,129)	(3,641)
Proceeds on disposal of property, plant and equipment	51	78
Interest income from quoted securities	91	91
<b>Net cash used in investing activities</b>	<b>(1,987)</b>	<b>(3,472)</b>
<b>Financing activities:</b>		
Repayment of lease liabilities	(662)	(97)
Repayment of term loans	(417)	(500)
Proceeds from exercise of employee share options	309	-
Purchase of treasury shares	(532)	-
Dividends paid on ordinary shares	(3,656)	(6,064)
<b>Net cash flows used in financing activities</b>	<b>(4,958)</b>	<b>(6,661)</b>
Net decrease in cash and cash equivalents	(6,525)	(5,118)
Cash and cash equivalents at the beginning of the period	35,128	45,122
Effect of exchange rate changes on cash and cash equivalents	(133)	(111)
<b>Cash and cash equivalents at the end of the period</b>	<b>(N1) 28,470</b>	<b>39,893</b>

(N1) Cash and cash equivalents at the end of the period does not include fixed deposits pledged to a licensed bank for bank guarantee facilities.

	31-Mar-20	31-Mar-19
	S\$'000	S\$'000
Fixed deposits	8,552	8,534
Cash at bank and on hand	20,083	31,524
	28,635	40,058
Less: fixed deposits pledged	(165)	(165)
<b>Total cash and cash equivalents</b>	<b>28,470</b>	<b>39,893</b>

# NAM LEE PRESSED METAL INDUSTRIES LIMITED

## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

	Share capital	Treasury shares	Retained earnings	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	Share option reserve	Equity attributable to owners of the company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>										
<b>Balance as at 1 October 2019</b>	<b>57,184</b>	-	<b>94,949</b>	<b>104</b>	<b>(8,319)</b>	<b>(2)</b>	<b>89</b>	<b>144,005</b>	-	<b>144,005</b>
Total comprehensive income for the period	-	-	125	-	206	(1)	-	330	-	330
Exercise of employee share options	398	-	-	-	-	-	(89)	309	-	309
Purchase of treasury shares	-	(532)	-	-	-	-	-	(532)	-	(532)
Dividends on ordinary shares	-	-	(3,656)	-	-	-	-	(3,656)	-	(3,656)
<b>Balance as at 31 March 2020</b>	<b>57,582</b>	<b>(532)</b>	<b>91,418</b>	<b>104</b>	<b>(8,113)</b>	<b>(3)</b>	-	<b>140,456</b>	-	<b>140,456</b>
<b>Balance as at 1 October 2018</b>	<b>57,184</b>	-	<b>92,404</b>	<b>104</b>	<b>(8,184)</b>	<b>(1)</b>	<b>96</b>	<b>141,603</b>	<b>215</b>	<b>141,818</b>
Total comprehensive income for the period	-	-	4,127	-	74	1	-	4,202	(2)	4,200
Dividends on ordinary shares	-	-	(6,064)	-	-	-	-	(6,064)	-	(6,064)
<b>Balance as at 31 March 2019</b>	<b>57,184</b>	-	<b>90,467</b>	<b>104</b>	<b>(8,110)</b>	-	<b>96</b>	<b>139,741</b>	<b>213</b>	<b>139,954</b>

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## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020 (cont'd)

	Share capital	Treasury shares	Retained earnings	Fair value adjustment reserve	Share option reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Company</b>						
<b>Balance as at 1 October 2019</b>	<b>57,184</b>	-	<b>60,629</b>	(2)	<b>89</b>	<b>117,900</b>
Total comprehensive income for the period	-	-	5,715	(1)	-	5,714
Exercise of employee share options	398	-	-	-	(89)	309
Purchase of treasury shares	-	(532)	-	-	-	(532)
Dividends on ordinary shares	-	-	(3,656)	-	-	(3,656)
<b>Balance as at 31 March 2020</b>	<b>57,582</b>	<b>(532)</b>	<b>62,688</b>	<b>(3)</b>	-	<b>119,735</b>
<b>Balance as at 1 October 2018</b>	<b>57,184</b>	-	<b>52,726</b>	(1)	<b>96</b>	<b>110,005</b>
Total comprehensive income for the period	-	-	5,460	1	-	5,461
Dividends on ordinary shares	-	-	(6,064)	-	-	(6,064)
<b>Balance as at 31 March 2019</b>	<b>57,184</b>	-	<b>52,122</b>	-	<b>96</b>	<b>109,402</b>

# NAM LEE PRESSED METAL INDUSTRIES LIMITED

## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

- 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 or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares, if any, and the percentage of the aggregate number of treasury shares held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

### A) SHARE CAPITAL

	Number of Shares	Share Capital S\$'000
<u>Ordinary shares</u>		
Balance as at 30 September 2019	242,544,082	57,184
Exercise of employee share options	1,200,000	398
Balance as at 31 March 2020	<u>243,744,082</u>	<u>57,582</u>
<u>Treasury shares</u>		
Balance as at 30 September 2019	-	-
Purchase of treasury shares	(1,687,700)	(532)
Balance as at 31 March 2020	<u>(1,687,700)</u>	<u>(532)</u>
Issued ordinary shares net of treasury shares	<u>242,056,382</u>	<u>57,050</u>

### B) SHARE OPTIONS

On 22 February 2010, the Company granted 8,200,000 share options at exercise price of \$0.258 under Nam Lee Employee Share Option Scheme ("The Scheme").

#### Movement in share options during the financial period

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the period.

	31-Mar-20		30-Sep-19	
	No.	WAEP (S\$)	No.	WAEP (S\$)
Opening balance	1,200,000	0.258	1,300,000	0.258
Forfeited during the period	-	0.258	(100,000)	0.258
Exercised during the period	(1,200,000)	0.258	-	0.258
Ending balance (Exercisable)	<u>-</u>	<u>-</u>	<u>1,200,000</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.

Please refer to item 1(d)(ii) above.

- 1 (d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 1 (d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or 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.



# NAM LEE PRESSED METAL INDUSTRIES LIMITED

## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

### 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 financial period compared with those of the audited financial statements for the financial year ended 30 September 2019, 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 Singapore Financial Standards (International) ("SFRS (I)") that became effective for the financial year beginning 1 October 2019. Other than the adoption of SFRS (I) 16, the Group expects that new/revised SFRS (I) will have no material impact to the Group's and Company's financial statements.

The Group adopted SFRS (I) 16 using the modified retrospective approach without restating prior year's information.

Under the new standard, an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset) and a liability to make lease payments (i.e. the lease liability) are recognised. On the adoption of SFRS(I) 16, the Group has recognised an equal amount of right-of-use assets and lease liabilities of S\$2,854,000 for its leases previously classified as operating leases (excluding short-term leases and leases for which underlying assets are of low value) as at 1 October 2019.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss (if any), subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications. Interest expense on the lease liability and the depreciation expense on the right-of-use asset are recognised separately in the income statement.

### 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

	Group		
	6 Months Ended		
Earnings per ordinary share (EPS) for the period: -	31-Mar-20	31-Mar-19	Change %
(i) Based on weighted average number of ordinary shares (in cents)	0.05	1.70	(97.06%)
- Weighted average number of shares	242,896,132	242,544,082	0.15%
(ii) On a fully diluted basis (in cents)	0.05	1.70	(97.06%)
- Adjusted weighted average number of shares	242,975,465	242,745,886	0.09%

### 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

	Group			Company		
	As At			As At		
Net asset backing per ordinary share based on the existing issued share capital as at the end of the financial period reported on (in cents)	31-Mar-20	30-Sep-19	Change %	31-Mar-20	30-Sep-19	Change %
	58.03	59.37	(2.27%)	49.47	48.61	1.76%

# NAM LEE PRESSED METAL INDUSTRIES LIMITED

## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

- 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; 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\$7.9 million or 12.0% from S\$66.0 million for the financial period ended 31 March 2019 ("1H2019") to S\$58.1 million for the financial period ended 31 March 2020 ("1H2020"). The decrease was mainly attributable to a decrease in revenue from the aluminium segment. During the current financial period, our factories in Malaysia were closed from 18 March 2020 due to the Movement Control Order in Malaysia resulting from the COVID-19 pandemic.

Gross profit decreased from S\$12.9 million in 1H2019 to S\$7.6 million in 1H2020 while gross profit margin decreased from 19.6% in 1H2019 to 13.0% in 1H2020, mainly due to slower progress of projects and reduction in production output.

Selling and distribution expenses remained relatively stable in 1H2020. Administrative expenses decreased from S\$5.0 million in 1H2019 to S\$4.5 million in 1H2020 mainly due to lower labour and related expenses in 1H2020. Other operating expenses increased from S\$1.9 million in 1H2019 to S\$2.5 million in 1H2020 mainly due to a fair value loss in derivative of S\$1.7 million recorded in 1H2020 comparing with a fair value loss in derivative of S\$0.2 million in 1H2019. Finance costs was higher in 1H2020 mainly due to the recognition of lease liabilities following the adoption of SFRS(I) 16 Leases in the current period. Other income increased from S\$0.4 million in 1H2019 to S\$1.1 million in 1H2020 mainly due to higher foreign currency exchange gain.

Income tax expenses for the period ended 1H2019 was S\$0.6 million due to corporate income tax provided for the Malaysia profit-making subsidiaries.

In view of the above, the Group's profit after tax decreased from S\$4.1 million in 1H2019 to S\$0.1 million in 1H2020.

### STATEMENT OF FINANCIAL POSITION

Assets and liabilities with significant fluctuations are explained as follows:

Property, plant and equipment increased slightly to S\$46.2 million as at 31 March 2020 after offsetting cost of new additions against depreciation expenses of property, plant and equipment.

Right-of-use assets of S\$2.2 million as at 31 March 2020 was derived from the initial recognition of right-of-use assets of S\$2.9 million, partially offset by its depreciation for the current period, following the adoption of SFRS(I) 16 Leases in the current period.

Inventories increased from S\$40.5 million as at 30 September 2019 to S\$48.7 million as at 31 March 2020, mainly due to stocking up of raw materials for our production, in anticipation of restrictions on raw material imports from overseas.

Trade receivables and contract assets decreased from S\$34.1 million as at 30 September 2019 to S\$27.6 million as at 31 March 2020, mainly due to lower sales in the months preceding 31 March 2020 as compared to the period ended 30 September 2019.

Other receivables, deposits and prepayments increased by S\$1.6 million mainly due to higher advance deposits paid to suppliers and recognition of grant receivables in relation to the Jobs Support Scheme provided by the Singapore government.

Trade payables, other payables and accruals totalled at S\$20.4 million as at 31 March 2020, which is comparable to the S\$20.0 million as at 30 September 2019.

Provision for warranty decreased from S\$0.7 million as at 30 September 2019 to S\$0.6 million as at 31 March 2020, mainly due to the assessment of expected warranty claims on installation and construction projects at the end of each reporting period.

Derivatives liabilities increased from S\$0.3 million as at 30 September 2019 to S\$1.7 million as at 31 March 2020 as a result of changes in fair value of the derivatives contracts.

Lease liabilities (current and non-current portions) increased from S\$0.2 million as at 30 September 2019 to S\$2.4 million as at 31 March 2020 mainly due to the recognition of lease liabilities in relation to the right-of-use assets following the adoption of SFRS(I) 16 Leases in the current period.

### STATEMENT OF CASH FLOW

Net cash generated from operating activities for 1H2020 was S\$0.4 million, which was derived from the operating cash flow before working capital changes of S\$4.8 million, after taking into account the decreases in receivables and derivatives of S\$4.6 million, increases in inventories and payables of S\$7.9 million, and the net interest and income taxes paid of S\$1.1m.

Net cash used in investing activities for 1H2020 was S\$2.0 million, which was mainly for purchase of new plant and equipment.

Net cash used in financing activities for 1H2020 was S\$5.0 million, relating to repayment of lease liabilities and term loan, purchase of treasury shares and dividends paid, partially offset by the proceeds from exercise of employee share options.

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

Not applicable.

# NAM LEE PRESSED METAL INDUSTRIES LIMITED

## Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 31-03-2020

### 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The global outbreak of the COVID-19 pandemic has resulted in various measures taken by governments to contain the infection, including lock downs that disrupted business activities and supply chains. On 18 March 2020, the Group's Malaysia factories were closed as a result of the Movement Control Order imposed by the Malaysia government. Subsequently, the factories applied for waivers and in the following months, were allowed to resume operations in phases, gradually resuming full operations. In Singapore, the Circuit Breaker was enforced from 7 April 2020. As the bulk of our facade and HDB projects were not considered as essential services, our factories and project sites were not allowed to continue operations. Even after the Circuit Breaker ended on 1 June 2020, construction activities can only resume in gradual phases, with strict safe-distancing measures to be observed. The delays in projects would inevitably increase operating costs. However, the Group is receiving wage support, government rebates and waiver of levies to defray some of these costs.

The COVID-19 pandemic affected businesses such as manufacturing and construction. The Group will continue to face challenges in the short-term as a result of the COVID-19 pandemic. We expect our full year revenue to be lower than the previous financial year.

### 11 If a decision regarding dividend has been made:-

#### (a) Whether an dividend has been declared/recommended?

No

#### (b) Any dividend declared for corresponding period of the immediately preceding financial year

Yes

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share	0.5 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).

Not applicable

#### (d) The date the dividend is payable.

Not applicable

#### (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.

Not applicable

### 12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the current reporting period on the grounds of prudence.

### 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.

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

### 14 Negative confirmation pursuant to Rule 705(5)

We, Yong Han Keong Eric and Yong Koon Chin, being two directors of Nam Lee Pressed Metal Industries Limited ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year financial results for the period ended 31 March 2020 to be false or misleading in any material aspect.

### 15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Group has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

On behalf of the Board of Directors

Yong Han Keong Eric  
Managing Director  
13-Jul-2020