



NAM LEE PRESSED METAL
INDUSTRIES LIMITED

ANNUAL
REPORT
2023





STRENGTHENING
**OUR MARKET
LEADERSHIP**





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Corporate PROFILE

Nam Lee Pressed Metal Industries Limited was incorporated on 10 March 1975 by the Yong family, which has been in the metal fabrication business since the 1950s. The family business was started by the late Mr Yong Kwong Fae, who founded Chop Nam Lee, a sole proprietorship, to fabricate galvanised household products such as buckets and bath tubs. It has gone on to establish itself as a competitive and trusted player in the field of fabricated metal and related products.

The Group commenced the design and manufacture of metal products for buildings in 1991 when it entered the HDB market and is a HDB-approved supplier. Today the Group remains the only worldwide third-party manufacturer of aluminium frames for container refrigeration units in the world for a major customer. Over the years, the Group has developed into a one-stop specialist for building and infrastructure metal products, aluminium frames for container refrigeration units and a wide range of aluminium, UPVC and steel products.

With many years of experience in the business, its vertically-integrated production structure, well - equipped facilities and skilled staff, Nam Lee Pressed Metal is able to offer a complete suite of services ranging from design right through to installation, including the manufacture of tooling, jigs and fixtures, metal fabrication, surface coatings and treatments, assembly and the installation of the final

products. Headquartered in Singapore, the Group has subsidiaries in Singapore and Malaysia faithfully serving its customers.

Quality is never compromised at Nam Lee Pressed Metal and their efforts have been recognised when they were awarded ISO 9002 certification by the PSB in 1995. Another testament to its quality products was the HDB Quality Award for Supplier 1999 awarded to it by the HDB. Since then, it has continued to successfully renew the quality management system certification and transitioned to the current ISO 9001 : 2015 standard. Its philosophy and management practice of ensuring quality at every stage of production plus a forward-looking management ensures that Nam Lee Pressed Metal continues to progress and remain a competitive player in the metal building and infrastructure products and related market sectors.



Corporate PROFILE

INTEGRITY QUALITY CUSTOMER SATISFACTION INNOVATION

are the pillars on which the success of Nam Lee Pressed Metal is built and they continue to be firmly grounded as the corporate values embraced by the Board, Management and Staff of Nam Lee Pressed Metal. Our trademark Swan brand embodies grace, trust and loyalty, enduring qualities of a faithful partner. I am confident that as long as we adhere to these core values, Nam Lee Pressed Metal will continue to make its mark as the preferred and trusted partner for fabricated metal and related products and solutions.

Yong Li Yuen, Joanna
Chairman cum Executive Director





Chairman's STATEMENT

DEAR SHAREHOLDERS,

Thank you for your unwavering support and confidence in Nam Lee Group.

On behalf of the Board of Directors, I am pleased to present the business developments and operating results of Nam Lee Pressed Metal Industries Limited and its subsidiaries ("the Group") for the financial year ended 30 September 2023 ("FY2023").

In FY2023, we continued to face challenges from the effects of geopolitical uncertainties and persistent inflationary pressures. The cost escalations from global supply chain were driven by China's reopening and geopolitical tensions including the ongoing Russian-Ukraine conflict, Sino-America trade tensions, as well as the breakout of the Israel-Hamas war in October. During the year, our operating costs were also impacted by tighter financial conditions and higher interest rates.

Albeit the tough economic and business landscape, we continued to exercise financial prudence, operational efficiency and remained agile to mitigate the negative financial impact while staying focussed on delivering value and quality products and services to our customers.

A REVIEW OF FY2023

With the resumption of construction activities in full swing, our construction-related business segments recorded encouraging revenue contributions. However, the sector still faced challenges such as higher labour costs and raw material prices. On the other hand, demand for marine container refrigeration units had been low and volatile this year, due to the normalisation of the shipping industry after experiencing a positive demand shock over the past two years.





Chairman's STATEMENT

During the year, most business activities had gained pace and with the support from our key customers and supply chain partners, we continued business as usual despite the very challenging business environment. Our employees played an integral role in ensuring our business continuity and achieving our business objectives in the light of the challenges. We would like to hereby extend our appreciation for their steadfast commitment and dedication to the Group. Our sincere thanks also go to our shareholders for their faith and trust in the Group.

For FY2023, our profitability was significantly affected by the escalating raw material prices, heightened labour costs, interest rate hikes, and rising inflation. As a result, the Group recorded a loss of S\$1.0 million for the year in review. Net assets per share of the Group recorded at 63.03 Singapore cents as at 30 September 2023. The Group's cash position as at 30 September 2023 remained healthy on the back of prudent cash management and controls.

INCOME STATEMENT

In FY2023, the Group's revenue decreased by S\$70.3 million or 30.7% from S\$229.2 million in FY2022 to S\$158.9 million in FY2023. The lower revenue was mainly due 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, which was mainly due to lower revenue from reefer container business as well as, higher labour cost and factory overhead incurred in line with more construction projects in progress. Gross profit margins decreased from 12.8% in FY2022 compared with 9.3% in FY2023.

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

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.



Chairman's STATEMENT

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.

OPERATIONAL HIGHLIGHTS

During the year, the Group had recorded encouraging sales revenue from certain business segments.

Aluminium

The Group's core aluminium business segment comprises the product categories of custom engineered and fabricated aluminium parts for the industrial sector as well as aluminium building products for infrastructure & construction projects. Sales revenue decreased from S\$192.2 million in FY2022 to S\$89.8 million in FY2023.

Mild Steel

The revenue generated from the progress of ongoing construction projects increased from S\$22.5 million in FY2022 to S\$41.6 million in FY2023.

Stainless Steel

Revenue from the stainless steel segment grew from S\$0.6 million in FY2022 to S\$1.2 million in FY2023.

UPVC

Revenue from the UPVC segment increased from S\$13.8 million in FY2022 to S\$26.3 million in FY2023.

OUTLOOK

As the global trade and economy recalibrates, ongoing uncertainties including geopolitical tensions, and inflationary pressures pushing up raw material prices, rising manpower costs, energy costs, and interest rates are anticipated to persist. Coupled with the tight labour market and implementation of the progressive wage model, we expect the Group's operating costs to remain elevated and not likely to ease in the near term. We shall focus on maintaining



Chairman's STATEMENT

a tight rein on working capital management, exercise financial prudence and operating at optimal efficiency.

Since the Group's establishment, we have navigated through several economic cycles and built a strong foundation for our core competencies to further our business networks and opportunities. Backed by our heritage and experience, we are committed to build a long-term sustainable business with the aim of preserving value for our shareholders and stakeholder under the stewardship of our Board of Directors and supported by our management team.

DIVIDEND

After evaluating the results, the Board of Directors propose a final dividend of 0.25 Singapore cents per share, which will be subject to shareholders' approval at the forthcoming Annual General Meeting in January 2024.

Sincerely,

Yong Li Yuen, Joanna
Chairman cum Executive Director





Board of DIRECTORS



Ms Yong Li Yuen, Joanna, Age 53
Chairman cum Executive Director

Date of Appointment
5 October 2020

Date of Last Re-appointment
22 January 2021

Country of Principal Residence
Singapore

Board's Comment on The Appointment

The re-election of Ms Joanna Yong Li Yuen as Chairman cum Executive Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Ms Yong's qualifications, expertise and past experiences and overall contribution since she was appointed as Chairman cum Executive Director of the Company.

Ms Joanna Yong's responsibilities include management and oversight of business development, operations and activities.

Job Title

Chairman cum Executive Director

Professional Qualification

Bachelor of Arts (Honours - Second Upper) in Japanese Studies, National University of Singapore
Graduate Diploma in Marketing, Marketing Institute of Singapore
Fellow of Association of Chartered Certified Accountants
Member of Institute of Singapore Chartered Accountants

Working experience and occupation(s) during the past 10 years

2020 to Present:

Chairman cum Executive Director - Nam Lee Pressed Metal Industries Limited

2009 to 2020:

Commercial Manager - Nam Lee Pressed Metal Industries Limited

Other principal commitments including directorships

Past (for the last 5 years)

Nil

Other Principal Commitments (for the last 5 years)

Nil

Present

Nam Lee Industries Sdn. Bhd.
Nam Lee Pressed Metal Pte. Ltd.
Nam Lee Pressed Metal Sdn. Bhd.
NL Mechanical Engineering Sdn. Bhd.
NL Metals Sdn. Bhd.
NL Pressed Metal Pte. Ltd.
Swan Metal Products Sdn. Bhd.

Other Principal Commitments

Chairman cum Executive Director - Nam Lee Pressed Metal Industries Limited

Family Relationships

Ms Joanna Yong is the daughter of Mr Yong Koon Chin, who is a substantial shareholder of the Company.

She is also the niece of both Mr Yong Kin Sen and Mr Yong Poon Miew, who are substantial shareholders of the Company.

Ms Joanna Yong is also the cousin of both Mr Eric Yong Han Keong and Mr Yong Han Lim, Adrian, who are the Managing Director and Executive Director of the Company respectively.

Conflict of Interest (including any competing business)

Nil



Board of DIRECTORS



Mr Yong Han Keong, Eric, Age 50
Managing Director

Date of Appointment
16 December 2019

Date of Last Re-appointment
21 January 2022

Country of Principal Residence
Singapore

Board's Comment on The Appointment

Not applicable, Mr Eric Yong is not subject to re-election.

Mr Eric Yong is responsible for the operations and management of the Group's HDB projects. He also oversees the Group's marketing activities.

Job Title

Managing Director
Member of Nominating Committee

Professional Qualification

Bachelor of Mechanical Engineering, Curtin University, Western Australia

Working experience and occupation(s) during the past 10 years

2019 to Present:

Managing Director - Nam Lee Pressed Metal Industries Limited

2007 to 2019:

Head of Sales and Marketing - Nam Lee Pressed Metal Industries Limited
Head of HDB Department and Engineer - Nam Lee Pressed Metal Pte Ltd

Other principal commitments including directorships

Past (for the last 5 years)
Nil

Other Principal Commitments (for the last 5 years)

Nil

Present

Nam Lee Industries Sdn. Bhd.
Nam Lee Pressed Metal Pte. Ltd.
Nam Lee Pressed Metal Sdn. Bhd.
NL Mechanical Engineering Sdn. Bhd.
NL Metals Sdn. Bhd.
NL Pressed Metal Pte. Ltd.
Swan Metal Products Sdn. Bhd.

Other Principal Commitments

Managing Director - Nam Lee Pressed Metal Industries Limited

Family Relationships

Mr Eric Yong is the son of Mr Yong Kin Sen, who is a substantial shareholder.

He is also the nephew of both Mr Yong Koon Chin and Mr Yong Poon Miew, who are the substantial shareholders of the Company.

He is also a cousin of both Ms Joanna Yong Li Yuen and Mr Yong Han Lim, Adrian, who are the Chairman cum Executive Director and Executive Director of the Company respectively.

Conflict of Interest (including any competing business)

Nil



Board of DIRECTORS



Mr Yong Han Lim, Adrian, Age 49
Executive Director

Date of Appointment
1 August 2020

Date of Last Re-appointment
16 January 2023

Country of Principal Residence
Singapore

Board's Comment on The Appointment

Not applicable, Mr Adrian Yong is not subject to re-election.

Mr Adrian Yong's responsibilities in the business includes the overall management and operations of the business.

Job Title

*Executive Director
Member of Nominating Committee*

Professional Qualification

Bachelors in Mass Communication, Curtin University of Technology

Masters in Strategic Marketing, Curtin University of Technology

Working experience and occupation(s) during the past 10 years

2020 to Present:

Executive Director - Nam Lee Pressed Metal Industries Limited

2010 to 2019:

Management Representative for the Façade business - Nam Lee Pressed Metal Pte Ltd

Other principal commitments including directorships

Past (for the last 5 years)

Nil

Other Principal Commitments (for the last 5 years)

Nil

Present

*Nam Lee Industries Sdn. Bhd.
Nam Lee Pressed Metal Pte. Ltd.
Nam Lee Pressed Metal Sdn. Bhd.
NL Mechanical Engineering Sdn. Bhd.
NL Metals Sdn. Bhd.
NL Pressed Metal Pte. Ltd.
Swan Metal Products Sdn. Bhd.*

Other Principal Commitments

Executive Director - Nam Lee Pressed Metal Industries Limited

Family Relationships

Mr Adrian Yong is the son of Mr Yong Poon Miew, who is a substantial shareholder of the Company.

He is also the nephew of both Mr Yong Koon Chin and Mr Yong Kin Sen, who are the substantial shareholders of the Company.

Mr Adrian Yong is also the cousin of both Ms Joanna Yong Li Yuen and Mr Eric Yong Han Keong, who are the Chairman cum Executive Director and Managing Director of the Company respectively.

Conflict of Interest (including any competing business)

Nil



Board of DIRECTORS



Mr Yeoh Lam Hock, Age 61
Independent Non-Executive Director

Date of Appointment
17 October 2019

Date of Last Re-appointment
21 January 2022

Country of Principal Residence
Singapore

Board's Comment on The Appointment

Not applicable, Mr Yeoh is not subject to re-election.

Job Title

*Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Audit and Nominating Committees*

Professional Qualifications

*Barrister At Law (England & Wales)
LLB (Hons), The University of London
Member of Gray's Inn (London)
Advocate and Solicitor (Singapore)
Commissioner for Oaths*

Working experience and occupation(s) during the past 10 years

1996 to Present:
Managing Director - Cheo Yeoh & Associates LLC

Other principal commitments including directorships

Past (for the last 5 years)
Jobs Capital Pte. Ltd.

Other Principal Commitments (for the last 5 years)

Nil

Present

Cheo Yeoh & Associates LLC

Other Principal Commitments

Managing Director - Cheo Yeoh & Associates LLC

Family Relationships

None

Conflict of Interest

(including any competing business)

Nil



Board of DIRECTORS



Mr Tay Teck Seng Joshua, Age 57
Independent Non-Executive Director

Date of Appointment
21 January 2020

Date of Last Re-appointment
22 January 2021

Country of Principal Residence
Singapore

Board's Comment on The Appointment

The re-election of Mr Tay Teck Seng Joshua as Independent Non-Executive Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Tay's qualifications, expertise and past experiences and overall contribution since he was appointed as Independent Non-Executive Director of the Company.

Job Title

Independent Non-Executive Director
Chairman of Nominating Committee
Member of Audit and Remuneration Committees

Professional Qualifications

Bachelor of Science (Finance), Indiana University

Working experience and occupation(s) during the past 10 years

February 2012 to Present:

Private Investor

June 1996 to February 2012:

Managing Director - JP Morgan Asset Management

Other principal commitments including directorships

Past (for the last 5 years)

Nil

Other Principal Commitments (for the last 5 years)

Nil

Present

Element3 Pte. Ltd.

Other Principal Commitments

Chairman - New Gen Fund

Family Relationships

None

Conflict of Interest

(including any competing business)

Nil



Board of DIRECTORS



Mr Jong Voon Hoo, Age 51
Independent Non-Executive Director

Date of Appointment
15 March 2023

Date of Last Re-appointment
Not Applicable

Country of Principal Residence
Singapore

Board's Comment on The Appointment

The re-election of Mr Jong as Independent Non-Executive Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Jong's qualifications, expertise and past experiences.

Job Title

Independent Non-Executive Director
Chairman of Audit Committee
Member of Remuneration and Nominating Committees

Professional Qualifications

Bachelor of Accountancy degree from Nanyang Technology University
Chartered Accountants of Singapore
Non-practicing member of the Institute of Singapore Chartered Accountants (ISCA)

Working experience and occupation(s) during the past 10 years

October 2015 to present

Chief Executive Officer and Executive Director – Global Invest & Advisory Pte Ltd

October 2004 to August 2015

Chief Financial Officer – Green Build Technology Limited

Other principal commitments including directorships

Past (for the last 5 years)
Sheng Siong Group Ltd
SingAsia Holdings Limited

Other Principal Commitments (for the last 5 years)

Nil

Present

Executive Director, Global Invest & Advisory Pte Ltd
Independent Non-Executive Director, Snack Empire Holdings Limited
Independent Non-Executive Director, Reclaims Global Limited

Other Principal Commitments

Nil

Family Relationships

None

Conflict of Interest (including any competing business)

Nil

The shareholding interest of the Directors are set out in the section "Directors' Statement" of this Annual Report.

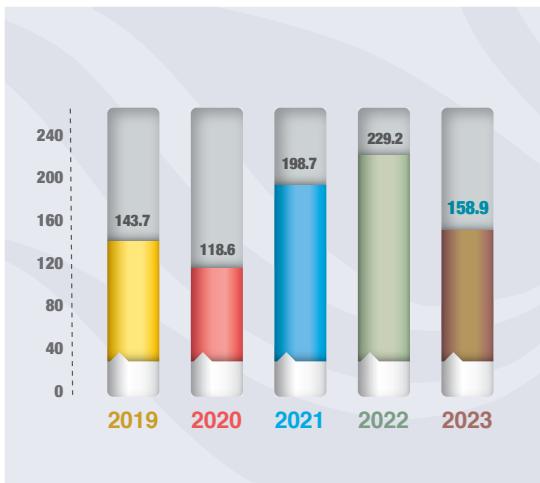
The Group had procured the undertaking in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual (the "Listing Manual") of Singapore Exchange Securities Trading Limited ("SGX-ST") of the Directors.

All the Directors had responded negative to items (a) to (k) listed in Appendix 7.4.1 (Announcement of Appointment) of the Listing Manual.

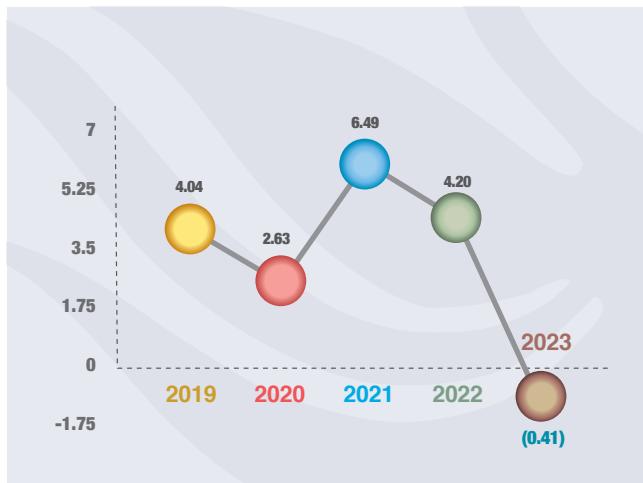


Financial HIGHLIGHTS

Turnover (S\$m)



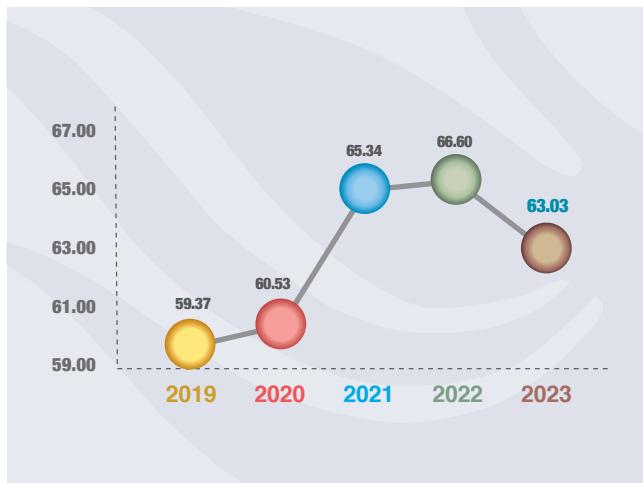
Earnings per share (Diluted - in cents)



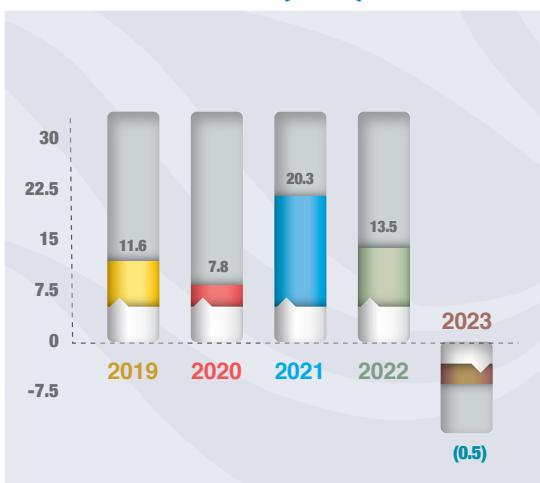
Gross Profit (S\$m)



Net Assets Value per share (in cents)

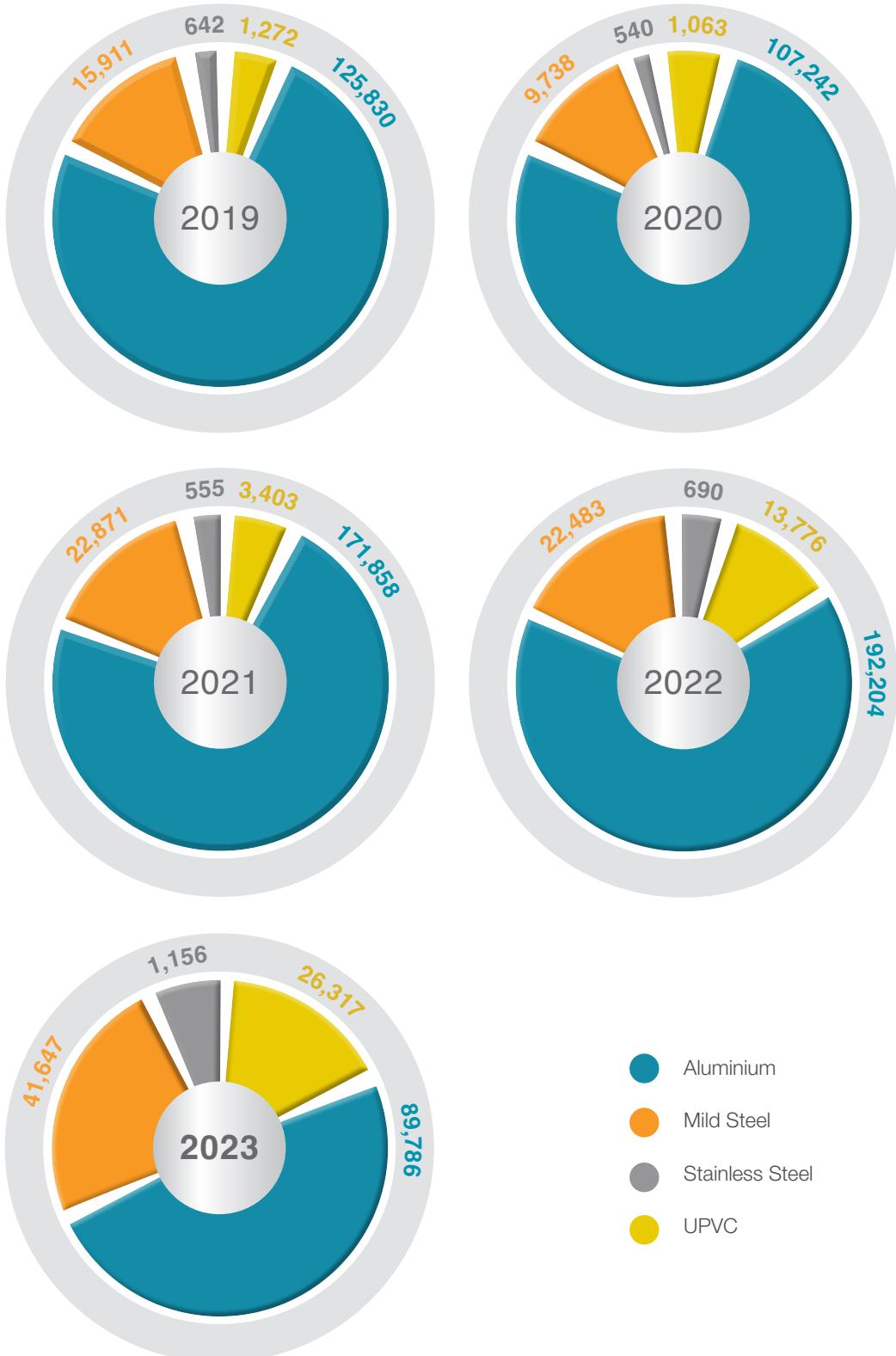


Profit Before Tax (S\$m)



Financial HIGHLIGHTS

Turnover by Activities (S\$'000)

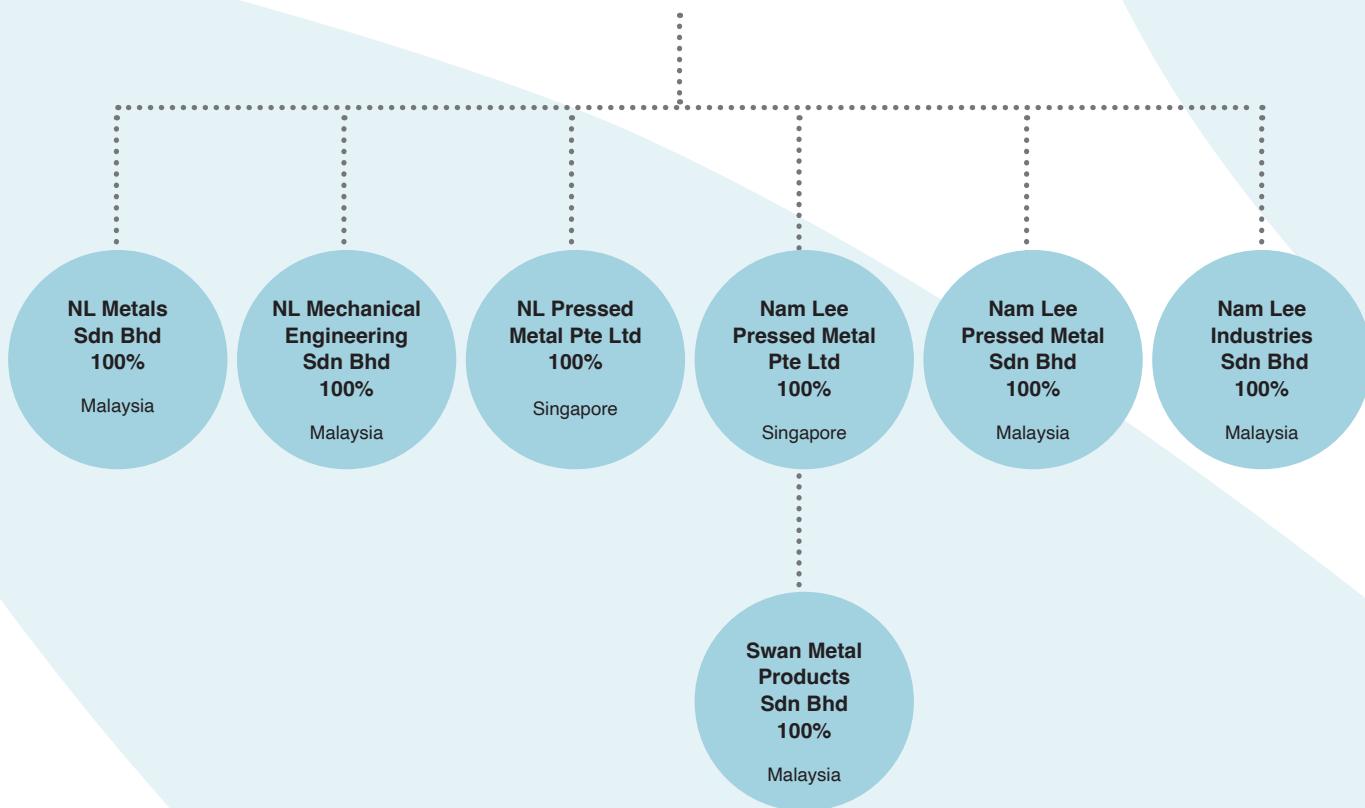




Corporate STRUCTURE



NAM LEE PRESSSED METAL INDUSTRIES LIMITED





Corporate INFORMATION

Directors

Yong Li Yuen, Joanna
Chairman cum Executive Director

Yong Han Keong, Eric
Managing Director

Yong Han Lim, Adrian
Executive Director

Yeoh Lam Hock
Independent Non-Executive Director

Tay Teck Seng Joshua
Independent Non-Executive Director

Jong Voon Hoo
Independent Non-Executive Director

Secretary

Wong Yoen Har

Registered Office

4 Gul Way
Singapore 629192

Auditor

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Ho Shyan Yan
(since financial year ended 30 September 2022)

Principal Bankers

United Overseas Bank Limited
DBS Bank Ltd

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632



Sustainability REPORT

OUR COMPANY AT A GLANCE

Nam Lee Pressed Metal Industries Limited (the “Company” and its subsidiaries, collectively known as “Nam Lee”) was incorporated on 10 March 1975 and has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited since October 1999. Headquartered in Singapore, Nam Lee has subsidiaries in Singapore and Malaysia serving customers in the region.

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

With the many years of experience in the business, its vertically integrated production structure, well-equipped facilities and skilled staff, Nam Lee is able to offer our clients a complete one-stop service from design to fabrication and to installation. These include the manufacture of tooling, jigs and fixtures, metal fabrication, surface coatings and treatments, assembly and the installation of the final products.

Our philosophy and management practice of ensuring quality at every stage of production ensures that quality is never compromised at Nam Lee. Our forward-looking management ensures that Nam Lee remains a competitive player in the market sectors we focus on.

We continually strive to improve our service capabilities in line with various local and international standards, including the following:

Manufacturing and Service Quality – ISO 9001:2015

- Nam Lee has ISO 9001 certification for Quality Management Systems since 2004 and benchmarks performance of our products and service management relative to our peers, identifying best industry practices in our continuing quest for excellence and competitiveness.
- Clear guidelines and regular training are provided to our employees to ensure that our products are manufactured according to required specifications and address our customers’ requirements effectively.

Environmental Management System – ISO 14001:2015

- Nam Lee has in place a formal environmental policy to demonstrate to our stakeholders our commitment and approach to continuous improvement of environmental protection. We have been certified since 2018 and regularly assess system effectiveness both internally and externally to achieve continuous improvement.

Occupational Health and Safety Management System – ISO 45001:2018

- Nam Lee works relentlessly with both employees and outsourced workers to promote health and safety at our manufacturing sites and areas of operations. We cultivate a sense of responsibility for health, safety and well-being throughout our entire Group. We have achieved ISO 45001 certification since 2019 and bizSAFE Level Star certification for our Singapore plant since 2016.

The Singapore Green Label

- Nam Lee’s products (Swan Naturally SNNL Series) have been certified as Environmentally Preferred Flooring under the Singapore Green Labelling Scheme since 2019, which recognises products that have met certain eco-standards. We continue to adhere to international environmental best practices in our manufacturing process.

Sustainability REPORT

ABOUT THE REPORT

This is Nam Lee's sixth sustainability report ("Report") and covers our performance from 1 October 2022 to 30 September 2023 ("FY2023"). This Report covers our operations in Singapore and Malaysia, and has been prepared in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section A: Rules of Mainboard (the "Mainboard Rules") as well as the SGX-ST's Sustainability Reporting Guide. The Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards. The GRI Standards have been referenced for reporting on material topics as it is used internationally as a reporting framework and provides a holistic framework for us to address social, environmental and governance topics.

Nam Lee applies a standardised approach to data collection and analysis across our operations in Singapore and Malaysia.

We have not sought independent external assurance of the data in this report.

We welcome and value our stakeholders' suggestions and feedback. Please address all feedback and suggestions to enquiry@namlee.com.sg.

BOARD STATEMENT

The Board of Directors ("the Board") of Nam Lee Pressed Metal Industries Limited's ("Nam Lee", the "Company", and together with its subsidiaries, the "Group") is pleased to present the sixth sustainability report for the Group's financial year ended 30 September 2023 ("FY2023"). The Board is responsible for the overall direction of the Group's operations and business development while monitoring and reviewing corporate governance practices across all operations.

The Board believes in the importance of sustainability reporting and is responsible for considering sustainability of Environmental, Social and Governance ("ESG") factors as part of its strategic consideration. We have continued to improve on our sustainability performance from the previous reporting period on areas such as health and safety, and we aim to progressively enhance our sustainability strategy while growing our business in the long-term. As the Group does not fall under any of the priority TCFD-identified industries that are prioritised for mandatory disclosure, we will work towards progressively reporting climate-related disclosures consistent with the TCFD recommendations from FY2025 onwards.

The Report seeks to present accurately the practices and performances in our quest to be a sustainable and responsible corporate citizen. The ESG matters in this Report have been reviewed and approved by the Board.

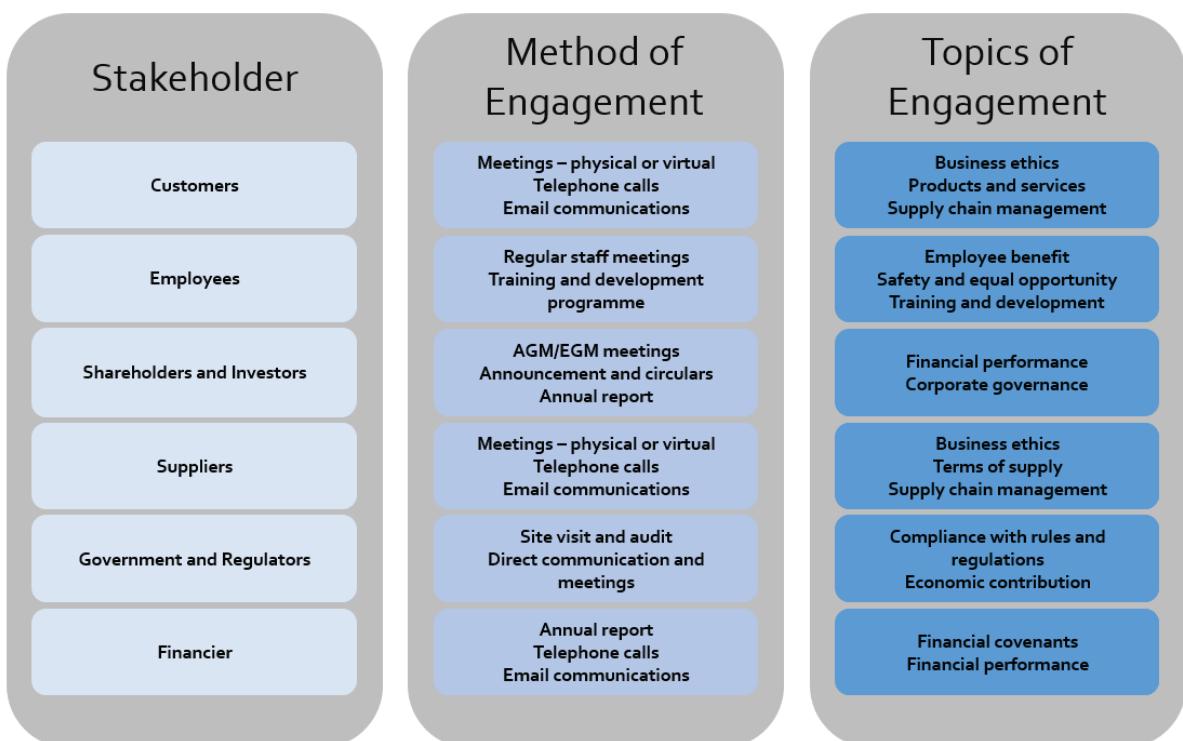


Sustainability REPORT

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

Engaging with stakeholders who are connected with the Group deepens our understanding of the evolving expectations and views about the Company's environmental, social and governance (ESG) matters.

We engage regularly with a range of stakeholders on topics of interest to them through multi-channels as summarized in the chart below. In addition to ongoing dialogue with stakeholders as part of our day-to-day operations, we also evaluate on an annual basis the pertinence of our identification of ESG factors taking into consideration how external and internal situations evolve.



Sustainability REPORT

MATERIALITY ANALYSIS

Nam Lee reviewed the relevance of the various ESG topics first identified in FY2018 based on discussions with our internal and external stakeholders. We refined our materiality matrix with input from senior management, and grouped these topics into three key Sustainability Focus Areas:

1. Governance and Compliance
2. Environmental Stewardship
3. Employee Management

Sustainability Focus Areas	Materiality Topics	Relevant GRI Topic Specific Disclosures
Governance and Compliance	Anti-Corruption	GRI 205-3 Anti-Corruption
	Compliance	GRI 2-27 Compliance with Laws and Regulations
Environmental Stewardship	Waste Management	GRI 306-2, GRI 306-3 Waste
	Energy & Emissions Management	GRI 302-1 Energy GRI 305-1, GRI 305-2, GRI 305-4 Emissions
Our Employees and Partners	Employee Welfare	GRI 401-1, GRI 401-2 Employment GRI 405-1 Diversity & Equal Opportunity
	Employee Development	GRI 404-1 Training & Education
	Occupational Health & Safety	GRI 403-1 to GRI 403-7, 403-9 Occupational Health and Safety

SUSTAINABILITY FOCUS AREAS

Governance and Compliance

To ensure compliance with legal and regulatory requirements and the high standards that Nam Lee sets for itself, Nam Lee adopted internal rules to govern the Company and processes for monitoring compliance with external and internal rules by all business units and functions in the Company.

Dealing in securities

The Company's code of conduct regarding dealings in the securities of the Company by Directors and officers in the Group is based on Listing Rule 1207(19).

The Company issues reminders to all Directors and officers informing them that they are not permitted to deal in the Company's shares during the period commencing one month before the announcement of the Company's half-year financial statements and full-year financial statements, or if they are in possession of unpublished price-sensitive information of the Company.

The Directors and employees are discouraged from dealing in the Company's securities based on short-term considerations.

Directors are required to report to the Company Secretaries whenever they deal in the Company's shares. The Company Secretaries update the Register of Directors' Shareholdings and make timely announcements on SGXNET.



Sustainability REPORT

Anti-Corruption (GRI 205-3)

At Nam Lee, we maintain ethical and governance standards and will not tolerate corrupt practices of any kind in our business operations. Our commitment to prevent corruption is clearly set out in our Company's anti-corruption policies and the Code of Conduct which state that no staff should accept advantages, gifts or entertainment from our business partners, including suppliers and contractors. Our anti-corruption measures are supported by a robust corporate governance framework. Stakeholders can and are encouraged to raise concerns, in confidence, about possible improprieties in financial or other matters.

Our whistleblowing policy with details on the process is published on the Company's corporate webpage for transparent communication to all stakeholders. To increase the efficiency and security of whistleblowing reports, any report sent to the designated whistleblowing email address published in the corporate webpage will be automatically channeled to the independent directors. Procedures have been established for the independent investigation of such reports so that appropriate follow-up actions can be taken.

Performance and Target

In FY2023, we have not received any reports on confirmed incidents of corruption or termination of contracts due to violations related to corruption. In FY2024, we aim to maintain high ethical and governance standards throughout our organisation to ensure zero cases of corruption as well as complaints or reports relating to financial or other substantive matters.

Compliance (GRI 2-27)

Compliance with regulatory requirements remains one of our top priorities. We ensure our business is conducted in accordance with applicable laws in all jurisdictions that we operate in. Nam Lee keeps abreast of changing regulatory standards and requirements and maintains vigilance in managing regulatory requirements associated with operating in different business environments.

Regular environmental, health, and safety (EHS) program self-assessments and internal audits are also carried out to validate our site-level EHS compliance. The audits include in-depth documentation of reviews, interviews with site management and physical inspections related to EHS compliance. Nam Lee's manufacturing sites in Malaysia are certified to ISO 14001:2015 Environmental Management System for fabrication and coating of metal products.

Performance and Target

In FY2023, we have received a fine of \$4,000 relating to a non-compliance with the Workplace Safety and Health Act; this fine was imposed due to the failure to provide an energy isolating device and not having in place a fall prevention system. We have since stepped up our monitoring of health and safety practices on site. In FY2024, we strive to maintain vigilance and ensure full compliance to applicable laws and regulations in areas where we operate.

Training on Sustainability

All Directors of the Company had attended sustainability courses in FY2022 organised by Singapore Institute of Directors or Institute of Singapore Chartered Accountants.

Sustainability REPORT

Environmental Stewardship

Environmental and safety controls needed to protect personnel and the environment are identified and implemented. We recognise the impact our business activities may have on the environment and are committed to minimising this impact through reduction in energy consumption and carbon footprint as well as managing our waste responsibly. Our chemical management program ensures that all chemicals used on-site comply with applicable chemical regulations. We procure chemicals from suppliers who we believe share our views on using a range of ethical products, compliant with regulations. Within our offices, we have in place various initiatives to conserve resources such as energy and water, and we use FSC¹-certified and EU Ecolable² paper for our daily operations.

Waste Management (GRI 306-2, 306-3)

Waste management is an essential part of our day-to-day operations. We practice the waste hierarchy of 3R (reduce, re-use and recycle) to extract the maximum practical benefits from materials and to generate the minimum amount of waste. Nam Lee promotes processes that optimise resource usage and eventual move towards near zero waste processes. Our production facilities segregate the recyclable waste from general waste by placing clearly labelled recycling bins at designated areas to facilitate recycling efforts. Examples of non-hazardous waste that we send for recycling are scrap metals from the production processes. All recyclable scrap metal is collected and resold to waste vendors at least once a year.

Our waste water treatment equipment within the plants treat waste water generated from our production activities. Prior to discharge, the treated waste water is tested to ensure compliance with local discharge standards. Our hazardous waste includes paint sludges and waste metal hydroxide sludge. We engage licensed third party waste management vendors to carry out the safe disposal of all hazardous waste in accordance with local regulations.

Hazardous Waste Generated	FY2021		FY2022		FY2023	
	Location	Singapore	Malaysia	Singapore	Malaysia	Singapore
Waste Type	kg	kg	kg	kg	kg	kg
Commercial and industrial waste		Not reported		Not reported	0	72,800

1 FSC® - A forest certification granted by FSC (the Forest Stewardship Council) for materials or products including paper and pulp, and corrugated cartons that use properly managed forest resources.

2 EU Ecolabel is the official European environmental label for sustainable and more environmentally-friendly products and services.

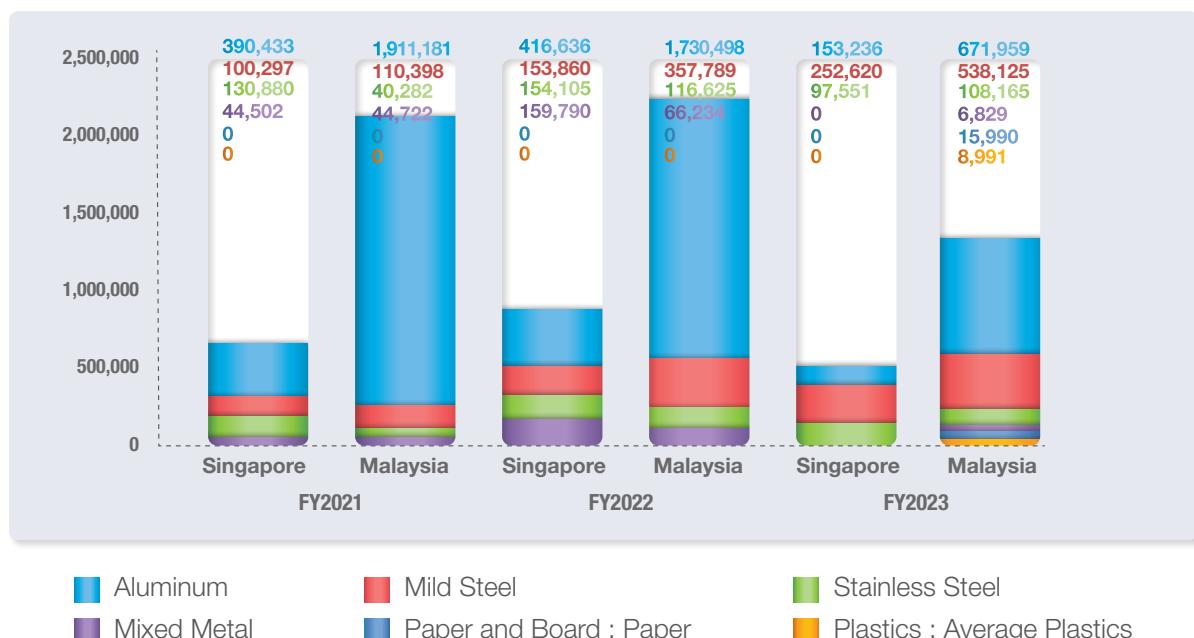


Sustainability REPORT

Performance and Target

A total of 1,853 tonnes of non-hazardous waste was recycled in FY2023 compared to 3,156 tonnes in FY2022. This decrease was due to decline in customer orders. In addition, a total of 73 tonnes of hazardous waste was disposed of and collected by local authorised waste management vendors. We aim to recycle as much of our waste³ as possible in FY2024 to reduce the amount of waste going to landfill or incineration.

Non-Hazardous Waste (kg)



Waste data on Paper and Plastics was only included from FY2023 onwards thus no data was reported in FY2021 and FY2022.

³ The amount of waste generated each year is not proportional to the volume of business. It is also difficult to predict the future projects and therefore product mix, thus we do not have a specific target for waste reduction.

Sustainability REPORT

Energy & Emissions Management (GRI 302-1, 305-1, 305-2, 305-4)

To reduce energy consumption, our offices are installed with electrical appliances which are rated as energy-efficient, such as LED light bulbs. The layouts of our production warehouses are structured to optimise lighting. All employees are reminded frequently to switch off machines and lighting when not in use.

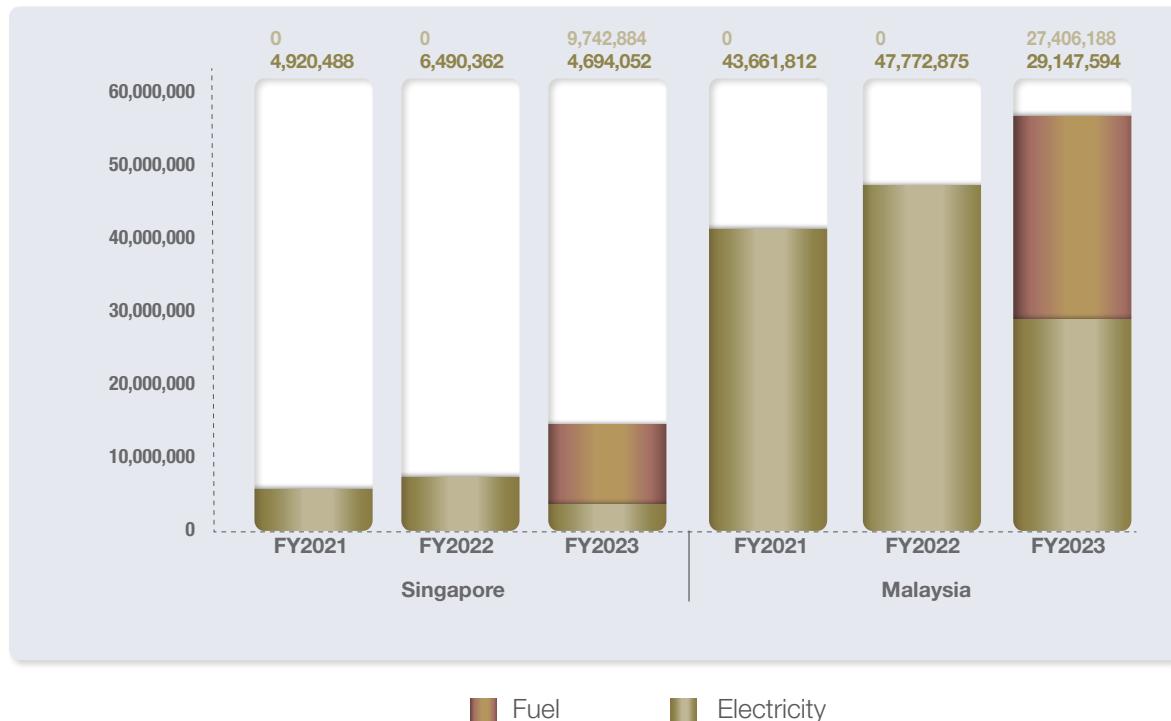
We use fuel for operating machines (e.g. forklift, generator, mobile crane and etc) for manufacturing and construction activities. In addition, Nam Lee transports final products to our clients' premises using our own fleet of vehicles.

Performance and Target

In FY2023, total energy consumption by our Singapore and Malaysia operations was 70,990,718MJ comprising 37,149,072MJ of fuel and 33,841,646MJ of electricity. The overall figure for energy consumption has increased by approximately 30% this year, primarily due to the inclusion of fuel consumption data from both our Singapore and Malaysia operations. However, the energy consumed from electricity consumption has decreased by approximately 38% as a result of decline in demand for reefer containers.

Our overall GHG emission in FY2023 was approximately 8,722 tCO₂e with Scope 1 emissions contributing to 32% of the total emissions. As this is the first year we have included Scope 1 emissions in our reporting, we will continue to track and monitor consumption of energy and emissions from our various sites so that we can identify areas for improvement, test, understand better and implement activities that result in greater efficiency. Our GHG emissions intensity in FY2023 based on revenue is 54.9tCO₂e/SGD million revenue. We plan to monitor our GHG Emissions intensity for the next 2 years to establish a baseline before setting our reduction targets.

Energy Consumed within the Organization (MJ)



Fuel data was reported only from FY2023 onwards thus no data was reported in FY2021 and FY2022.



Sustainability REPORT

Scope 1 & 2 GHG Emissions



Scope 1 emissions was included only from FY2023 onwards thus it was not reported in FY2021 and FY2022.

Emission factors for energy consumption are based on IPCC 2006 Guidelines for National Greenhouse Gas Inventories Energy; grid emission factors for Singapore are sourced from Market Authority (EMA) Electricity Grid Emission Factor (2021) using average operating margin and grid emission factor for Malaysia is sourced from Institute for Global Environmental Strategies (2021) using combined margin (average). List of Grid Emission Factors, version 11.1.

Our Employees and Partners

Employee Management

Employees are our most valuable asset. As our business is labor-intensive, the health, safety and skills of our employees are of predominant importance to us. We aim to provide a comfortable and friendly working environment for all, enabling employees to approach challenges with a sense of purpose, innovativeness in approach, pride in work and achievement, and be appropriately evaluated for their performance.

We are committed to providing an inclusive, safe working environment with equal opportunities for continual development. We embrace diversity in gender, age, race, nationality, values and background and focus on the skills, energy and creativity of a diverse group. Any form of discrimination based on distinguishing characteristics is not tolerated.

Employment (GRI 401-1, 401-2)

Our employees are entitled to health care benefits under the Group's hospitalization insurance plan, including medical care and dental care. Personal Accident Insurance Policy and Workmen Compensation Policies with disability coverage are also provided. Our employees are entitled to various paid leave such as annual, parental, compassionate, marriage and examination leave. Statutory contributions to employees' pension funds are made on a timely basis. In addition to regular reviews of our employment policies and remuneration practices to ensure compliance with updated employment laws, we also adopt industry best practices to provide optimal working conditions for our employees.



Sustainability REPORT

At the end of FY2023, Nam Lee employed a total of 1,165 employees in Singapore and Malaysia. Due to the nature of our work, about 89.7% of our employees are male. About 31% of our workforce comprise of employees aged under 30 years old, 57% of employees are between 30-50 years old while 12% are aged 50 years old and above. The percentage of employees hired (hiring rate⁴) in FY2023 was approximately 22.8% while the percentage of workers who left (turnover rate⁴) during the same period was 20.0%. Compared to FY2022, our hiring rate has increased by 20% as a result of better performance in construction business while our turnover rate has decreased by approximately 28%.

Profile of our employees based on gender and age group

Employees	FY2021		FY2022		FY2023	
	No.	Percentage	No.	Percentage	No.	Percentage
Male	1,429	91.43%	1,006	88.87%	1,045	89.70%
Female	134	8.57%	126	11.13%	120	10.30%
Total	1,563	100.00%	1,132	100.00%	1,165	100.00%
Under 30 years old	588	37.62%	339	29.95%	365	31.33%
30-50 years old	658	42.10%	649	57.33%	656	56.31%
Over 50 years old	317	20.28%	144	12.72%	144	12.36%
Total	1,563	100.00%	1,132	100.00%	1,165	100.00%

Employees age profile data for FY2021 which was previously not reported has been included for completeness.

Employee hiring rate in Singapore (“SG”) & Malaysia (“MY”) by gender and age group

By Gender	FY2021				FY2022				FY2023			
	Singapore		Malaysia		Singapore		Malaysia		Singapore		Malaysia	
	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate
Male	38	10.89%	384	31.63%	111	27.61%	46	6.30%	38	10.05%	196	24.90%
Female	12	3.44%	8	0.66%	28	6.97%	32	4.38%	15	3.97%	17	2.16%
Total	50	14.33%	392	32.29%	139	34.58%	78	10.68%	53	14.02%	213	27.06%

By Age Group	FY2021				FY2022				FY2023			
	Singapore		Malaysia		Singapore		Malaysia		Singapore		Malaysia	
	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate
Under 30 years old	13	3.72%	235	19.36%	40	9.95%	40	5.48%	15	3.97%	134	17.02%
30-50 years old	24	6.89%	156	12.85%	90	22.39%	33	4.52%	27	7.14%	78	9.91%
Over 50 years old	13	3.72%	1	0.08%	9	2.24%	5	0.68%	11	2.91%	1	0.13%
Total	50	14.33%	392	32.29%	139	34.58%	78	10.68%	53	14.02%	213	27.06%

4 Hiring rate and turnover rate are calculated by taking the number of new hires divided by total number of employees in that location.



Sustainability REPORT

Employee turnover rate in Singapore (“SG”) & Malaysia (“MY”) by gender and age group

By Gender	FY2021				FY2022				FY2023			
	Singapore		Malaysia		Singapore		Malaysia		Singapore		Malaysia	
	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate
Male	76	21.78%	90	7.42%	64	15.92%	180	24.66%	66	17.46%	129	16.39%
Female	15	4.30%	5	0.41%	22	5.47%	50	6.85%	11	2.91%	27	3.43%
Total	91	26.08%	95	7.83%	86	21.39%	230	31.51%	77	20.37%	156	19.82%

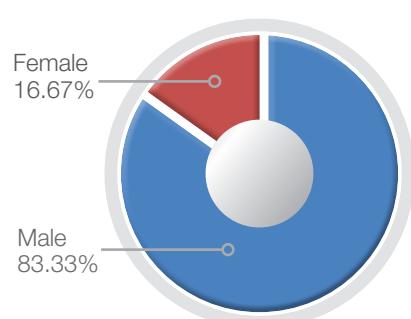
By Age Group	FY2021				FY2022				FY2023			
	Singapore		Malaysia		Singapore		Malaysia		Singapore		Malaysia	
	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate
Under 30 years old	24	6.88%	42	3.46%	15	3.73%	110	15.07%	12	3.17%	60	7.62%
30-50 years old	50	14.33%	49	4.04%	57	14.18%	100	13.70%	44	11.64%	91	11.56%
Over 50 years old	17	4.87%	4	0.33%	14	3.48%	20	2.74%	21	5.56%	5	0.64%
Total	91	26.08%	95	7.83%	86	21.39%	230	31.51%	77	20.37%	156	19.82%

Employee Diversity (GRI 405-1)

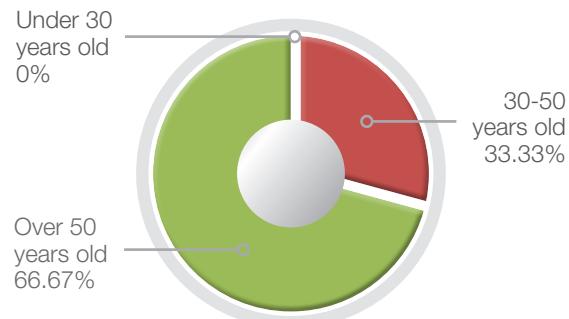
We aspire to build teams with a balanced age structure, diverse educational backgrounds and experience and create a diverse working environment. We recognize that the success of our organisation depends on our ability to foster an environment that promotes diversity and inclusion.

In FY2023, approximately 10.3% of our employees comprised of females. Due to the nature of our business, the majority of our employees are males. At the Board level, 16.67% of our Board members comprise of females.

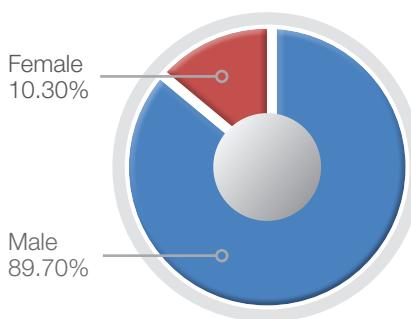
Board of Directors (by Gender)



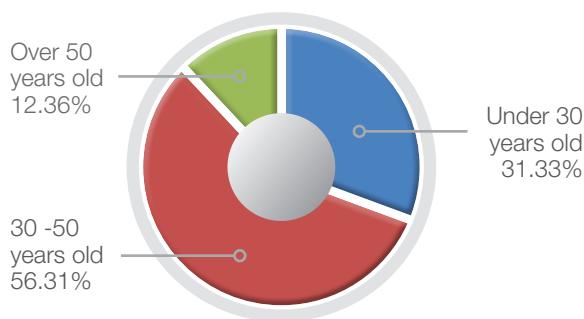
Board of Directors (by Age Group)



Employee (by Gender)



Employee (by Age Group)



Sustainability REPORT

Employee Development (GRI 404-1)

Nam Lee recognises that continual development of employee skills and knowledge is critical to maintaining a competitive, relevant and motivated workforce. Career development and performance management are established to align with corporate objectives. We continue to review and improve our career development and performance review process in a constantly evolving business environment. A variety of relevant training opportunities specific to job requirements is arranged for all employees. Our training programs cater for employees with different job scopes and skills-set requirements. Our core training curriculum and content are developed and guided by well-established industry and international standards.

Performance and Target

In FY2023, in addition to on-the-job training by more experienced staff, employees received an average of about 2.4 hours of training. As part of the company's implementation of ISO 14001 and ISO 45001, our executives and other staff attended training related to these management systems standards. A focus on technical training was provided for our general employees, covering topics such as Safe Chemical Handling Spillage Training, as well as health and safety related training. Finance personnel are trained on Environmental, Social and Governance Essentials and accounting updates. Executive directors attend courses on board and board committee functions and the related regulations.

In light of the changing working environment, we continue to revise our training curriculum and program to align them with our objectives and to strive for effectiveness and efficiency in our training approach. We aim to maintain an average of 2.0 hours of training per employee in FY2024.

Average Training Hours by Employee Category

Employee Category	FY2021	FY2022	FY2023
Management	0.09	0.07	0.08
Executive	0.14	0.30	0.14
Non-Executive	0.13	0.04	0.59
General	1.31	1.28	1.59
Total	1.67	1.69	2.40

Average Training Hours by Gender

Gender	FY2021	FY2022	FY2023
Male	1.54	1.35	2.17
Female	0.13	0.34	0.23
Total	1.67	1.69	2.40

* Average training hours is calculated by taking total training hours in each employee category divided by the total number of employees



Sustainability REPORT

Workplace Health & Safety (GRI 403-1 to 403-7, 403-9)

The safety and well-being of our employees are of paramount importance at Nam Lee. As a result of commitment to workplace safety, Nam Lee successfully attained the bizSAFE Star award and both our Singapore and Malaysia sites have attained certification for ISO 45001 Occupational Health and Safety Management.

We instill stringent workplace safety measures and continuously monitor our performance to identify any gaps that need improvement. A strong culture of workplace safety and well-being promotes higher productivity in the daily work activities of employees. Workplace safety awareness and training are provided to all employees to ensure adherence to adequate safety practices. Employees who engage in higher risk work activities or who operate complex machineries are provided with additional training specific to their tasks. Daily meetings are conducted with employees and outsourced workers to ensure everyone is aware of activities scheduled for that day and to highlight specific health and safety concerns. Workplace health and safety issues are highlighted in the monthly committee meetings with representation from the workers.

Every worker is expected to report incidents or hazardous situations (including near misses) to their immediate supervisors. Management is informed and the cases documented. All cases are thoroughly investigated and the findings are reviewed by management. Root cause analysis is done and corrective measures put in place to avoid future recurrence.

Nam Lee engages both external and in-house safety officers to ensure safety regulations are duly complied with. The external safety officer oversees compliance by Nam Lee with national regulations and safety rules by conducting spot checks within the premises and proposing improvements where necessary. The in-house safety officer, on the other hand, monitors the daily safety measures and continuously seeks ways to create a safer working environment. The in-house safety officer conducts safety orientation briefings to all new employees on topics such as housekeeping rules, proper usage of personal protective equipment, and safe operation of machinery as well as material handling procedures.

Performance and Target

In FY2023, there has been no incidence of occupational disease or work-related fatality. Our safety performance data in FY2023 for our operations in Malaysia and Singapore has shown an improvement compared to FY2022, the Accident Frequency Rate ("AFR⁵") has reduced from 5.12 to 4.04 although we had one case of a high consequence work injury which resulted in the thumb fracture of one of our workers. Corrective actions which we have put in place include the review of safety protocols, conducting of additional training as well as making safety improvements to the work process. We are committed to continually improving our Workplace Health & Safety performance by promoting a positive safety culture across all our operations. We continue to aim for zero incidence of high-consequence work injury or work-related fatality in FY2024.



Sustainability REPORT

Our health and safety performance for Singapore and Malaysia in FY2023 (Employees)

Employees	FY2021		FY2022		FY2023	
	No. of cases	Rate	No. of cases	Rate	No. of cases	Rate
Fatalities as a result of work-related injury	0	0	0	0	0	0
High-consequence work-related injuries (excluding fatalities)	Not reported	Not reported	0	0	1	0.31
Recordable work-related injuries	22	7.39	19	5.12	13	4.04
No of lost days	198		156		242	
Total Man hours	2,976,235		3,714,145		3,216,491	

High consequence work injuries was reported only from FY2022 onwards thus no data was reported in FY2021.

Our health and safety performance for Singapore and Malaysia in FY2023 (Outsourced workers)

Outsourced workers	FY2021		FY2022		FY2023	
	No. of cases	Rate	No. of cases	Rate	No. of cases	Rate
Fatalities as a result of work-related injury	Not reported	Not reported	0	0	0	0
High-consequence work-related injuries (excluding fatalities)	Not reported	Not reported	0	0	0	0
Recordable work-related injuries	Not reported	Not reported	1	0.62	0	0
No of lost days	Not reported		2		0	
Total Man hours	Not reported		1,592,920		955,473	

Data on outsourced workers was reported only from FY2022 onwards thus no data was reported in FY2021.

COMMUNITY ENGAGEMENT

We believe in giving back to society and contributing to the community. In FY2023, Nam Lee has established the Nam Lee Pressed Metal Bursary with Singapore Institute of Technology, contributing S\$15,000 annually over 4 years to enable outstanding students who have financial difficulties to fund part of their studies through the bursary. Three bursaries worth \$5,000 each shall be awarded each year, starting in FY2024.



Sustainability REPORT

GRI CONTENT INDEX

Statement of use	Nam Lee Pressed Metal Industries Limited has reported the information cited in this GRI content index for the period from 1 October 2022 to 30 September 2023 ("FY2023") with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures (2021)	2-27: Compliance with laws and regulations	Page 22
GRI 205: Anti-Corruption (2016)	205-3: Confirmed incidents of corruption and actions taken	Page 22
GRI 306: Waste (2020)	306-2: Management of significant waste-related impacts 306-3: Waste generated	Page 23-24
GRI 302: Energy (2016)	302-1: Energy consumption within the organization	Page 25
GRI 305: Emissions (2016)	305-1: Direct (Scope 1) GHG emissions 305-2: Energy indirect (Scope 2) GHG emissions 305-4: GHG emission intensity	Page 25-26
GRI 401: Employment (2016)	401-1: New employee hires and employee turnover 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 26-28
GRI 405: Diversity & Equal Opportunity (2016)	405-1: Diversity of governance bodies and employees	Page 28
GRI 404: Training & Education (2016)	404-1: Average hours of training per year per employee	Page 29
GRI 403: Occupational Health and Safety (2018)	403-1: Occupational health and safety management system 403-2: Hazard identification, risk assessment, and incident investigation 403-3: Occupational health services 403-4: Worker participation, consultation, and communication on occupational health and safety 403-5: Worker training on occupational health and safety 403-6: Promotion of worker health 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-9: Work-related injuries	Page 30-31

Corporate GOVERNANCE

The Board of Directors of Nam Lee Pressed Metal Industries Limited (the “Board”) and Management are committed to good standards of corporate governance by adopting the principles and implementing the practices recommended in the Code of Corporate Governance 2018 (the “**Code**”) and the rules in the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). This report sets out the Company’s corporate governance practices and activities for financial year ended 30 September 2023 (“**FY2023**”), with reference to the principles and provisions of the Code and the rules in the Listing Manual.

BOARD MATTERS

The Board’s Conduct of Affairs (Principle 1): *The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.*

The Board’s primary role is to protect and enhance long-term value for shareholders and to provide corporate governance for the Company. The principal functions of the Board are to:

- provide entrepreneurial leadership and set the overall strategic directions for the Group;
- ensure that the necessary resources are in place for the Group to meet its objectives;
- supervise the management of the business and affairs of the Group and review the performance of Management;
- establish and maintain a sound risk management framework to effectively manage and monitor risks so as to safeguard the Group’s business and its assets;
- set ethical standards and consider environmental and social factors; and
- ensure transparency and accountability to key stakeholder groups.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interest of the Group. In any situation that involves a conflict of interest with the Group, the Director who faces a conflict of interest recuse himself/herself from discussions and decisions involving the issues of conflict. Each Director is required to declare to the Board any interest in a transaction with the Company or its subsidiaries expected to be \$100,000 or more, as soon as practicable after becoming aware of such interest. On an annual basis, each Director is also required to declare details of his associates who work in the Group for the purpose of monitoring interested persons transactions.

The Board sets out the authorisation and approval limits governing treasury, operating and capital expenditure and investments and divestments as part of the governance and internal control framework. The Board evaluates and approves major investments and funding decisions including share issuance or buyback and dividend distributions and monitors the financial performance of the Group.

The Board relies on the integrity and due diligence of the Directors and key management personnel, external auditors, internal auditors and advisors in discharging their respective responsibilities. The Board sets out clear terms of reference and responsibilities for each of the above parties. The Board recommends the appointment of directors and external auditors and approves the appointments and remuneration of key management personnel, internal auditors and advisors.

To assist the Board in the discharge of its functions, the various Board Committees, namely, the Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) have been constituted with clear written terms of reference and play important roles in ensuring good corporate governance.



Corporate GOVERNANCE

The Directors bring with them considerable experience in the fields of engineering, finance, law and business. They have separate and independent access to Management, and the Company Secretary, whose role includes attending the Board and Board Committees meetings and assisting the Board with procedures and compliance with applicable rules and regulations.

The Directors are aware that they may take independent professional advice at the Company's expense, where necessary, in furtherance of their duties.

Management provides the Directors with periodic updates of significant business activities in the Group, business environment and financial information to enable the Directors to monitor the performance of the Group. Board papers are provided to the Directors before scheduled meetings to enable them to make informed decisions.

Aside from scheduled meetings, ad-hoc meetings are held as and when required to address any significant matter or when circumstances demand. The Constitution of the Company provides for meetings of directors to be held via telephone, electronic or other communication facilities which permit all persons participating in the meeting to communicate with each other simultaneously. The Non-Executive Directors are also encouraged to communicate amongst themselves and with the Company's auditors and legal advisors without the presence of the Executive Directors and Management.

The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

The Directors' attendances at meetings of the Board and the respective Board Committees for the period from 1 October 2022 to 30 September 2023 are disclosed below:

Types of Meetings	AGM	BOARD	AC	NC	RC
No. of Meetings Held	1	3	2	1	1
Names of Directors	No. of Meetings attended				
Yong Li Yuen, Joanna	1	3	N/A	N/A	N/A
Yong Han Keong, Eric ("Mr Eric Yong")	1	3	N/A	1	N/A
Yong Han Lim, Adrian ("Mr Adrian Yong")	1	3	N/A	1	N/A
Yeoh Lam Hock	1	3	2	1	1
Tay Teck Seng Joshua ("Mr Joshua Tay")	1	3	2	1	1
Wong - Yeo Siew Eng*	1	1	1	1	1
Jong Voon Hoo#	0	2	1	0	0

Notes:

* Retired as Director of the Company at Annual General Meeting held on 16 January 2023 and also relinquished as Chairman of AC and Member of NC and RC.

Appointed as Independent Director of the Company, Chairman of AC and Member of NC and RC on 15 March 2023.

The Board is satisfied that the Directors with multiple board representations or other principal commitments, have been able to devote sufficient time and attention to the affairs of the Group to discharge their duties as a Director of the Company adequately and satisfactorily.

A newly-appointed Director receives a letter of appointment explaining his or her duties and obligations as a member of the Board and the terms of reference of each Board Committee. Newly-appointed Directors are given an orientation briefing on the Group's business, operations, financial, governance practices, risk management policies, strategic direction and operation of the Group and are invited to visit the Group's operations and facilities. The Directors receive updates from time to time, particularly on relevant laws and regulations, changing commercial risks and business conditions from the Company's relevant professional advisors. The Directors are encouraged to attend relevant courses, conferences and seminars conducted by professional organisations. The Directors may take independent professional advice and receive training at the Company's expense.

Corporate GOVERNANCE

Any new Director appointed to the Board who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training on his or her roles and responsibilities as prescribed by the SGX-ST, unless the NC is of the view that such training is not required because the Director has other relevant experience.

Mr Jong Voon Hoo, who has prior experience as independent director of some companies which are listed on the SGX-ST, was appointed as Independent Director of the Company on 15 March 2023.

During FY2023, the Company Secretary provided the Board with updates on changes in laws and regulations, including the Companies Act, Rules of the Listing Manual of SGX-ST and the Code of Corporate Governance, which are relevant to the Group. The external auditors regularly update the AC and the Board on the developments in the Singapore Financial Reporting Standards (International) ("SFRS(I)") which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.

Board Composition and Guidance (Principle 2): *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.*

As at the date of this Annual Report, the Board of Directors comprises six Directors made up of three Executive Directors (including the Chairman and Managing Director ("MD")) and three Non-Executive and Independent Directors.

Provisions 2.2 and 2.3 of the Code provide that the Independent Directors are to make up a majority of the Board when the Chairman is not independent and the Non-Executive Directors are to make up a majority of the Board respectively. Although the current composition of the Board deviates from these provisions, the Board is of the view that there is an appropriate level of independence and diversity of thought and background in its composition to enable the Board to make decisions in the best interests of the Company. In particular, the independent Directors chairing the AC, RC and NC have sufficient standing and authority to weigh in on any significant matter if the Chairman or MD fails to resolve the matter. The NC considered the dynamics within the Board and the following matters in deliberating on independence and diversity, and the observation of Principle 2 of the Code.

Listing Rule 210(5)(c) requires the Board to have at least two non-executive Directors who are independent and free of any material business or financial connection with the Company. The Non-Executive and Independent Directors of the Board do not exercise any management functions. The role of the Non-Executive and Independent Directors is to constructively challenge and help Management develop strategies, taking into account the interests of the stakeholders. The Non-Executive and Independent Directors review the performance of Management in meeting agreed goals and objectives and monitor financial performance. The Non-Executive and Independent Directors bring to the Board independent and objective perspective to enable balanced and well-considered decisions to be made. Any potential conflict of interest is taken into consideration. When necessary, the Non-Executive and Independent Directors will meet without the presence of Management.

The NC assesses the independence of each Non-Executive and Independent Director annually bearing in mind the Code's definition of an "Independent Director" is one who is independent in conduct, character, and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company. Under the Listing Manual, a Director will not be deemed independent if he is employed or has been employed by the Company or its related corporations for the current or any of the past three financial years, or if he has an immediate family member who is employed or has been employed by the Company or its related corporations in the current or any of the past three financial years, and whose remuneration is determined by the Company's RC. Each Independent Director is required to complete a Director's independence declaration drawn up based on the guidelines provided in the Code. The independence



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declaration further requires each Independent Director to assess whether he/she considers himself/herself independent despite not being involved in any of the relationships identified in the Code. Thereafter, the NC reviews the completed independence declaration and assesses the independence of the Independent Directors by taking into account examples of relationships as set out in the Code. The NC reports its assessment to the Board. The NC has reviewed and is satisfied as to the independence of all the Independent Directors.

The Board endeavours to achieve the balance and diversity necessary to maximise its effectiveness as part of its Board diversity policy. The NC reviews annually the size of the Board, balance and diversity of skills, knowledge and experience required by the Board. All Directors are professionals in their own fields. Together they bring to the Board multiple skill sets, relevant competencies and attributes to discharge the functions of the Board and Board Committees. The NC also aims to maintain a diversity of expertise, knowledge and experience in the fields of engineering, finance, law and business as attributes among the Directors.

The NC ensures that the size of the Board is conducive to effective discussion and decision-making, and that the Board has an appropriate number of Independent Directors to provide diversity in expertise, knowledge and experience as well as age and gender. Members of the Board include seasoned professionals in engineering, finance, law and business management. One out of six members of the Board is female. The Board believes that its members' different backgrounds, skill sets, experience, age and gender provide a diversity of perspectives which contribute to the quality of its decision-making.

The NC is of the view that the current Board comprises persons who collectively possess the necessary core competencies, and as a group, provide an appropriate level of independence and diversity of skills, experience and knowledge of the Company, and that the current Board size is appropriate, taking into consideration the nature and scope of the Group's operations. The NC will continue to assess independence periodically, bearing in mind Principle 2 of the Code and Provisions 2.2 and 2.3 of the Code in any change in the Board composition when appropriate, as part of the Board's renewal process.

The Independent Directors where the Chairman is not present or has to recuse herself, or Board Committee Chairman (as the case may be), set aside time at each scheduled Board or Board Committee meeting to meet without the presence of Management. The chairman of such meetings provided feedback to the rest of the Board after such meetings, as appropriate.

Chairman and Chief Executive Officer (Principle 3): *There is clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

As recommended by the Code, the Chairman and Chief Executive Officer are separate persons.

The Chairman establishes and promotes compliance with the Group's guidelines on corporate governance and maintains oversight of the Group's performance management and development.

The Chairman ensures that board meetings are held when necessary and sets the board meeting agenda in consultation with Management and the Company Secretary. The Chairman's responsibilities include reviewing board papers together with Management in order that board members are provided with complete, adequate and timely information before board meetings.

The Managing Director is responsible for the operations and management of the Group and oversees the Group's business development and marketing activities.

Provision 3.3 the Code requires the Board to have a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. Although the Board does not have a Lead Independent Director, the Independent Directors make up half of the Board. As such, the Board is satisfied that there is a strong independent element to contribute to effective decision-making in the

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best interests of the Company. The Independent Directors are and continue to be available to shareholders as a channel of communication between shareholders and the Board and/or Management. The Board will appoint a Lead Independent Director as and when deemed appropriate.

Board Membership (Principle 4): *The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

Board Performance (Principle 5): *The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

Nominating Committee

The Company has established a NC to make recommendations to the Board on all board appointments and oversee the Board's and senior Management's succession and leadership development plans.

The NC comprises five members, the majority of whom, including the Chairman, are independent. As at the date of this Report, the composition of the NC is as follows:

Chairman

Mr Joshua Tay – Independent Director

Members

Mr Eric Yong – Managing Director

Mr Yeoh Lam Hock – Independent Director

Mr Jong Voon Hoo – Independent Director[#]

Mr Adrian Yong – Executive Director

[#] Appointed as member on 15 March 2023.

Based on the written terms of reference approved by the Board, the principal functions of the NC are to:

- (i) Review, assess and recommend to the Board the appointment and retirement by rotation of Directors in accordance with the Constitution of the Company. Every Director, including the MD, is subject to re-election once in every three years. Also, all newly-appointed Directors during the year will hold office until the next AGM and will be eligible for re-election. Such Directors are not taken into account in determining the number of Directors who are to retire by rotation.
- (ii) Review and assess candidates for directorship before making recommendation to the Board, taking into consideration the balance and diversity of the skills, knowledge and experience required and the current size and composition of the Board which would facilitate decision-making.
- (iii) Determine the independence / non-independence of Directors and review annually the independence of each Director.
- (iv) Review and decide if a Director who serves multiple boards is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.



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- (v) Propose objective performance criteria to assess effectiveness of the Board and Board Committees and evaluate their effectiveness.
- (vi) Review training and professional development programmes for the Board.
- (vii) Review board succession plans for the Directors, in particular, the Chairman and MD.

The NC meets at least once a year, and as warranted by circumstances, to discharge its functions. In FY2023, one NC meeting was held.

The Board has adopted internal guidelines to address competing time commitments faced by the Directors who serve on multiple Boards. As a guide, Directors should not have more than six listed company board representations. All the Directors have complied with this guideline. The Board meetings for each year are scheduled in advance in the preceding year to facilitate the Directors' individual administrative arrangements in respect of competing commitments.

Key information regarding the Directors, such as listed company directorships and principal commitments, is set out in the section "Board of Directors" of this Annual Report. Information on the Directors' shareholdings in the Company and its related corporations is set out in the section "Report of Directors' Statement" of this Annual Report.

The NC evaluates the Board to assess the effectiveness of the Board. The NC, in the re-nomination of Directors, takes into consideration the Directors' attendance at meetings held during the year and the respective contributions made by each Director. Each Director has given sufficient time to the affairs of the Company and has been able to discharge his duties as Director effectively.

The NC does not encourage the appointment of alternate Directors and none of the Directors has an alternate Director. There is no alternate director appointed by any Director in FY2023.

The NC reviews succession plans for the Directors and in particular, the Chairman and MD. The NC also reviews annually the balance and diversity of skills, knowledge and experience of the Board and the size of the Board which would facilitate decision-making. All appointments to the Board are made on merit and measured against objective criteria. In identifying and evaluating nominees for appointment as Directors, the NC will evaluate the skills, knowledge and experience as well as any other attributes of the potential candidates and in consultation with Management, determine the role and the desirable competencies for a particular appointment. Recommendations from the Directors, Management and external search consultants are the sources for potential candidates. Where the need to appoint a new Director arises, the NC will review the composition and range of knowledge, expertise, skills and attributes of the Board and Board committees. The NC identifies the Company's needs with the appropriate profile for nomination before management's sourcing for candidates through a network of contacts. The NC will conduct interviews with the short-listed candidates to assess their suitability and verify that candidates are aware of the expectations and level of commitment required. Finally, the NC will make a recommendation on the appointment to the Board for approval.

When reviewing a nomination for a proposed Board appointment or re-appointment of Directors and Board committee members, NC will review and determine the candidate's or the Director's independence, whether the candidate or the Director fulfils and fit the needs of the Board, candidate's and Director's honesty, integrity, reputation, competence, capability and financial soundness.

The NC is responsible for reviewing the re-nomination and retirement of Directors who retire by rotation. The NC considers each Director's contribution and performance such as attendance, preparedness, participation and ability to think independently for recommendation to the Board. Pursuant to the Company's Constitution, one-third of the Directors or, if their number is not a multiple of three, the number nearest to one-third, shall retire from office by rotation and be subject to re-election at the Company's AGM.



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There is no Independent Director who has served beyond nine years since the date of his/her first appointment.

At the forthcoming AGM, Mr Tay Teck Seng Joshua and Ms Yong Li Yuen Joanna will retire under Article 94 of the Company's Constitution. Mr Jong Voon Hoo will retire under Article 100 of the Company's Constitution.

Mr Tay Teck Seng Joshua, Ms Yong Li Yuen Joanna and Mr Jong Voon Hoo have signified their consents to continue in office and offered themselves for re-elections.

Upon assessing the performance and contributions to the Board, the NC recommended Mr Tay Teck Seng Joshua, Ms Yong Li Yuen Joanna and Mr Jong Voon Hoo for re-appointments to the Board and the Board has accepted the NC's recommendations to put forth Mr Tay Teck Seng Joshua, Ms Yong Li Yuen Joanna and Mr Jong Voon Hoo for re-elections at the forthcoming AGM.

No member of the NC participated in deliberations or decisions on recommendations for his own re-nomination to the Board.

The Company has established a review process to evaluate the performance of the Board as a whole, the Board Committees and individual Directors annually. This process includes a performance evaluation form with questions designed to assess the performance of the Board and its Board committees and enhance the overall effectiveness of Directors. The Board and Board committees' performance will be evaluated by each Director. Each Director is required to complete performance evaluation forms for the Board, Board Committees and individual Directors, designed to seek their views on the various aspects of the Board, Board Committees and individual Director's performance so as to assess the overall effectiveness of the Board, Board Committees and individual Directors and performance.

The assessment parameters include, among others, the Board and Board Committees size and composition, board independence, board processes, board information and accountability, attendance at meetings of the Board and the Board Committees, contributions and participation at meetings and ability to make informed decisions.

The evaluation forms are submitted to the Company Secretary for collation and the consolidated responses are presented to the NC. The NC discusses the report and concludes on the performance of the Board, Board Committees, and individual Directors. In consultation with the NC, the Chairman of the NC will act on the results of the performance evaluations with the objective of ensuring the effectiveness of the Board as a whole.

The NC has reviewed the performance of the Board, Board Committees and Individual Directors for FY2023. No external facilitator was used in the process in FY2023.

Based on the completed assessment forms submitted by the Directors and in consultation with the NC, the Board is of the view that the Board, the Board Committees, and each of the Directors have performed their roles based on objective evaluation criteria and have contributed to the overall effectiveness of the Board. No external facilitator was involved in the performance evaluation process in FY2023.

The Directors keep updated from time to time, particularly on relevant laws and regulations, changing commercial risks and business conditions. The Directors are encouraged to attend appropriate or relevant courses, conferences and seminars conducted by professional organisations. The Directors may take independent professional advice and receive training at the Company's expense.

The Directors had attended the courses namely, implement incident management processes, corporate tax planning, operational risk management, corporate treasury management & strategies in volatile market conditions, ethical and legal considerations in tax avoidance, evasion and fraud, ethical dilemmas in business and finance in FY2023.



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Board Diversity

The Company has in place the Board Diversity Policy with a view to achieving a sustainable and balanced development as the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition and selection of new Board members, the Board strive to ensure that:

- (a) All candidates are included for consideration during the search for new appointments to the Board regardless of gender, age, nationalities or ethnicity;
- (b) There is an appropriate mix of gender representation on the Board, taking into account the skills and experience the candidates can contribute; and
- (c) External search consultants when looking for suitable candidates for appointment to the Board will be specifically directed to include diverse candidates and women candidates in particular.

In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board remains committed to implementing the Board Diversity Policy and continuing searching for member who has technology expertise and experiences that can assist the Group on new business segments and requirements.

The NC will strive to ensure that:

- Female candidates are fielded for consideration for Board appointments;
- External search consultants, engaged to search for candidates for Board appointments, are required to present female candidates; and
- At least one female Director be appointed to the NC.

Currently, the Company has one female director in the Board who has possessed finance and accounting qualifications.

However, diversity is not merely limited to gender or any other personal attributes. The benefits of Board diversity could only be harnessed if Directors adopt an independent mindset when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Chairman and Independent Directors strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision making.

The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board.



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The NC has classified into the following core competencies, skills, experiences and knowledge of Directors for FY2023:

Balance and Diversity of the Board	Number of Directors in FY2023	Proportion of Board members of 6
Core Competencies		
Accounting and finance related	3	50%
Business and management experience	4	67%
Legal and Regulatory	1	17%
Relevant industry knowledge	3	50%
Strategic planning experience	5	83%
Customer-based and marketing	3	50%
Human Resource Management	2	33%
Gender		
Male	5	83%
Female	1	17%
Age Group		
41 - 50	2	33%
51 - 60	4	67%
Independence		
Independent directors	3	50%
Non-Independent directors	3	50%
Directors' Citizenship		
Singapore Citizen	6	100%

The current Board composition reflects the Company's commitment to Board diversity. The NC is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each director has been appointed on the strength of his/her calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.



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The Company strives to achieve the following Board Diversity Targets:

Targets	Achievements of Targets
(1) The majority of the Board members are to be independent.	<p>As at 30 September 2023, the Board of Directors comprises of six members of which three of them are Non-Executive Independent Directors.</p> <p>With half of the Board members are independent directors, the NC will continue to assess if there is a need to appoint an additional independent director to the Board.</p>
(2) To bring in more female representation on the Board by 2028.	<p>As at 30 September 2023, the Company has 17% female representation on its Board.</p> <p>The NC will continue to assess if there is a need to have more representation of female director on the Board.</p> <p>Female candidates will be fielded for consideration for Board appointments.</p>
(3) Achieving a balance of skill set on the Board to achieve the Company's strategic objectives.	<p>The broad categories in the skill matrix are (i) industry knowledge; (ii) business and related; (iii) strategic planning; and (iv) professional skills (eg. accounting & finance and legal & regulatory etc).</p> <p>The NC and the Board had reviewed the skill matrix and are satisfied that the current Board members have the appropriate skill set to lead and govern the Group effectively.</p>

The NC ensures that the size of the Board is conducive to effective discussion and decision-making, and that the Board has an appropriate number of Independent Directors to provide diversity in expertise, knowledge and experience as well as age and gender. Members of the Board include seasoned professionals in engineering, finance and business management. The Board believes that its members' different backgrounds, skill sets, experience, age and gender provide a diversity of perspectives which contribute to the quality of its decision-making.

The NC is of the view that the current Board comprises persons who collectively possess the necessary core competencies, and as a group, provide an appropriate level of independence and diversity of skills, experience and knowledge of the Company, and that the current Board size is appropriate, taking into consideration the nature and scope of the Group's operations.

The NC will also continue to assess independence, bearing in mind Principle 2 of the Code and Provisions 2.2 and 2.3 of the Code, in any change in the Board composition when appropriate, as part of the Board's renewal process. The NC believes that there is an appropriate balance of industry knowledge, skills, background, experience, professional qualifications and age on the Board, and is satisfied that the objectives of the Board Diversity Policy continue to be met.

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REMUNERATION MATTERS

Procedure for Developing Remuneration Policies (Principle 6): *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

Level and Mix of remuneration (Principle 7): *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.*

Remuneration Committee

As at the date of this Report, the RC comprises three members. To minimise the risk of any potential conflict of interest, all RC members are non-executive and independent, and they are:

Chairman

Mr Yeoh Lam Hock – Independent Director

Members

Mr Joshua Tay – Independent Director

Mr Jong Voon Hoo – Independent Director[#]

[#] Appointed as member on 15 March 2023.

Based on the written terms of reference approved by the Board, the principal functions of the RC are to:

- (i) Review and recommend a framework of remuneration for the Executive Directors and key management personnel (covering all aspects of remuneration, including but not limited to salaries, performance-based remuneration and benefits in kind) for the Board's approval.
- (ii) Review the remuneration packages of the Executive Directors and key management personnel.
- (iii) Review and recommend to the Board the setting up of share option schemes or long-term incentive schemes.
- (iv) Review the Non-Executive and Independent Directors' remuneration in the form of Directors' fees, having regard to the level of contribution, effort and time spent, and responsibilities of the directors. Non-Executive and Independent Directors' fees are fixed and subject to shareholders' approval at the AGM.
- (v) Review the Company's obligations arising in the event of termination of the Executive Directors' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The Group's remuneration policy is to provide competitive remuneration packages to reward, retain and motivate high levels of performance of the Executive Directors and key management personnel with a view to providing good stewardship of the Group in the long term. In determining remuneration packages for employees including the Executive Directors and key management personnel, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual. Remuneration packages are also structured so as to be aligned with the interests of shareholders and stakeholders, and to promote long-term success of the Group.



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The Company advocates performance-based remuneration which is flexible and responsive to the market, Company's, business unit's and individual employee's performance. During the year, no long-term incentive was paid to the Directors and senior Management. The RC ensures that the Directors are adequately but not excessively remunerated. While none of the members of the RC specialises in the area of executive compensation, all members of the RC are knowledgeable in executive compensation matters gained through their industry experience or through courses organised by the Singapore Institute of Directors. Where appropriate, the RC may also consult or recommend engaging the services of external consultants who are specialists in this field.

The RC considers all aspects of remuneration payable to the Executive Directors and key management personnel, including termination terms, to ensure they are fair. There are no termination or retirement benefits that are to be contractually granted to the Directors and key management personnel of the Group.

The RC meets at least once a year, and as warranted by circumstances, to discharge its functions. In FY2023, one RC meeting was held.

The members of the RC do not participate in any decision-making concerning their own remuneration or fees.

Where necessary, the RC can seek external professional advice on the remuneration matters of the Directors and key management personnel.

The Non-Executive and Independent Directors have no service contracts. They receive directors' fees for their services. These directors' fees are determined in accordance with a remuneration framework comprising basic fees and committee fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent, responsibilities of the Non-Executive and Independent Directors, and the need to be competitive in order to attract, motivate and retain these Directors are taken into account. Comparisons are made periodically against directors' fees of other listed companies with similar market capitalisation as the Company to ensure that the directors' fees are within market norms and commensurate with responsibilities of the Non-Executive and Independent Directors. No Director is involved in deciding his own remuneration package. Directors' fees will be tabled for shareholder approval at the forthcoming AGM and will only be paid upon approval by shareholders at the AGM. These measures serve to ensure that the independence of the Non-Executive Directors is not compromised by their compensation.

Disclosure on Remuneration (Principle 8): *The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

- A. The Executive Directors, namely Ms Joanna Yong, Mr Eric Yong and Mr Adrian Yong, and each of the three Advisors, namely Mr Yong Koon Chin, Mr Yong Kin Sen and Mr Yong Poon Miew who are respectively the father of Ms Joanna Yong, Mr Eric Yong and Mr Adrian Yong have each entered into fresh service contracts with the Company during FY2021. The service contracts of the Advisors are each for a period of three years from the respective date of transition from Executive Director to Advisor. This is consistent with a three-year succession plan that was conceived with the assistance of an external remuneration consultant and approved by the Board in May 2019. Mr Yong Koon Chin, Mr Yong Kin Sen and Mr Yong Poon Miew had ceased as Advisors of the Group in FY2023.

Other than the remuneration packages disclosed in the table below, the Executive Directors currently do not enjoy any other incentives.

- B. The Company's success depends to a significant extent upon the Directors, Advisors and Management. The loss of service of one or more of these key employees could have a material adverse effect on the Company. In view of this and in the best interest of the Company, the Company is not disclosing the exact remuneration of the Directors and Advisors or the link between performance and remuneration paid to the Directors, Advisors and key management personnel. The Board is of the view that the information disclosed is sufficient for shareholders to have adequate understanding of the remuneration for the Executive Directors, Advisors and key management personnel.



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C. During the year, there were no termination, retirement and post-employment benefit and share options granted to employees. The following table shows a breakdown (in percentage terms) of the components of remuneration of the Advisors, Executive Directors and key management personnel during the year and their total remuneration within broad bands. The total remuneration for the three Advisors in FY2023 was S\$588,000. The Advisors of the Group had ceased before the year ended 30 September 2023. The total remuneration of the Executive Directors and key management personnel in FY2023 were S\$869,000 and S\$946,000 respectively.

Remuneration Bands	Salary	Profit Sharing	Bonus	Directors' Fees	Others	Total Compensation
	%	%	%	%	%	%
Advisors						
S\$200,000 - S\$299,999						
Mr Yong Koon Chin^	91	–	–	–	9	100
Mr Yong Poon Miew^^	91	–	–	–	9	100
Below S\$100,000						
Mr Yong Kin Sen^{^^}	77	–	–	–	23	100
Executive Directors						
S\$400,000 - S\$499,999						
Mr Eric Yong	100	–	–	–	–	100
Below S\$250,000						
Ms Joanna Yong	100	–	–	–	–	100
Mr Adrian Yong	100	–	–	–	–	100
Independent Non-Executive Directors						
Below S\$250,000						
Mr Yeoh Lam Hock	–	–	–	100	–	100
Mr Joshua Tay	–	–	–	100	–	100
Mrs Wong - Yeo Siew Eng*	–	–	–	100	–	100
Mr Jong Voon Hoo#	–	–	–	100	–	100
Key Management Personnel						
S\$300,000 - S\$399,999						
Mr Lim Hock Leong	94	–	–	–	6	100
Below S\$250,000						
Ms Christine Phua	86	–	14	–	–	100
Mr Tan Bee Kin	93	–	7	–	–	100
Mr Qin Tao	93	–	7	–	–	100
Mr Loh Chee Boon	93	–	7	–	–	100

Notes:

^ Retired as Advisor on 3 November 2023

^^ Retired as Advisor on 22 August 2023

^{^^} Retired as Advisor on 23 March 2023

* Retired as Director of the Company at Annual General Meeting held on 16 January 2023 and also relinquished as Chairman of AC and Member of NC and RC.

Appointed as Independent Director of the Company, Chairman of AC and Member of NC and RC on 15 March 2023.



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- D. Except as disclosed in the table below, there is no employee of the Group who is an immediate family member of a Director and whose remuneration exceeded S\$100,000 during the financial year ended 30 September 2023.

Remuneration Bands	Relationship
S\$200,000 - S\$299,999	
Mr Yong Koon Chin (Father of Ms Joanna Yong)	Substantial Shareholder of the Company and Advisor
Mr Yong Poon Miew (Father of Mr Adrian Yong)	Substantial Shareholder of the Company and Advisor

In view of the competitive reasons and confidentiality, the Company is of the view that its practices of disclosing the remuneration of directors and key management personnel in bands are consistent with the intent of provision 8 of the Code, taking into account the strategic objectives of the Company pursuant to Principle 8 of the Code.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls (Principle 9): *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.*

The Board has overall responsibility for the governance of risk. Together with Management, the Board is committed to maintaining sound risk management and internal control systems to safeguard shareholders' interests and the Group's assets.

The Board sets out the matters that require its approval, and ensures that Management's design, implementation and monitoring of risk management and internal control systems are adequate.

No separate board risk committee is established as the AC assists the Board in overseeing the Company's risk management framework and policies. Further information is set out in the following section "**Audit Committee (Principle 10)**".

The AC appointed RSM Risk Advisory Pte Ltd ("RSM"), a chartered accounting firm to assist with the internal audit function and to monitor compliance with risk management framework. The audit plan of the internal auditors is subject to approval by the AC. The internal auditors report their findings and any recommendation for improvement to the AC. The relevant department follows up on any recommendation for improvement and progress is reviewed by RSM and the Board. RSM adopts the Standards of Professional Practice of Internal Auditing set by the Institute on Internal Auditors in performing their audits. The Group's external auditor, Ernst & Young LLP, contributes an independent assessment of the internal controls which are relevant for producing reliable financial statements. They present their audit plans for approval by the AC and report the results of the audit to the AC. The Board and AC have separate, independent and regular access to the internal and external auditors.

The Board, with the assistance of the AC, reviews the Group's internal control processes and risk management practices to ensure that they remain sound and relevant. The Board strives to maintain good internal control standards to allow the Group to effectively manage risks while pursuing its business objectives efficiently. Key areas of internal control include the safeguarding of assets, maintenance of proper accounting records which provides reliable financial information, compliance with appropriate legislation, regulation and best practices and the identification and containment of business risks.



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Annually, the Board, with assistance from the AC reviews the results of audits performed by the internal and external auditors and evaluates the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls.

The Company has a whistleblowing policy in place which sets out the procedures for a whistleblower to make a report to the whistle-blowing committee on misconduct or wrongdoing relating to the Company and its employees and clearly communicates to employees the existence of such policy.

The Company will treat all information received confidentially and protect the identity of all whistle-blowers. It is also committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistle-blowing in good faith.

To facilitate independent investigation of such matters and appropriate follow up actions, all whistleblowing reports are directed to the whistle-blowing committee via a dedicated email address whistleblowing@namlee.com.sg.

The AC is responsible for oversight and monitoring of whistle-blowing. The AC also has power to conduct or authorise investigations into any matter within the AC's scope of responsibility. Depending on the nature of the concern raised or information provided, the investigation may be conducted involving one or more of these persons or entities:

- The investigation panel directed by the AC;
- The internal or external auditors; and/or
- Forensic professionals.

The internal control systems and risk management of the Company are designed to provide reasonable, but not absolute, assurance that the Company will not be adversely affected by events that can be reasonably foreseen. The Board notes the system of internal control maintained by Management provides reasonable, but not absolute, assurance against material financial misstatements or loss, particularly if collusion with third parties is involved. However, the system of internal controls, monitoring through audits and whistleblowing mechanism in aggregate are intended to manage risks by practical means.

The Board has received assurance from the MD and Financial Controller that, as at 30 September 2023, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and financial position, and the Group's risk management and internal control systems are adequate and effective in all material aspects.

The Board has also received assurance from key management personnel, that there were no significant internal control issues or incidents to be brought to the AC's or the Board's attention in respect of the Group's effectiveness in terms of the risk management; and internal control systems addressing financial, operational and compliance risks and information technology are adequate and the Company's and the Group's risk management and internal control systems including financial, operational, compliance and information technology controls are adequate and effective.

For the financial year under review, both the Board and the AC have not identified any material weaknesses in the internal controls of the Group.



Corporate GOVERNANCE

Based on the framework established and the processes above, the Board, with the concurrence of the AC, is of the opinion that the internal controls and risk management systems of the Group were adequate and effective as at 30 September 2023 to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

Audit Committee (Principle 10): *The Board has an Audit Committee (“AC”) which discharge its duties objectively.*

As at the date of this Report, the AC comprises the following three members, all of whom are non-executive and independent:

Chairman

Mr Jong Voon Hoo – Independent Director[#]

Members

Mr Yeoh Lam Hock – Independent Director

Mr Joshua Tay – Independent Director

Notes:

[#] Appointed as Chairman on 15 March 2023.

Two of the AC members have relevant accounting or related financial management expertise and experience. The Chairman of the AC is a qualified chartered accountant. The Board is of the opinion that the members of the AC have sufficient expertise and experience to discharge their duties.

None of the AC members is a former partner or director of the Company's existing auditing firm, Ernst & Young LLP, within the previous two years or has any financial interest in the firm.

Based on the written terms of reference approved by the Board, the AC has performed the following functions and duties:

- (i) Reviewed with the external auditors, their audit plans, scope and results of the external audit, and the independence and objectivity of the external auditors;
- (ii) Reviewed with the internal auditors, their audit plans, scope and evaluation of the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems and assessed their independence and objectivity;
- (iii) Evaluated the adequacy and effectiveness of the Group's internal controls and risk management systems;
- (iv) Reviewed the assurance from the Managing Director and the Financial Controller on the financial records and financial statement.
- (v) Reviewed the half-yearly and full year financial statements including announcements to shareholders and the SGX-ST prior to submission to the Board;
- (vi) Recommended to the Board for proposal to shareholders, the re-appointment of the external auditors, their remuneration and terms of engagement;
- (vii) Reviewed interested person transactions in accordance with the requirements of the Listing Manual;



Corporate GOVERNANCE

- (viii) Reviewed the assistance given by Management to the Company's internal and external auditors; and
- (ix) Reviewed the policy under which employees and third parties may in confidence, raise concerns about possible improprieties in financial reporting or other matters and ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up actions.

The AC has full discretion to investigate any matter within its terms of reference and may commission any investigation into matters involving suspected fraud or irregularity of internal controls or infringement of law, rule or regulation which has or is likely to have a material impact on the Company's operating results or financial position. The AC has full access to internal and external auditors and co-operation from Management, full discretion to invite any Director or senior Management executive to attend its meetings and reasonable resources (including access to external consultants) to enable it to discharge its functions properly.

Both internal and external auditors submit their plans to the AC for approval and report their findings and recommendations to the AC independently. The external and internal auditors have unrestricted access to the AC, including the routine meeting with the AC without the presence of management to discuss matters relating to the audits. The AC had met with the internal and external auditors without the presence of Management in FY2023.

The Company has complied with Listing Rules 712 and 715 of the Listing Manual on the appointment of audit firms for the Company and entities in the Group, except for a foreign incorporated subsidiary which is not material to the Group.

The AC met with Management and the external auditors to review auditing and risk management matters and discuss accounting implications of any significant transaction or non-routine matters. The external auditors present to Management and the Board, changes in financial reporting standards, Listing Manual and other regulations which may be relevant to the Group.

In the review of the financial statements, the AC reviewed the Key Audit Matters and concurred with the External Auditor, Ernst & Young LLP and Management on their assessment, judgements and estimates on the significant matters reported by Ernst & Young LLP as set out in the Independent Auditor's Report included in this Annual Report.

The AC, having reviewed the non-audit services provided to the Company by the external auditors, is satisfied that the nature and extent of such services will not impair the independence and objectivity of the external auditors.

The aggregate amount of audit fees paid to the external auditors and a breakdown of the fees for audit and non-audit services are disclosed in Note 5 to the Financial Statements in this Annual Report. During the financial year, non-audit fees incurred amounted to \$114,000 compared with total audit fees of \$240,000. Non-audit services relate to tax compliance services amounting to \$56,000 and transfer pricing documentation services amounting to \$58,000. These fees are for services by both Ernst & Young LLP and other member firms of Ernst & Young Global (collectively "EY"). As EY are the tax agents for the group with knowledge of the tax matters of the group, it is in the interest of the group to appoint EY for transfer pricing reviews.

EY presented to the AC, its safeguards in place to ensure audit independence, comprising quality control by an engagement quality reviewer and firm-wide safeguards as required by the Code of Professional Conduct and Ethics.

The AC has recommended to the Board of Directors that the external auditors, Ernst & Young LLP, be nominated for re-appointment as auditors at the forthcoming AGM.



Corporate GOVERNANCE

The internal audit function is outsourced to RSM Risk Advisory Pte Ltd. The internal auditors have adopted the Standards of Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditors have unrestricted access to all the Company's documents, records, properties and personnel, including access to the AC.

The internal audit plan is approved by the AC. The AC approves the hiring, removal, evaluation and compensation of the internal auditors.

The AC reviews the adequacy and effectiveness of the internal audit function annually and is satisfied that the internal audit function is independent, effective and adequately resourced.

The Company is committed to a high standard of corporate governance. In line with this commitment, the Whistleblowing Policy aims to (a) provide a trusted avenue for employees, vendors, customers and other stakeholders to report wrongdoings or concerns, particularly in relation to fraud, governance or ethics, without fear of reprisals when whistleblowing in good faith; and (b) ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken.

The policy which is accessible by the employees, aims to foster a workplace conducive to open communication regarding the Company's business practices and to protect the employees from unlawful retaliation and discrimination for the proper disclosing or reporting of illegal or unethical conduct in good faith.

Complaints or suspicions of impropriety can be made by employees and other stakeholders to a dedicated email address automated for transmission to all the Non-Executive and Independent Directors. The email address is published on the Company's website. Anonymous complaints may be looked into, taking into account factors such as seriousness of the issues raised, the credibility of the concern and the likelihood of confirming the allegation from attributable sources. All cases reported will be investigated objectively and thoroughly and appropriate action will be taken where warranted. The AC will inform the Board members after considering the circumstances with an update at Board meetings. There was no significant whistleblowing report received for FY2023 which had a material impact on the Group's financial statement and operations. All reported incidents or concerns had been independently investigated and remedial actions had been taken to address the whistleblowing incidents.

In discharging its responsibilities, the AC makes reference to the Code and associated practice guidance, the Guidebook for Audit Committees in Singapore, the Risk Governance Guidance for Listed Boards, practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") and the Guidance to Audit Committee on ACRA's Audit Quality Indicators Disclosure Framework.

The AC members take measures to keep abreast of the changes to financial reporting standards, regulatory matters and current issues which impact financial reporting by various means including attending webinars or receiving updates from professional firms.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings (Principle 11): *The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

The Board ensures that the shareholders are treated fairly and equitably. All material information which would likely affect the price or value of the Company's shares shall be disclosed adequately and in a timely manner. The communication is through announcement on SGXNET and the Company's website at the URL <http://www.namlee.com.sg/>.

Corporate GOVERNANCE

In presenting the Group's financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects.

The Company's principal form of dialogue with shareholders takes place at general meetings. Notices of general meetings are dispatched to shareholders, together with the annual report and/or circulars within the notice period as prescribed by the relevant regulations. Where necessary, additional explanatory notes will be provided for relevant resolutions which are to be tabled at general meetings to enable shareholders to exercise their vote on an informed basis. The Company strives to hold general meetings at venues which are accessible to shareholders. At general meetings, shareholders will be given the opportunity to voice their views and direct their questions to the Board regarding the Company.

Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.

All resolutions proposed at general meetings shall be put to vote by way of a poll. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNET after the general meetings.

The Board notes that the best practice is to have separate resolutions on each substantially separate issue. The Company shall avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.

The Company's Chairman, Ms Yong Li Yuen Joanna and Managing Director, Mr Eric Yong Han Keong will conduct the proceedings at the AGM. The Company will address, either before or during the AGM, relevant questions relating to the annual report of the Company and the resolutions tabled for approval at the AGM. The Board will be providing responses, and the respective Chairpersons of the AC, RC, and NC; and the independent auditor will also be present at the AGM to answer any questions relating to the work of these Board Committees or the external audit respectively.

The Company's Constitution allows all shareholders to appoint not more than two proxies to attend and vote on their behalf and also provides that a proxy need not be a shareholder of the Company.

Registered shareholders who are unable to attend the general meetings are entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act 1967). A relevant intermediary may appoint more than two proxies to participate in shareholders' meetings, but each proxy must be appointed to exercise rights attached to a different share or shares held by such shareholder.

The Company's Constitution permits voting in absentia only by appointment of proxy. As the authenticity of shareholders' identity and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

The Company Secretary prepares the minutes of the general meeting. The minutes record substantive and relevant comments or queries from shareholders relating to the agenda and the responses from the Company. The Company will publish the minutes of the AGM on SGXNET and the Company's website within a month after the date of the AGM.

The Company aims to balance the distribution of dividends to shareholders with the funding needs of the Company. The Company strives to provide consistent dividend payments to its shareholders on an annual basis, taking into consideration the Group's earnings, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate for prudent capital management and an efficient capital structure.



Corporate GOVERNANCE

The Company has adopted a dividend policy that aims to provide shareholders of the Company of not less than 33% of the net profit attributable to Shareholders excluding non-controlling interests and non-recurring, one-off and exceptional items.

Such declaration and payment of dividends shall be determined at the sole discretion of the Board, taking into account, inter-alia:-

- (i) the level of the Group's cash and retained earnings;
- (ii) the Group's actual and projected financial performance;
- (iii) the Group's projected levels of capital expenditure and other investment plans;
- (iv) the Group's working capital requirements and general financing condition;
- (v) restrictions on payment of dividends imposed on the Group by the Group's financing arrangements (if any); and
- (vi) any other factors that the Directors deem appropriate.

The Board has proposed a final dividend of 0.25 Singapore cent per ordinary share for FY2023 which will be subject to shareholders' approvals at the forthcoming AGM. As of 30 September 2023, the company has met the requirements of Section 403 of the Companies Act and the solvency test for dividend declaration. This assessment ensures the company's ability to meet financial obligations and maintain stability, encompassing an evaluation of our capacity to pay debts and the superiority of our asset value over liabilities.

Engagement with Shareholders (Principle 12): *The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.*

It is the Board's policy to ensure that all shareholders are informed on a timely basis of every significant development that has a material impact on the Group in line with the continuous disclosure obligations of the Company pursuant to the Listing Manual. Such information is disclosed in an accurate and comprehensive manner via SGXNET. The Group recognises that the release of timely and relevant information is central to good corporate governance and enables shareholders to make informed decisions in respect of their investments in the Company.

The Company does not make selective disclosure to only certain groups of persons. It adopts a policy of making all necessary disclosures in public announcements via SGXNET, the corporate website, press releases, circulars for Extraordinary General Meetings and annual reports.

It is the practice for Executive and Independent Directors to attend the AGMs with shareholders. The Board encourages dialogue with shareholders, understand their views and addresses any concern.

To facilitate communication between shareholders and the Company at AGMs, shareholders may contact the Company by sending e-mails via the Company's website at URL <http://www.namlee.com.sg/>. Management is committed to responding to email enquiries on a best endeavours basis taking into consideration the disclosure rules of the Listing Manual, the need for equal access to information for all shareholders and the corporate policy of maintaining confidentiality of market competitive information to protect the interest of the Group as a whole.

Corporate GOVERNANCE

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders (Principle 13): The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interest of the company are served.

The Board oversees the Group's strategic direction and long-term sustainability. It recognises the need for balancing the needs and interests of material stakeholders with those of the Company. It sets the tone from the top for matters such as values and standards (including ethical business practices) and brand reputation.

The Board has identified the following stakeholders: shareholders, employees, customers, suppliers, financiers, government and regulators and considered the key interests or concerns of these respective groups when deliberating over impactful matters.

All stakeholders have access to information from the Company through the corporate website at URL <http://www.namlee.com.sg/>. This information include the Group's business, products and projects, capabilities and awards, green initiatives, corporate governance and whistle blowing policy. Annual reports, sustainability reports, announcements and information on directors are posted on the website. The website provides easy email linkage to the Company for enquiries and direct reporting to Independent Directors for whistleblowing.

Other than providing the above information in the corporate website, additional engagements by Management with stakeholders are through various channels including meetings, videoconferencing, telephone calls, emails, announcements and training sessions. In engagements with all stakeholders, the Company is guided by ethical practices, relevance, ethical principles and the corporate policy of maintaining confidentiality for market competitive information so as to protect the interest of the Group as a whole.

Dealing in Securities

The Company has adopted and implemented an internal code of conduct on dealings in the securities of the Company by the Directors and officers in the Group based on Listing Rule 1207(19) of the Listing Manual.

In compliance with the internal code of conduct, the Company issues a memo to all Directors and officers informing them that they are not permitted to deal in the Company's shares during the period commencing one month before the announcement of the Company's half-year financial statements and full-year financial statements, or if they are in possession of unpublished price-sensitive information of the Company.

The Directors and employees are discouraged from dealing in the Company's securities based on short-term considerations.

Directors are required to report to the Company Secretary whenever they deal in the Company's shares. Thereafter, the Company Secretary update the Register of Directors' Shareholdings and make the necessary announcements on SGXNET.

The Company has complied with the said Rule 1207(19) of the Listing Manual of SGX-ST during FY2023.

Interested Person Transactions

As the Company is listed on the Mainboard of the SGX-ST, it is required to comply with Chapter 9 of the Listing Manual on interested person transactions. To ensure compliance with Chapter 9 of the Listing Manual, the AC, as well as the Board, reviews every half-yearly whether there are interested person transactions as defined in Chapter 9 of the Listing Manual.



Corporate GOVERNANCE

The Company did not obtain a shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual during the financial year.

Every Director is required to declare to the Board any conflict of interest in a transaction, with the Company or its subsidiaries expected to be \$100,000 or more, as soon as practicable after becoming aware of the conflict. If the Company is intending to enter into an interested person transaction, the AC and the Board will ensure that the transaction is carried out based on normal commercial terms and will not be prejudicial to the interest of the Company and its non-controlling shareholders. No disclosure of conflicts was received during FY2023.

The Company has disclosed in this Report the remuneration of the Advisors who are controlling and substantial shareholders and related to the Executive Directors.

Material Contracts

There were no material contracts between the Company and its subsidiaries involving the interests of any Director and any controlling shareholder which are either subsisting at the end of the financial year under review or if not then subsisting, entered into since the end of the previous financial year, that is required to be disclosed under Listing Rule 1207(8) of the Listing Manual. The Company establishes materiality with reference to Chapter 9 of the Listing Manual.

Sustainability Reporting

Sustainability Report for the FY2023 is published together with the Annual Report. RSM Risk Advisory Pte Ltd conducted an internal control review of the sustainability reporting process during the FY2023 for Nam Lee Pressed Metal Industries Limited, with a primary focus on data collection and reporting processes.

Risk Management

The Group is engaged in the design, fabrication, supply and installation of a wide range of steel, aluminium and unplasticised polyvinyl chloride (UPVC) products, comprising building products for HDB housing projects and other commercial projects. The Group is also engaged in fabricating aluminium frames for container refrigeration units. The main risks pertaining to the Group's business are summarised below.

(I) Dependence on public housing projects

The Group's business can be affected by the volume and timing of construction of new HDB flats.

The Group manages the risk of variability on demand from new HDB flats by focusing on HDB upgrading and diversification with private properties, industrial and commercial buildings, infrastructure and other public and private projects.

(II) Dependence on demand for marine container refrigeration units

The Group's revenue from production of aluminium frames and components for container refrigeration units for the shipping industry is dependent on the international shipping industry's demand for new refrigerated containers. Any significant reduction in demand for new refrigerated containers will have an adverse impact on the Group's operating results. The Group monitors contractual volumes and will seek expansion of scope of production to widen its product and service offerings as and when appropriate.

Corporate GOVERNANCE

(III) Fluctuation in raw material prices

The Group's key raw materials, namely mild steel, stainless steel and aluminium, are subject to price fluctuations. Any significant increase in the prices of these materials will adversely affect the Group's operating results.

The Group manages the risk of price fluctuation and margin erosion by buying raw materials pegged to contract requirements, sourcing for alternative sources of supply and undertaking derivative contracts in material prices, the effects of which are covered by customer agreement.

(IV) Delays in project completion

The Group is exposed to the risk of being liable for liquidated damages, which are pre-determined sums payable by reference to the length of delays, in the event that it is unable to complete a project within the stipulated period of time due to factors attributable to the Group.

The Group manages this risk by close monitoring of its projects by its qualified and experienced personnel.

(V) Dependence on foreign workers

The Group, like many companies in similar industry, is dependent on foreign workers due to the shortage of Singaporean labour. It is vulnerable to the shortage of foreign workers and any increase in foreign worker levies, which will result in an increase in the Group's operating costs.

The Group reduces the impact of shortage of foreign workers and cost escalation by relocating labour-intensive operations to its Malaysian plants.

(VI) Financial risk management objectives and policies

Please refer to Note 32 of the Notes to Financial Statements.

(VII) Dependence on relationship with a major customer

A major customer accounts for a substantial portion of our revenue. Although we have a long-term contract with our major customer, future renewal of such contracts on mutually acceptable terms cannot be assured. Should volume of purchases be substantially reduced or key terms changed to our disadvantage, our operating income and profits may be adversely affected to a material extent. The Group monitors key performance targets, engages with the customer to determine and satisfy their needs, and offers to value add to the customer's supply chain requirements whenever possible.

(VIII) We can be affected by competition from competitors and new entrants

The aluminium and steel products industry is competitive and such competition may increase due to the entry of new players. In the event our competitors are able to provide comparable products at lower prices or respond to changes in market conditions more swiftly or effectively than we do, our business and financial performance will be adversely affected. There is no assurance that we will be able to compete effectively in every instance. However, we seek to keep abreast of market developments; provide tested, reliable and responsive services, product ranges and quality; and stay continually relevant to our customers.



Corporate GOVERNANCE

(IX) Our success depends on our ability to attract and retain key personnel

The Group's success depends to a significant extent upon a number of key employees and senior Management. The loss of service of one or more of these key employees, most of whom are not bound by formal long-term employment agreements, can have a material adverse effect on the Group's relationships with customers and operating efficiency. The Group recognises that its future success will also depend in large part upon its ability to attract and retain highly skilled managerial personnel who can also identify with the corporate objectives and culture. The Board evaluates the business needs and take appropriate actions to manage availability of required management resources.

Information on Key Executives

Mr Lim Hock Leong

Mr Lim is the General Manager and is responsible for the management of the daily operations of the Group, which include sales and marketing, investments, and corporate finance. Mr Lim has over 30 years of working experience in the metal engineering and fabrication business. He joined the Company in 1988 as its Financial Controller after accumulating more than nine years of experience in accounting and finance functions of three companies listed in Singapore. He was promoted to General Manager of the Company in 1996. He holds a Bachelor in Commerce (Accountancy) degree from the then Nanyang University (now known as Nanyang Technological University).

Ms Christine Phua

Ms Phua is the Material Procurement Manager and is responsible for the Group's material planning and procurement and inventory management. Ms Phua joined Nam Lee Industries in 1974 and was promoted to the position of Material Procurement Manager in 1981. She has more than 40 years of experience in this area.

Mr Tan Bee Kin

Mr Tan is the Project Director and is responsible for product design and project management. Mr Tan joined the Company as Engineering Manager in 2001. Prior to joining the Company, Mr Tan had 20 years of experience in management and design in Automation and Surface Treatment system. Mr Tan holds a Bachelor of Science (Engineering) degree from University of Aberdeen, UK.

Mr Qin Tao

Mr Qin is the Senior Design Manager and is responsible for the project design team management. Mr Qin joined the company in 2013 as Design Manager and had 20 years of experience in building facade industry. Mr Qin holds a Bachelor of Technology degree (Civil Engineering) from National University of Singapore.

Mr Loh Chee Boon

Mr Loh is the Financial Controller of the Company and is responsible for the financial and accounting functions for the Group. Mr Loh joined the Company in 2019 as Finance Manager. Prior to joining the Company, he had more than 10 years of financial and accounting experience in companies listed on Singapore and Taiwan Stock Exchange. He is a member of the Institute of Singapore Chartered Accountants and holds an ACCA professional certificate from the Association of Chartered Certified Accountants.

Directors' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Nam Lee Pressed Metal Industries Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 September 2023.

1. Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2023 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Yong Li Yuen, Joanna
Yong Han Keong, Eric
Yong Han Lim, Adrian
Yeoh Lam Hock
Tay Teck Seng, Joshua
Jong Voon Hoo

3. Arrangements to enable directors to acquire shares and debentures

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.



Directors' STATEMENT

4. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company as stated below:

Name of director	Held in name of directors			Deemed interest		
	At 1.10.22		At 21.10.23	At 1.10.22		At 21.10.23
	or date of appointment	At 30.9.23		or date of appointment	At 30.9.23	
Ordinary shares of the Company						
Yong Li Yuen, Joanna	–	–	–	–	–	–
Yong Han Keong, Eric	170	170	150,170	–	–	–
Yong Han Lim, Adrian	551,033	551,033	551,033	–	–	–
Yeoh Lam Hock	–	–	–	–	–	–
Tay Teck Seng, Joshua	–	–	–	–	–	–
Jong Voon Hoo	–	–	–	–	–	–

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries at the end of the financial year.

Directors' STATEMENT

6. Audit Committee

The Audit Committee (AC) carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967. The functions performed are detailed in the Report on Corporate Governance. The Audit Committee comprises three independent directors. The members of the Audit Committee are:

Jong Voon Hoo	Chairman
Yeoh Lam Hock	Member
Tay Teck Seng, Joshua	Member

Further details regarding the AC and its functions are disclosed in the Report on Corporate Governance.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Yong Li Yuen, Joanna
Director

Yong Han Keong, Eric
Director

Singapore
15 December 2023



Independent Auditor's REPORT

For the financial year ended 30 September 2023

Independent auditor's report to the members of Nam Lee Pressed Metal Industries Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nam Lee Pressed Metal Industries Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statement of financial position of the Group and the Company as at 30 September 2023, the statement of changes in equity of the Group and the Company and the consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibility for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Independent Auditor's REPORT

For the financial year ended 30 September 2023

Report on the audit of the financial statements (cont'd)

Key Audit Matters (cont'd)

Expected credit losses ("ECL") for trade receivables and contract assets

As at 30 September 2023, trade receivables and contract assets balances from external parties amounting to \$34.2 million and \$13.8 million respectively were significant as they represent 22.5% of the Group's total assets. The Group determines ECL for trade receivables by making debtor-specific assessment for credit-impaired debtors. The Group uses provision matrix method for the remaining group of trade debtors that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. This assessment involved significant management judgement and estimation uncertainty that has been heightened by the global economic slowdown. Accordingly, we determine this to be a key audit matter.

As part of our audit procedures, we obtained an understanding and evaluated management's processes and controls relating to the monitoring of trade receivables. We performed audit procedures, amongst others, requesting trade receivable confirmations on a sample basis and obtaining evidence of receipts from these debtors after the financial year end. We performed inquiry of management to obtain understanding of any dispute between the Group and debtors. We discussed with management on the collectability of trade receivables and inquired management if there are any known customers which are potentially more impacted by the global economic slowdown, which may then affect their ability to repay their debts. We assessed management's estimates on the historical loss rate through analysis of ageing of receivables and assessment of significant overdue individual debtors. We evaluated the provision matrix prepared by management for determining ECL allowance and reviewed management's consideration of forward-looking adjustments such as economic data and external information. We checked the arithmetic accuracy of the ECL allowance computation. We also assessed the adequacy of the Group's disclosures of trade receivables and the related credit and liquidity risks in Notes 14 and 32 to the financial statements.

Impairment assessment of investments in subsidiaries

As at 30 September 2023, the gross carrying amount of the Company's investment in subsidiaries was \$46.2 million. Management recognised accumulated impairment loss on investment in subsidiaries amounting to \$14.5 million as at 30 September 2023. Management identified investments in certain loss-making subsidiaries for impairment assessment. We considered the audit of management's impairment assessment of investments in subsidiaries to be a key audit matter due to magnitude of the gross carrying amount being tested for impairment, the heightened level of estimation uncertainty associated with current economic conditions which has been impacted by global economic slowdown and it involved significant management judgment.

The recoverable amounts of the investment in subsidiaries are determined based on value in use calculations using cash flow projections approved by management. We discussed with the relevant senior management personnel to understand the basis for the key assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the investment in subsidiaries. The key assumptions include the revenue growth rates, budgeted gross margin and discount rates. We assessed the reasonableness of the revenue growth rates and budgeted gross margin by comparing them to confirmed order book on hand, taking into consideration timing of the subsidiaries' operation return to normalcy and current business environment due to global economic slowdown. We involved our internal valuation specialists in assessing the reasonableness of the discount rates by checking to comparable companies in the same industry. We reviewed management's analysis of the sensitivity of the value in use calculations to reasonable changes in key assumptions, such as the projected of revenue growth rates and gross profit margin. We also reviewed the adequacy of the disclosures in Note 12 to the financial statements.



Independent Auditor's REPORT

For the financial year ended 30 September 2023

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's REPORT

For the financial year ended 30 September 2023

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditor's REPORT

For the financial year ended 30 September 2023

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ho Shyan Yan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
15 December 2023

Consolidated Statement of PROFIT OR LOSS

For the financial year ended 30 September 2023

	Note	2023 \$'000	2022 \$'000
Revenue			
Cost of sales	4	158,906 (144,076)	229,153 (199,847)
Gross profit		14,830	29,306
Selling and distribution expenses		(2,218)	(2,583)
Administrative expenses		(8,833)	(11,360)
Other operating expenses		(3,646)	(2,252)
Operating profit	5	133	13,111
Interest income	6	11	38
Finance costs	6	(2,005)	(1,803)
Other income	7	1,325	2,197
(Loss)/Profit before tax		(536)	13,543
Income tax expense	8	(468)	(3,386)
(Loss)/Profit for the year		(1,004)	10,157
Attributable to:			
Owners of the Company		(1,004)	10,157
		(1,004)	10,157
Earnings per share (cents per share)			
- Basic	9	(0.41)	4.20
- Diluted	9	(0.41)	4.20

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Consolidated Statement of OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2023

	2023 \$'000	2022 \$'000
(Loss)/Profit for the year	(1,004)	10,157
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
- Foreign currency translation	(2,774)	(2,267)
Other comprehensive loss for the year, net of tax	(2,774)	(2,267)
Total comprehensive (loss)/income for the year	(3,778)	7,890
Attributable to:		
Owners of the Company	(3,778)	7,890
	(3,778)	7,890

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Statement of FINANCIAL POSITION

As at 30 September 2023

Note	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current assets				
Property, plant and equipment	10	60,543	62,050	28,028
Right-of-use assets	22	9,248	10,021	9,199
Quoted securities	11	—	2	—
Investment in subsidiaries	12	—	—	31,763
Deferred tax assets	23	866	384	—
		70,657	72,457	68,990
				47,783
Current assets				
Inventories	13	62,602	78,972	4,319
Trade receivables	14	34,227	50,810	13,903
Contract assets	4	13,774	9,037	—
Other receivables and deposits	15	1,780	2,185	94
Prepayments		1,675	2,343	143
Amounts due from subsidiaries (non-trade)	16	—	—	56,817
Derivatives	17	216	402	216
Tax recoverable		1,091	1,160	—
Cash and fixed deposits	31	27,659	30,789	15,399
		143,024	175,698	90,891
		213,681	248,155	159,881
Total assets				193,006
Current liabilities				
Trade payables	18	6,648	7,741	17,549
Other payables and accruals	19	19,757	20,119	5,619
Provision for warranty	20	932	1,097	—
Loans and borrowings	21	18,300	38,030	9,472
Derivatives	17	—	667	—
Lease liabilities	22	468	665	353
Income tax payables		459	806	—
		46,564	69,125	32,993
				49,848
Non-current liabilities				
Loans and borrowings	21	2,973	5,850	2,973
Lease liabilities	22	10,061	10,491	9,978
Deferred tax liabilities	23	1,503	1,490	390
		14,537	17,831	13,341
Total liabilities		61,101	86,956	46,334
Net assets		152,580	161,199	113,547
Equity attributable to owners of the Company				
Share capital	24	57,582	57,582	57,582
Treasury shares	24	(532)	(532)	(532)
Retained earnings		109,222	115,071	56,497
Capital reserve	25	104	104	—
Foreign currency translation reserve	26	(13,796)	(11,022)	—
Fair value adjustment reserve	27	—	(4)	—
Total equity		152,580	161,199	113,547
				126,616

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Statement of CHANGES IN EQUITY

For the financial year ended 30 September 2023

Attributable to owners of the Company

Note	Attributable to owners of the Company						Total equity \$'000	
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000		
2023								
Group								
At 1 October 2022	57,582	(532)	115,071	104	(11,022)	(4)	161,199	
Loss for the year	–	–	(1,004)	–	–	–	(1,004)	
<u>Other comprehensive income:</u>								
- Reclassification of fair value reserve	–	–	(4)	–	–	4	–	
- Foreign currency translation	–	–	–	–	(2,774)	–	(2,774)	
Total comprehensive income for the year, net of tax	–	–	(1,008)	–	(2,774)	4	(3,778)	
<u>Contribution by and distribution to owners:</u>								
Dividends on ordinary shares	28	–	–	(4,841)	–	–	(4,841)	
At 30 September 2023	57,582	(532)	109,222	104	(13,796)	–	152,580	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of CHANGES IN EQUITY

For the financial year ended 30 September 2023

Attributable to owners of the Company

Note	Attributable to owners of the Company						Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	
2022							
Group							
At 1 October 2021	57,582	(532)	109,755	104	(8,755)	(4)	158,150
Profit for the year	–	–	10,157	–	–	–	10,157
<u>Other comprehensive income:</u>							
- Foreign currency translation	–	–	–	–	(2,267)	–	(2,267)
Total comprehensive income for the year, net of tax	–	–	10,157	–	(2,267)	–	7,890
<u>Contribution by and distribution to owners:</u>							
Dividends on ordinary shares	28	–	–	(4,841)	–	–	(4,841)
At 30 September 2022	57,582	(532)	115,071	104	(11,022)	(4)	161,199



Statement of CHANGES IN EQUITY

For the financial year ended 30 September 2023

Note	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Fair value adjustment reserve \$'000	Total equity \$'000
2023					
Company					
At 1 October 2022	57,582	(532)	69,570	(4)	126,616
Reclassification of fair value reserve	–	–	(4)	4	–
Profit for the year, representing total comprehensive income for the year, net of tax	–	–	(8,228)	–	(8,228)
<u>Contribution by and distribution to owners:</u>					
Dividends on ordinary shares	28	–	–	(4,841)	–
At 30 September 2023	57,582	(532)	56,497	–	113,547

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of CHANGES IN EQUITY

For the financial year ended 30 September 2023

Note	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Fair value adjustment reserve \$'000	Total equity \$'000
2022					
Company					
At 1 October 2021	57,582	(532)	69,752	(4)	126,798
Profit for the year, representing total comprehensive income for the year, net of tax	–	–	4,659	–	4,659
<u>Contribution by and distribution to owners:</u>					
Dividends on ordinary shares	28	–	–	(4,841)	– (4,841)
At 30 September 2022	57,582	(532)	69,570	(4)	126,616

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Consolidated Statement of CASH FLOWS

For the financial year ended 30 September 2023

	Note	2023 \$'000	2022 \$'000
Operating activities			
(Loss)/Profit before tax		(536)	13,543
Adjustments for:			
Depreciation of property, plant and equipment	5, 10	4,769	5,094
Depreciation of right-of-use assets	5, 22	813	1,117
Gain on disposal of property, plant and equipment, net	5	(30)	(7)
Property, plant and equipment written off	5	42	23
(Gain)/Loss on derecognition of right-of-use assets	5	(8)	28
Fair value loss/(gain) on derivatives	5, 7	263	(850)
Finance costs	6	2,005	1,803
Interest income from fixed deposits	6	(11)	(5)
Interest income from quoted securities	6	—	(33)
(Reversal of)/Provision for warranty	20	(165)	411
Amortisation of bond premium		—	2
Allowance for expected credit loss	14	3	—
(Write back of)/Provision for onerous contracts	19	(246)	59
Allowance for inventory obsolescence and slow moving	13	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 generated 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 generated from/(used in) operating activities		30,961	(12,448)
Investing activities			
Purchase of property, plant and equipment		(5,312)	(4,922)
Proceeds from disposal of property, plant and equipment		230	125
Proceeds from quoted security		—	1,250
Interest income from quoted securities	6	—	33
Net cash flows used in investing activities		(5,082)	(3,514)
Financing activities			
Increase in pledged deposits		(4)	(3)
Payment of principal portion of lease liabilities	21	(659)	(943)
Net (repayment of)/proceeds from loans and borrowings	21	(22,607)	26,779
Dividends paid on ordinary shares	28	(4,841)	(4,841)
Net cash flows (used in)/generated from financing activities		(28,111)	20,992
Net (decrease)/increase in cash and cash equivalents		(2,232)	5,030
Cash and cash equivalents at 1 October		30,606	25,052
Effect of exchange rate changes on cash and cash equivalents		(891)	524
Cash and cash equivalents at 30 September	31	27,483	30,606

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

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).

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 disclosed in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities during the year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

2.2 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-21: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.2 Standards issued but not yet effective (cont'd)

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.4 Transactions with non-controlling interests

Non-controlling interest ("NCI") represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) **Transactions and balances**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) **Consolidated financial statements**

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 **Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property, plant and equipment.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.6 ***Property, plant and equipment (cont'd)***

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	-	Over the remaining period of lease
Buildings on freehold land	-	50 years
Buildings on leasehold land	-	Lower of 50 years and the remaining period of lease
Buildings improvements	-	10 years
Furniture and fittings	-	10 years
Motor vehicles	-	5 to 10 years
Office equipment	-	10 years
Plant and machinery	-	5 to 10 years
Tools	-	10 years

Assets under construction included in plant and machinery are not depreciated as these assets are not available for use. Freehold land has an infinite useful life and therefore is not depreciated.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.8 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.9 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.9 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Subsequent measurement

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.9 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2.10 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.10 ***Impairment of financial assets (cont'd)***

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.11 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand as well as fixed deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.12 ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials determined on a first-in-first-out basis and in the case of finished products and work-in-progress, includes direct materials, direct labour and attributable production overheads based on normal levels of activity. These costs are assigned on a first-in-first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 ***Provisions***

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is reviewed annually.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.14 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme ("CPF") and the Group's companies in Malaysia make contribution to the Employee Provident Fund scheme ("EPF"). Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

2.15 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land use rights	-	6 to 28 years
Accommodation	-	2 to 3 years
Office equipment	-	2 to 5 years

If the ownership of the lease assets transfers to the Group at the end of the lease or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are subject to impairment. The accounting policy for impairment of non-financial assets is set out in Note 2.7.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.15 Leases (cont'd)

As lessee (cont'd)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payment that do not depend on index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payments occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of 'low value' assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low-value assets. Lease payments on short-term lease and lease of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.16 Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from products supplied for the construction of flats and houses under construction is recognised when the products delivered and installation have been accepted and certified by the main contractors.

Revenue from the sales of goods for aluminium industrial products and other miscellaneous sales is recognised upon the transfer of significant risk and rewards of ownership to the customer which generally coincide with their delivery and acceptance.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.16 Revenue (cont'd)

(b) **Interest income**

Interest income is recognised using the effective interest method.

(c) **Dividend income**

Dividend income is recognised when the Group's right to receive payment is established.

2.17 Taxes

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.17 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST receivable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.18 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segmental information.

2.19 Share capital and share issuance expense

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

2. Summary of significant accounting policies (cont'd)

2.20 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

3. Significant accounting judgments and estimates

The preparation of the Group's 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 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.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

3. Significant accounting judgments 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 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 information about the ECLs on the Group's trade receivables is disclosed in Note 32(c).

The carrying amount of trade receivables and contract assets as at 30 September 2023 was \$48,001,000 (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 (2022: \$11,814,000).

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

3. Significant accounting judgments and estimates (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(iii) Impairment of non-financial assets

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable model is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The Group's property, plant and equipment and right-of-use assets at the end of the reporting period was \$60,543,000 and \$9,248,000 (2022: \$62,050,000 and \$10,021,000), respectively. The Company's property, plant and equipment and right-of-use assets at the end of the reporting period was \$28,028,000 and \$9,199,000 (2022: \$26,243,000 and \$9,724,000) respectively.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

4. Revenue from contracts with customers

4.1 Disaggregated revenue information

Segments	For the year ended 30 September 2023				
	Aluminium \$'000	Mild steel \$'000	Stainless steel \$'000	UPVC* \$'000	Total \$'000
Geographical markets					
Singapore	87,755	41,604	1,097	26,276	156,732
Malaysia	2,031	43	59	41	2,174
	89,786	41,647	1,156	26,317	158,906

Timing of revenue recognition

At a point in time	51,478	43	59	41	51,621
Over time	38,308	41,604	1,097	26,276	107,285
	89,786	41,647	1,156	26,317	158,906

For the year ended 30 September 2022

Segments	For the year ended 30 September 2022				
	Aluminium \$'000	Mild steel \$'000	Stainless steel \$'000	UPVC* \$'000	Total \$'000
Geographical markets					
Singapore	186,908	22,424	621	13,730	223,683
Malaysia	5,296	59	69	46	5,470
	192,204	22,483	690	13,776	229,153

Timing of revenue recognition

At a point in time	154,222	59	69	46	154,396
Over time	37,982	22,424	621	13,730	74,757
	192,204	22,483	690	13,776	229,153

* Unplasticised polyvinyl chloride

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

4. Revenue from contracts with customers (cont'd)

4.2 Contract balances

Information about receivables and contract assets from contracts with customers is disclosed as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables	34,227	50,810	13,903	33,811
Contract assets	13,774	9,037	—	—

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for supply and installation of steel, aluminium and UPVC products. Contract assets, mainly retention amounts, are transferred to receivables when the rights become unconditional.

5. Operating profit

The following items have been included in arriving at operating profit:

	Group	
	2023 \$'000	2022 \$'000

Cost of sales:

Salaries and bonuses (excluding directors' emoluments)	(15,995)	(17,290)
Contribution to defined contribution plans and workers' levy	(3,401)	(3,248)
Depreciation of property, plant and equipment*	(4,053)	(4,338)
Depreciation of right-of-use asset*	(545)	(546)
Operating lease expense	(3,583)	(2,011)
Professional fee	(631)	(684)

Selling and distribution expenses:

Salaries and bonuses (excluding directors' emoluments)	(424)	(446)
Contribution to defined contribution plans	(30)	(29)
Depreciation of property, plant and equipment*	(213)	(239)
Transportation expenses	(1,412)	(1,464)



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

5. Operating profit (cont'd)

Administrative expenses:

Audit fees paid to:

	Group	2023	2022
		\$'000	\$'000
- Auditor of the Company		(180)	(169)
- Other member firms of Ernst & Young Global		(60)	(53)

Non-audit fees paid to:

- Auditor of the Company	(61)	(112)
- Other member firms of Ernst & Young Global	(53)	(58)

Salaries and bonuses (excluding directors' emoluments)

	(2,941)	(4,409)
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Contribution to defined contribution plans

	(292)	(362)
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Directors of the Company:

- Fees	(142)	(150)
- Remuneration	(690)	(576)
- Contribution to defined contribution plans	(37)	(52)

Advisors of the Company:

- Remuneration	(577)	(1,756)
- Contribution to defined contribution plans	(11)	(16)

Directors' fees of subsidiaries

	(9)	(17)
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Depreciation of property, plant and equipment*

	(503)	(517)
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Depreciation of right-of-use asset*

	(268)	(571)
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Accommodation expenses

	(1,302)	(577)
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Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

6. Interest income/Finance costs

	Group	
	2023 \$'000	2022 \$'000
Interest income from:		
- Fixed deposits	11	5
- Quoted securities	—	33
	11	38
Finance costs on:		
- Term loans	(139)	(194)
- Trust receipts	(1,161)	(813)
- Lease interest	(705)	(796)
	(2,005)	(1,803)

7. Other income

	Group	
	2023 \$'000	2022 \$'000
Government grant income	86	796
Bad debt recovered	539	—
Fair value gain on derivative	—	850
Rental income	562	508
Others	138	43
	1,325	2,197

Government grant income relates mainly to Job Growth Incentive, Levy Rebate, Special Employment Credit ("SEC") grants, Wage Credit Scheme ("WCS"), Skill Future Enterprise Credit (SFEC), CPF Transition Offset, Progressive Wage Credit Scheme, Government Paid Leave Schemes and COVID Safe Firm Based Support.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

8. Income tax expense

The major components of income tax expense for the years ended 30 September are:

Group	2023	2022
	\$'000	\$'000

Consolidated income statement:

Current income tax		
- Current year	(944)	(3,010)
- Over provision in respect of prior years	61	93
	(883)	(2,917)
Deferred income tax		
- Origination and reversal of temporary differences	478	(380)
- Under provision in respect of prior years	(63)	(89)
	415	(469)
Income tax expense recognised in profit or loss	(468)	(3,386)

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 September are as follows:

Group	2023	2022
	\$'000	\$'000
(Loss)/Profit before tax	(536)	13,543
Tax at statutory tax rate of 17% (2022: 17%)	91	(2,302)
Adjustments:		
Effect of differences in statutory tax rate	(154)	(857)
Expenses not deductible for tax purposes	(422)	(583)
Utilisation of current year reinvestment allowance	-	79
Tax exempt income	-	35
(Under)/Over provision in respect of prior years, net	(2)	4
Income not subject to tax	17	17
Others	2	221
Income tax expense recognised in profit or loss	(468)	(3,386)

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

9. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 September:

	Group	
	2023	2022
	\$'000	\$'000
(Loss)/Profit for the year, net of tax, attributable to owners of the Company	(1,004)	10,157
Weighted average number of ordinary shares (excluding treasury shares)	242,056	242,056
Earnings per share	Cents	Cents
	(0.41)	4.20



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

10. Property, plant and equipment

Group	Buildings		Buildings		Furniture		Motor vehicles	Office equipment	Plant and machinery	Tools	Total
	Freehold land	Leasehold land	on freehold land	on leasehold land	Buildings	improvements	and fittings				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:											
At 1 October 2022	10,638	605	13,123	24,753	9,482	801	6,945	3,855	44,671	5,321	120,194
Additions	–	–	–	–	3,724	1	95	210	1,278	4	5,312
Disposals/written off	–	–	–	–	–	–	(105)	(6)	(832)	–	(943)
Exchange differences	(537)	(25)	(812)	(43)	(146)	(31)	(103)	(93)	(1,820)	(22)	(3,632)
At 30 September 2023	10,101	580	12,311	24,710	13,060	771	6,832	3,966	43,297	5,303	120,931
Accumulated depreciation:											
At 1 October 2022	–	160	3,154	5,920	4,117	750	4,690	2,818	33,685	2,850	58,144
Depreciation charge for the year	–	8	270	1,084	332	21	466	228	2,263	97	4,769
Disposals/written off	–	–	–	–	–	–	(105)	(2)	(594)	–	(701)
Exchange differences	–	(9)	(169)	(17)	(124)	(27)	(92)	(63)	(1,306)	(17)	(1,824)
At 30 September 2023	–	159	3,255	6,987	4,325	744	4,959	2,981	34,048	2,930	60,388
Net carrying amount:											
At 30 September 2023	10,101	421	9,056	17,723	8,735	27	1,873	985	9,249	2,373	60,543
Group	Buildings		Buildings		Furniture		Motor vehicles	Office equipment	Plant and machinery	Tools	Total
	Freehold land	Leasehold land	on freehold land	on leasehold land	Buildings	improvements	and fittings				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:											
At 1 October 2021	11,115	627	13,845	24,791	8,069	833	6,924	3,768	43,670	5,702	119,344
Additions	–	–	–	–	1,773	39	343	268	2,632	109	5,164
Disposals/written off	–	–	–	–	–	(44)	(232)	(102)	(283)	(471)	(1,132)
Reclassification	–	–	–	–	(231)	–	–	–	231	–	–
Exchange differences	(477)	(22)	(722)	(38)	(129)	(27)	(90)	(79)	(1,579)	(19)	(3,182)
At 30 September 2022	10,638	605	13,123	24,753	9,482	801	6,945	3,855	44,671	5,321	120,194
Accumulated depreciation:											
At 1 October 2021	–	159	3,004	4,849	3,860	795	4,490	2,739	32,448	3,230	55,574
Depreciation charge for the year	–	9	288	1,085	363	23	500	232	2,488	106	5,094
Disposals/written off	–	–	–	–	–	(44)	(222)	(102)	(152)	(471)	(991)
Exchange differences	–	(8)	(138)	(14)	(106)	(24)	(78)	(51)	(1,099)	(15)	(1,533)
At 30 September 2022	–	160	3,154	5,920	4,117	750	4,690	2,818	33,685	2,850	58,144
Net carrying amount:											
At 30 September 2022	10,638	445	9,969	18,833	5,365	51	2,255	1,037	10,986	2,471	62,050



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

10. Property, plant and equipment (cont'd)

Company	Buildings	Building on leasehold land	Furniture and fittings	Motor vehicles	Office equipment	Plant and machinery	Tools	Total
	Buildings improvements	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:								
At 1 October 2022	4,286	24,020	289	3,594	1,996	10,403	1,853	46,441
Additions	3,674	–	–	56	112	47	–	3,889
Disposals/written off	–	–	–	(105)	–	(4)	–	(109)
At 30 September 2023	7,960	24,020	289	3,545	2,108	10,446	1,853	50,221
Accumulated depreciation:								
At 1 October 2022	1,270	5,617	283	2,171	1,480	7,540	1,837	20,198
Depreciation charge for the year	229	1,069	6	282	118	397	3	2,104
Disposals/written off	–	–	–	(105)	–	(4)	–	(109)
At 30 September 2023	1,499	6,686	289	2,348	1,598	7,933	1,840	22,193
Net carrying amount:								
At 30 September 2023	6,461	17,334	–	1,197	510	2,513	13	28,028
Company	Buildings	Building on leasehold land	Furniture and fittings	Motor vehicles	Office equipment	Plant and machinery	Tools	Total
	Buildings improvements	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:								
At 1 October 2021	2,709	24,020	332	3,661	1,901	9,629	2,318	44,570
Additions	1,577	–	–	–	188	853	–	2,618
Disposals/written off	–	–	(43)	(67)	(93)	(79)	(465)	(747)
At 30 September 2022	4,286	24,020	289	3,594	1,996	10,403	1,853	46,441
Accumulated depreciation:								
At 1 October 2021	1,041	4,548	318	1,948	1,450	7,113	2,300	18,718
Depreciation charge for the year	229	1,069	8	290	123	432	2	2,153
Disposals/written off	–	–	(43)	(67)	(93)	(5)	(465)	(673)
At 30 September 2022	1,270	5,617	283	2,171	1,480	7,540	1,837	20,198
Net carrying amount:								
At 30 September 2022	3,016	18,403	6	1,423	516	2,863	16	26,243



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

10. Property, plant and equipment (cont'd)

The Group's properties as at 30 September 2023 are:

Name of building/location	Description	Tenure of land
No. 2 & 2A Jalan Tampoi 7, Kawasan Perindustrian Tampoi, 81200 Johor Bahru, Johor Darul Takzim, Malaysia	Factory and office premises	Freehold
No. 50 Jalan Industri 2, Taman Perindustrian Pekan Nenas, 81500 Pekan Nenas, Johor Darul Takzim, Malaysia	Factory and office premises	Freehold
No. 3, Jalan Lengkok NIP 1/1, Taman Perindustrian Nusajaya, 79200 Iskandar Puteri, Johor Darul Takzim, Malaysia	Factory and office premises	Freehold
No. 8, Jalan Hasil, Taman Perindustrian Hasil, 81200 Johor Bahru, Johor Darul Takzim, Malaysia	Factory and office premises	Freehold
No. 25, Jalan SILC 2/1, Kawasan Perindustrian SILC, 79200 Iskandar Puteri, Johor Darul Takzim, Malaysia	Factory and office premise	Freehold
PLO 101, Jalan Cyber 5, Kawasan Perindustrian Senai III, 81400 Senai, Johor, Malaysia	Factory and office premises	61-year lease commencing from 24 September 2003
21 Sungei Kadut Street 4, Singapore 729048	Factory and office premises	146-month lease commencing from 16 October 2013
4 Gul Way, Singapore 629192	Factory and office premises	331-month lease commencing from 14 September 2020

Assets under construction

The Group's plant and machinery includes assets under construction amounting to \$915,000 (2022: \$297,000). The Group's buildings improvement includes building under construction amounting to \$5,343,000 (2022: \$1,670,000). There is no depreciation for assets under construction which will only start once the assets are available for use.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

11. Quoted securities

	Group and Company	
	2023	2022
	\$'000	\$'000
Non-current assets		
Quoted equity investments	—	2

12. Investment in subsidiaries

	Company	
	2023	2022
	\$'000	\$'000
Unquoted equity shares, at cost	46,226	26,226
Less: Accumulated impairment losses	(14,463)	(14,412)
Carrying amount of investment in subsidiaries	31,763	11,814

During the financial year, management performed a review on the recoverable amount of the investment in subsidiaries. The recoverable amount was estimated based on value-in-use calculations derived from cash flow projections. Key assumptions include revenue growth rates, terminal growth rate and discount rates as follows:

	Nam Lee Pressed Metal Pte. Ltd.	
	2023	2022
Revenue growth rate	-43.8% to 1.2%	-30% to 3.4%
Terminal growth rate	1.5%	1.5%
Pre-tax discount rate	12%	12%

Based on the assessment, an impairment loss of \$51,000 (2022: \$3,840,000) was recognised during the financial year.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

12. Investment in subsidiaries (cont'd)

	Name (Country of incorporation)	Principal activities (Place of business)	Cost of investment		Proportion of ownership interest	
			2023 \$'000	2022 \$'000	2023 %	2022 %
<i>Held by the Company</i>						
*	NL Metals Sdn Bhd (Malaysia)	Manufacture of aluminium industrial products, aluminium sliding windows, grilles, gates and other related metal products (Malaysia)	1,957	1,957	100	100
*	NL Mechanical Engineering Sdn Bhd (Malaysia)	Manufacture of grilles, gates, drying racks, hopper, other metal and steel-based products (Malaysia)	562	562	100	100
*	Nam Lee Pressed Metal Sdn Bhd (Malaysia)	Manufacture of metal fabricated products (Malaysia)	1,322	1,322	100	100
*	Nam Lee Industries Sdn Bhd (Malaysia)	Manufacture of metal fabricated products (Malaysia)	1,078	1,078	100	100
#	P.T. Nam Lee Metal Industries (Indonesia)	Manufacturing of building metal products (Indonesia)	307	307	100	100
##	Nam Lee Pressed Metal Pte Ltd (Singapore)	Fabrication, installation and supply of building materials and products (Singapore)	40,000 (Note a)	20,000	100	100
##	NL Pressed Metal Pte Ltd (Singapore)	Fabrication, installation and supply of building materials and products (Singapore)	1,000	1,000	100	100

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

12. Investment in subsidiaries (cont'd)

Name (Country of incorporation)	Principal activities (Place of business)	Cost of investment		Proportion of ownership interest	
		2023 \$'000	2022 \$'000	2023 %	2022 %
<i>Held through subsidiaries</i>					
* Swan Metal Products Sdn Bhd (Malaysia)	Manufacture of metal fabricated products (Malaysia)	-	-	100	100
* Audited by Ernst & Young, Malaysia					
# Not required to be audited by laws of country of incorporation					
## Audited by Ernst & Young LLP, Singapore					

Note a: During the year, 20 million new ordinary shares of the Company were issued to the holding company for a consideration of \$20 million, which was settled through capitalisation of the same amount due to the holding company.

13. Inventories

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Finished goods	24,801	25,009	597	551
Work-in-progress	2,614	4,139	28	3
Raw materials	32,397	48,074	1,271	6,358
Raw materials - Stock-in-transit	2,790	1,750	2,423	433
Total inventories at lower of cost and net realisable value	62,602	78,972	4,319	7,345

Included in the consolidated statement of profit or loss are inventories recognised as an expense in cost of sales amounting to \$79,898,000 (2022: \$132,840,000).

Allowance for inventory obsolescence recognised as an expense during the year amounted to \$128,000 (2022: Nil).

There is no write down of inventories to net realisable value recognised as an expense during the year (2022: \$52,000).



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

14. Trade receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Total trade receivables	34,227	50,810	13,903	33,811

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables denominated in foreign currency at 30 September are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
United States Dollar	13,512	32,422	13,512	32,422

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follow:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 October	50	50	—	—
Allowance	3	—	—	—
At 30 September	53	50	—	—

Receivables subject to offsetting arrangements

The Company's trade receivables and trade payables from/to subsidiaries that are subject to offsetting arrangements are as follows:

Description	Note	Gross carrying amounts \$'000	Gross amounts offset in the statement of financial position \$'000	Net amounts in the statement of financial position \$'000
			\$'000	\$'000
30 September 2023				
Trade receivables from subsidiaries		10,750	(10,750)	—
Trade payables to subsidiaries	18	26,378	(10,750)	15,628

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

14. Trade receivables (cont'd)

Receivables subject to offsetting arrangements (cont'd)

Description	Note	Gross carrying amounts \$'000	Gross amounts offset in the statement of financial position \$'000	Net amounts in the statement of financial position \$'000
30 September 2022				
Trade receivables from subsidiaries		25,895	(25,895)	-
Trade payables to subsidiaries	18	33,918	(25,895)	8,023

15. Other receivables and deposits

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deposits	1,721	1,971	53	116
Other receivables	59	214	41	207
	1,780	2,185	94	323

16. Amounts due from subsidiaries (non-trade)

The amounts due from subsidiaries are non-trade related, non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

Receivables subject to offsetting arrangements

The Company's amounts due from/to subsidiaries that are subject to offsetting arrangements are as follows:

Description	Gross carrying amounts \$'000	Gross amounts offset in the statement of financial position \$'000	Net amounts in the statement of financial position \$'000
30 September 2023			
Amounts due from subsidiaries	58,276	(1,459)	56,817
Amounts due to subsidiaries	1,459	(1,459)	-



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

16. Amounts due from subsidiaries (non-trade) (cont'd)

Receivables subject to offsetting arrangements (cont'd)

Description	Gross carrying amounts \$'000	Gross amounts offset in the statement of financial position \$'000	Net amounts in the statement of financial position \$'000
30 September 2022			
Amounts due from subsidiaries	80,071	(950)	79,121
Amounts due to subsidiaries	950	(950)	–

17. Derivatives

	Group and Company			
	2023	Assets \$'000	2022	(Liabilities)/ assets \$'000
	Contract notional amount \$'000	Contract notional amount \$'000		
Commodity swaps	3,782	20	3,241	(667)
Interest rate swap	–	196	–	402
Net financial assets at fair value through profit or loss	3,782	216	3,241	(265)

The commodity swap agreements are intended to hedge against the volatility of inventory purchases for periods of 2 to 6 months (2022: 5 months) based on existing sales agreements. These contracts are entered for future committed sales.

The interest rate swap agreement is intended to hedge against the volatility of interest rate until the maturity date as disclosed in Note 21A.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

18. Trade payables

Note	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
External parties	6,648	7,741	1,921	2,516
Subsidiaries	—	—	15,628	8,023
	6,648	7,741	17,549	10,539

External parties

Trade payables are non-interest bearing and are normally settled on 60 days' term.

Trade payables denominated in major foreign currencies at 30 September are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
United States Dollar	1,621	2,404	1,473	1,967

Subsidiaries

Trade payables to subsidiaries are subject to offsetting arrangements as disclosed in Note 14.

19. Other payables and accruals

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Sundry creditors	171	300	—	—
Accrued operating expenses and provisions	17,384	19,351	4,130	4,546
Deposits from customers	2,202	468	1,489	100
	19,757	20,119	5,619	4,646
Less:				
Deposits from customers	(2,202)	(468)	(1,489)	(100)
Provision for onerous contract	(287)	(533)	—	—
Financial liabilities at amortised cost	17,268	19,118	4,130	4,546

Other payables and accruals are non-interest bearing and have an average term of 2 months.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

19. Other payables and accruals (cont'd)

Movements in provision for onerous contract are as follows:

	Group	
	2023 \$'000	2022 \$'000
At 1 October	533	474
(Reversal of)/Provision made	(246)	59
At 30 September	287	533

20. Provision for warranty

A provision is recognised for expected warranty claims on installation and construction projects, based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about claims and/or expected claims.

Based on actual historical warranty claims experience, management assessed that the Group's provision for warranties exceeded the amount necessary to cover outstanding warranty claims on products sold. Accordingly, \$165,000 (2022: \$411,000 provision made) of warranty provision was reversed during the current year.

Movements in provision for warranty are as follows:

	Group	
	2023 \$'000	2022 \$'000
At 1 October	1,097	686
(Reversal of)/Provision made	(165)	411
At 30 September	932	1,097

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

21. Loans and borrowings

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current:				
Term loan 1 (Note A)	2,925	2,925	2,925	2,925
Term loan 2 (Note B)	1,800	–	1,800	–
Trust receipts (Note C)	13,575	35,105	4,747	30,594
	18,300	38,030	9,472	33,519

Non-current:

Term loan 1 (Note A)	2,925	5,850	2,925	5,850
Term loan 2 (Note B)	48	–	48	–
	2,973	5,850	2,973	5,850

Note A: The term loan is denominated in Singapore dollar ("SGD") and has a maturity period of 5 years. The loan is secured by a leased building (Note 10) and bears an effective interest rate of 1.85% (2022: 1.85%) per annum.

Note B: The term loan is denominated in Singapore dollar ("SGD") and has a maturity period of 2.5 years. The loan is secured by a leased building (Note 10) and bears an floating interest rate of SORA+1.37% per annum.

Note C: The trust receipts are denominated in United States dollar ("USD") and Singapore dollar ("SGD") and has a range of maturity period between 4 to 6 months (2022: 4 to 6 months). The trust receipts bear a range of effective interest rate of 4.83% - 8.12% per annum (2022: 3.02% - 6.65%).

A reconciliation of liabilities arising from financing activities is as follows:

Group	2022 \$'000	Cash flows \$'000	Non-cash changes		2023 \$'000
			Addition \$'000	Other \$'000	
Loans and borrowings	43,880	(22,607)	–	–	21,273
Lease liabilities	11,156	(659)	52	(20)	10,529
Total	55,036	(23,266)	52	(20)	31,802

Group	2021 \$'000	Cash flows \$'000	Non-cash changes		2022 \$'000
			Addition \$'000	Other \$'000	
Loans and borrowings	17,101	26,779	–	–	43,880
Lease liabilities	11,978	(943)	259	(138)	11,156
Total	29,079	25,836	259	(138)	55,036



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

22. Leases

As a lessee

The Group and the Company have lease contracts for accommodation, land use rights and other office equipment used in its operation. The Group and the Company are restricted from assigning and subleasing the leases assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Land use rights \$'000	Accommodation \$'000	Office equipment \$'000	Total \$'000
At 1 October 2021	10,248	898	141	11,287
Additions	–	10	7	17
Depreciation expense	(546)	(523)	(48)	(1,117)
Derecognition	–	(163)	–	(163)
Exchange differences	–	(3)	–	(3)
At 30 September 2022	9,702	219	100	10,021
Additions	–	–	52	52
Depreciation expense	(545)	(219)	(49)	(813)
Derecognition	–	–	(12)	(12)
At 30 September 2023	9,157	–	91	9,248

Company	Land use rights \$'000	Office equipment \$'000	Total \$'000
At 1 October 2021	10,248	40	10,288
Depreciation expense	(546)	(18)	(564)
At 30 September 2022	9,702	22	9,724
Additions	–	52	52
Depreciation expense	(545)	(20)	(565)
Derecognition	–	(12)	(12)
At 30 September 2023	9,157	42	9,199

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

22. Leases (cont'd)

As a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group	Company	
	2023 \$'000	2022 \$'000	2023 \$'000
	2022 \$'000		2022 \$'000
At 1 October	11,156	11,978	10,627
Additions	52	259	52
Accretion of interest	705	796	688
Payments	(1,364)	(1,739)	(1,016)
Derecognition	(20)	(135)	(20)
Exchange differences	–	(3)	–
At 30 September	10,529	11,156	10,331
Current	468	665	353
Non-current	10,061	10,491	9,978
	10,529	11,156	10,331

The maturity analysis of lease liabilities is disclosed in Note 32.

The following are the amounts recognised in profit or loss:

	Group	Company	
	2023 \$'000	2022 \$'000	2023 \$'000
	2022 \$'000		2022 \$'000
Depreciation expense of right-of-use assets	813	1,117	564
Interest expenses on lease liabilities	705	796	688
Expenses relating to short-term leases (included in rental and utilities)	3,369	1,431	7
Expenses relating to low-value assets (included in rental and utilities)	1,516	1,217	77
Total amount recognised in profit or loss	6,403	4,561	1,336

The Group had total cash outflows for leases of \$6,249,000 in 2023 (2022: \$4,387,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of \$52,000 in 2023 (2022: \$259,000). Out of the non-cash additions, nil (2022: \$242,000) is classified under property, plant and equipment.

The Company had total cash outflows for leases of \$1,100,000 in 2023 (2022: \$1,132,000).



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

23. Deferred tax

Deferred tax as at 30 September relates to the following:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000

Deferred tax liabilities:

Differences in depreciation for tax purpose	1,503	1,490	390	400
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Deferred tax assets:

Provisions	866	384	-	-
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Movement of deferred tax is as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 October	1,106	685	400	388
(Reversal of)/Provision made	(415)	469	(10)	12
Exchange differences	(54)	(48)	-	-
At 30 September	637	1,106	390	400

Unrecognised temporary differences relating to investment in subsidiaries

At the end of the reporting period, no deferred tax liability (2022: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as there are no tax effect on the undistributed earnings of the foreign subsidiaries.

Tax consequences of proposed dividends

There are no income tax consequences (2022: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 28).

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

24. Share capital and treasury shares

Share capital

Group and Company			
2023		2022	
No. of shares '000	\$'000	No. of shares '000	\$'000

Issued and fully paid ordinary shares:

At 1 October and 30 September	243,744	57,582	243,744	57,582
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The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

Treasury shares

Group and Company			
2023		2022	
No. of shares '000	\$'000	No. of shares '000	\$'000

Issued and fully paid treasury shares:

At 1 October and 30 September	1,688	(532)	1,688	(532)
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25. Capital reserve

Capital reserve at the end of the reporting period represents discount on acquisition of a subsidiary in prior years amounting to \$104,000 (2022: \$104,000).

26. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

27. Fair value adjustment reserve

Fair value adjustment reserve records the cumulative fair value changes of quoted securities until they are derecognised or impaired.

	Group and Company	
	2023	2022
	\$'000	\$'000
At 1 October 2022 and 30 September 2023		
	-	(4)

28. Dividends

	Group and Company	
	2023	2022
	\$'000	\$'000

Declared and paid during the financial year:

Dividend on ordinary shares

- Final exempt (one-tier) dividend for 2022: 1.5 cent per share (2021: 1.5 cent)	3,631	3,631
- Special (one-tier) dividend for 2022: 0.5 cent per share (2021: 0.5 cent)	1,210	1,210
Total dividends	4,841	4,841

Proposed but not recognised as liability as at 30 September

Dividend on ordinary shares, subject to shareholders' approval at AGM

- Final and special (one-tier) dividend for 2023: 0.25 cents per share (2022: 2.0 cents)	605	4,841
---	------------	-------

A final dividend in respect of year ended 30 September 2023 of 0.25 cent (2022: 1.5 cent) per share and no special dividend (2022: 0.5 cent) per share under tax exempt one-tier system amounting to \$605,000 (2022: \$4,841,000) was proposed by the Board subsequent to the financial year end. The dividend proposed is not accounted for until it has been approved by the shareholders at the Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the financial year ending 30 September 2024.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

29. Related party transactions

(a) ***Transactions with subsidiaries***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Company	
	2023	2022
	\$'000	\$'000
Sales to subsidiaries	24,275	104,051
Purchases from subsidiaries	(42,250)	(131,138)
Rental and utilities recharge to a subsidiary	570	396
Staff related costs recharged by a subsidiary	(275)	(20)

(b) ***Compensation of key management personnel***

	Group	
	2023	2022
	\$'000	\$'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 amounts 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

* The advisors are substantial shareholders who are considered key management personnel of the Company.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

30. Commitments and contingencies

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2023	2022
	\$'000	\$'000
Capital commitments in respect of acquisition and construction of property, plant and equipment	3,037	6,313

31. Cash and fixed deposits

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'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

Cash and fixed deposits denominated in major foreign currency at 30 September are as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
United States Dollar	11,588	13,718	11,582	13,711

Fixed deposits are made for 12 months (2022: 12 months) depending on the immediate cash requirements of the Group and earn interest at the respective fixed deposit rates. The weighted average effective interest rate as at 30 September for the Group is 3.05% (2022: 2.10%) per annum. Fixed deposits can be readily convertible into known amount of cash and subject to insignificant risk of change in value.

Included in fixed deposit of the Group are \$176,000 (2022: \$183,000) pledged to a licensed bank for bank guarantee facilities.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

32. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, foreign currency risk, credit risk and market price risk. The board approves, authorises and agrees policies for managing each of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group's and Company's principal financial instruments, other than derivative financial instruments, comprise loans and borrowings, cash and cash equivalents and various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group and Company also enters into derivative transactions such as commodity swap. The purpose is to manage the purchase price volatility arising from its operations. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken and management has adhered to this policy in the previous and current financial year.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) **Liquidity risk**

Liquidity risk is the risk that the Group or the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group actively manages its debt maturity profile, operating cash flows and availability of committed credit facilities to ensure that all refinancing, repayment and funding needs are met. The Group strives to maintain a sufficient level of banking facilities to meet its funding requirements and utilise trust receipts, loans and hire purchase contracts for this purpose.

The table below summarises the maturity profile of the Group's and Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

32. Financial risk management objectives and policies (cont'd)

(a) Liquidity risk (cont'd)

30 September 2023	One year or less	One to five years	More than five years	Total
	\$'000	\$'000	\$'000	\$'000
Group				
Financial assets:				
Trade receivables	34,227	—	—	34,227
Other receivables and deposits	1,780	—	—	1,780
Cash and fixed deposits	27,659	—	—	27,659
Derivatives	216	—	—	216
	63,882	—	—	63,882
Less: Goods and services tax receivables	(177)	—	—	(177)
Total undiscounted financial assets	63,705	—	—	63,705
Financial liabilities:				
Trade payables	6,648	—	—	6,648
Other payables and accruals	17,268	—	—	17,268
Loans and borrowings	18,654	3,095	—	21,749
Lease liabilities	1,125	3,318	13,949	18,392
Total undiscounted financial liabilities	43,695	6,413	13,949	64,057
Total net undiscounted financial assets/(liabilities)	20,010	(6,413)	(13,949)	(352)
30 September 2022	One year or less	One to five years	More than five years	Total
	\$'000	\$'000	\$'000	\$'000
Group				
Financial assets:				
Trade receivables	50,810	—	—	50,810
Other receivables and deposits	2,185	—	—	2,185
Cash and fixed deposits	30,789	—	—	30,789
Derivatives	402	—	—	402
Quoted securities	—	2	—	2
	84,186	2	—	84,188
Less: Goods and services tax receivables	(1,330)	—	—	(1,330)
Total undiscounted financial assets	82,856	2	—	82,858
Financial liabilities:				
Trade payables	7,741	—	—	7,741
Other payables and accruals	19,118	—	—	19,118
Loans and borrowings	38,565	5,964	—	44,529
Derivatives	667	—	—	667
Lease liabilities	1,369	3,682	14,665	19,716
Total undiscounted financial liabilities	67,460	9,646	14,665	91,771
Total net undiscounted financial assets/(liabilities)	15,396	(9,644)	(14,665)	(8,913)

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

32. Financial risk management objectives and policies (cont'd)

(a) Liquidity risk (cont'd)

30 September 2023	One year or less	One to five years	More than five years	Total
	\$'000	\$'000	\$'000	\$'000
Company				
Financial assets:				
Trade receivables	13,903	—	—	13,903
Other receivables and deposits	94	—	—	94
Amounts due from subsidiaries (non-trade)	56,817	—	—	56,817
Cash and fixed deposits	15,399	—	—	15,399
Derivatives	216	—	—	216
	86,429	—	—	86,429
Less: Goods and services tax receivables	(390)	—	—	(390)
Total undiscounted financial assets	86,039	—	—	86,039
Financial liabilities:				
Trade payables	17,549	—	—	17,549
Other payables and accruals	4,130	—	—	4,130
Loans and borrowings	9,708	3,095	—	12,803
Lease liabilities	1,002	3,233	13,949	18,184
Total undiscounted financial liabilities	32,389	6,328	13,949	52,666
Total net undiscounted financial assets/(liabilities)	53,650	(6,328)	(13,949)	33,373



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

32. Financial risk management objectives and policies (cont'd)

(a) Liquidity risk (cont'd)

30 September 2022	One year or less	One to five years	More than five years	Total \$'000	
	\$'000	\$'000	\$'000		
Company					
Financial assets:					
Trade receivables	33,811	—	—	33,811	
Other receivables and deposits	323	—	—	323	
Amounts due from subsidiaries (non-trade)	79,121	—	—	79,121	
Cash and fixed deposits	23,923	—	—	23,923	
Derivatives	402	—	—	402	
Quoted securities	—	2	—	2	
	137,580	2	—	137,582	
Less: Goods and services tax receivables	(981)	—	—	(981)	
Total undiscounted financial assets	136,599	2	—	136,601	
Financial liabilities:					
Trade payables	10,539	—	—	10,539	
Other payables and accruals	4,546	—	—	4,546	
Loans and borrowings	34,034	5,964	—	39,998	
Derivatives	667	—	—	667	
Lease liabilities	1,022	3,473	14,665	19,160	
Total undiscounted financial liabilities	50,808	9,437	14,665	74,910	
Total net undiscounted financial assets/(liabilities)	85,791	(9,435)	(14,665)	61,691	

(b) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD and Malaysian Ringgit ("MYR"). The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"). Approximately 30% (2022: 64%) of the Group's sales are denominated in currencies other than functional currencies of the Group entities whilst almost 31% (2022: 51%) of costs are denominated in foreign currencies.

Certain sales transactions of the Company are billed in USD. However, the pricing decisions for these sales transactions are made in the functional currency of the Company.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are disclosed in Note 31.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

32. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk (cont'd)

As disclosed in Note 2.5, exchange differences on the Group's net investments in the foreign subsidiaries are dealt with through the foreign currency translation reserve.

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in USD against SGD, with all other variables held constant.

	Group	
	2023 \$'000	2022 \$'000
Increase/(decrease) in profit net of tax when USD/SGD		
- strengthen 10% (2022: 3%)	1,441	432
- weaken 10% (2022: 3%)	(1,441)	(432)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and Company's exposure to credit risk arises primarily from trade receivables. The Group and Company trades only with creditworthy third parties. Management monitors receivable balances on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets, which comprise cash and cash equivalents, other receivables and deposits, quoted securities and amounts due from subsidiaries, the Group and Company minimise credit risk by dealing exclusively with counterparties with high credit ratings.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of borrowers in the Company and changes in the operating results of the debtor



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

32. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring trade receivables by product-type on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2023		2022	
	\$'000	% of total	\$'000	% of total
By product types:				
Aluminium	23,583	68.9	40,352	79.4
Mild Steel	6,747	19.7	6,606	13.0
Stainless Steel	—	0.0	2	0.0
UPVC	3,897	11.4	3,850	7.6
	34,227	100.0	50,810	100.0

At the end of the reporting period, there is no significant concentration of credit risk apart for the amounts due from a long-term major customer in the shipping industry amounting to approximately 40.6% (2022: 66.5%) of total trade receivables. However, the good credit history of this customer reduces the credit risk to the Group to an acceptable level. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Trade receivables and contract assets

The Group provides for lifetime expected credit losses for all trade receivables and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The expected credit losses also incorporate forward looking information such as forecast of economic conditions for the industry.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

32. Financial risk management objectives and policies (cont'd)

(d) **Market price risk**

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to market price risk arising from its purchase of key raw materials, namely mild steel, stainless steel and aluminium. Any significant increase in the prices of key raw materials will adversely affect the Group's operating results.

The Group manages the risk in fluctuation by buying the raw materials pegged to contracts requirements only, sourcing for alternative sources of supply and undertaking derivative contracts in material prices the effects of which are covered by customer agreement.

The Group uses commodity swap contracts to hedge against the volatility of commodity purchases. At the end of the reporting period, the fair value of derivatives balances are disclosed in Note 17.

33. Fair value of financial instruments

(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.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

33. Fair value of financial instrument (cont'd)

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

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

2023	Note	Group and Company			Total
		Quoted prices in active markets for identical instruments	Significant other observable inputs		
		Level 1 \$'000	Level 2 \$'000	\$'000	
<u>Recurring fair value measurements</u>					

Financial assets:

Derivatives				
- Commodity swaps	17	-	20	20
- Interest rate swap	17	-	196	196

2022

2022	Note	Group and Company			Total
		Quoted prices in active markets for identical instruments	Significant other observable inputs		
		Level 1 \$'000	Level 2 \$'000	\$'000	
<u>Recurring fair value measurements</u>					

Financial assets:

Quoted securities	11	2	-	2
Derivatives				
- Interest rate swap	17	-	402	402

Financial liabilities:

Derivatives				
- Commodity swaps	17	-	(667)	(667)

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

33. Fair value of financial instrument (cont'd)

(c) **Determination of fair value**

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities:

Level 1 fair value measurement

Quoted instruments (Note 11): Fair value is determined by direct reference to their bid price quotations in an active market at the end of the reporting period.

Level 2 fair value measurement

Derivatives (Note 17): Commodity swap agreements are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including commodity spot and forward rates.

Significant changes in fair value measurements from year to year are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(d) **Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The management has determined that the carrying amounts of cash and cash equivalents, trade receivables, other receivables and deposits, trade payables, other payables and accruals, loans and borrowings, lease liabilities and amounts due from subsidiaries, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are repriced frequently within a year.

The fair values of the obligations under hire purchase contracts are not materially different from their carrying values as at 30 September 2023.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

33. Fair value of financial instrument (cont'd)

(e) Classification of financial instruments

Set out below is a comparison by category of carrying amounts of all the financial instruments that are carried in the financial statements:

Group Assets	Amortised cost \$'000	Fair value through other comprehensive income \$'000	Fair value through profit or loss \$'000	Total \$'000
30 September 2023				
Trade receivables	34,227	–	–	34,227
Other receivables and deposits	1,780	–	–	1,780
Cash and fixed deposits	27,659	–	–	27,659
Derivatives	–	–	216	216
Less: Goods and services tax receivables	(177)	–	–	(177)
	63,489	–	216	63,705
30 September 2022				
Quoted securities	–	2	–	2
Trade receivables	50,810	–	–	50,810
Other receivables and deposits	2,185	–	–	2,185
Cash and fixed deposits	30,789	–	–	30,789
Derivatives	–	–	402	402
Less: Goods and services tax receivables	(1,330)	–	–	(1,330)
	82,454	2	402	82,858

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

33. Fair value of financial instrument (cont'd)

(e) Classification of financial instruments (cont'd)

Group	Amortised cost \$'000	Fair value through profit or loss \$'000	Total \$'000
Liabilities			
30 September 2023			
Trade payables	6,648	-	6,648
Other payables and accruals	17,268	-	17,268
Loans and borrowings	21,273	-	21,273
Lease liabilities	10,529	-	10,529
	55,718	-	55,718
30 September 2022			
Trade payables	7,741	-	7,741
Other payables and accruals	19,118	-	19,118
Loans and borrowings	43,880	-	43,880
Derivatives	-	667	667
Lease liabilities	11,156	-	11,156
	81,895	667	82,562



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

33. Fair value of financial instrument (cont'd)

(e) Classification of financial instruments (cont'd)

Company Assets	Amortised cost \$'000	Fair value through other comprehensive income \$'000	Fair value through profit or loss \$'000	Total \$'000

30 September 2023

Trade receivables	13,903	-	-	13,903
Other receivables and deposits	94	-	-	94
Amounts due from subsidiaries (non-trade)	56,817	-	-	56,817
Cash and fixed deposits	15,399	-	-	15,399
Derivatives	-	-	216	216
Less: Goods and services tax receivables	(390)	-	-	(390)
	85,823	-	216	86,039

30 September 2022

Quoted securities	-	2	-	2
Trade receivables	33,811	-	-	33,811
Other receivables and deposits	323	-	-	323
Amounts due from subsidiaries (non-trade)	79,121	-	-	79,121
Cash and fixed deposits	23,923	-	-	23,923
Derivatives	-	-	402	402
Less: Goods and services tax receivables	(981)	-	-	(981)
	136,197	2	402	136,601

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

33. Fair value of financial instrument (cont'd)

(e) Classification of financial instruments (cont'd)

Company Liabilities	Amortised cost \$'000	Fair value through profit or loss \$'000	Fair value Total \$'000		
			Total \$'000		
30 September 2023					
Trade payables	17,549	–	17,549		
Other payables and accruals	4,130	–	4,130		
Loans and borrowings	12,445	–	12,445		
Lease liabilities	10,331	–	10,331		
	44,455	–	44,455		
30 September 2022					
Trade payables	10,539	–	10,539		
Other payables and accruals	4,546	–	4,546		
Loans and borrowings	39,369	–	39,369		
Derivatives	–	667	667		
Lease liabilities	10,627	–	10,627		
	65,081	667	65,748		

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains an appropriate capital structure to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may increase borrowings or adjust the dividend payment to shareholders as and when appropriate. No changes were made in the objectives, policies or processes during the years ended 30 September 2023 and 30 September 2022.



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

34. Capital management (cont'd)

The Group will continue to be guided by prudent financial policies. The gross debt to equity ratio is presented below:

		Group	
	Note	2023 \$'000	2022 \$'000
Loans and borrowings	21	21,273	43,880
Lease liabilities	22	10,529	11,156
Total gross debt		31,802	55,036
Equity attributable to owners of the Company		152,580	161,199
Gross debt to equity ratio		20.8%	34.1%

35. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(a) **The aluminium segment**

Aluminium products on building construction and other industrial uses, such as curtain walls, cladding windows and marine container refrigeration units.

(b) **The mild steel segment**

Mild steel products on door frame and entrance gate for building construction projects.

(c) **The stainless steel segment**

Stainless steel products, such as drying rack and hoppers use for building construction projects.

(d) **Unplasticised polyvinyl chloride ("UPVC")**

UPVC products include door, skirting and flooring for building construction projects.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

35. Segment information (cont'd)

Business segments

	Aluminium		Mild steel		Stainless steel		UPVC		Note	Adjustments		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022		2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000
Segment 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 results before tax	(8,628)	17,036	6,749	(3,136)	906	(146)	1,106	207	(A)	(669)	(418)	(536)	13,543
Statement of financial position:													
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



Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

35. Segment information (cont'd)

Reconciliation to arrive at amounts reported in the consolidated financial statements.

Note A

The following items are added to/(deducted from) segment results to arrive at "Profit before tax" presented in the consolidated income statement:

	Group	
	2023 \$'000	2022 \$'000
Interest income	11	38
Finance costs	(2,005)	(1,803)
Unallocated income	1,325	1,347
	(669)	(418)

Note B

The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Group	
	2023 \$'000	2022 \$'000
Deferred tax assets	866	384

Note C

The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Group	
	2023 \$'000	2022 \$'000
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

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

35. Segment information (cont'd)

Geographical information

Revenue and non-current assets based on the geographical location of customers and assets respectively are as follows:

	Revenue from external customers		Non-current assets	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore	156,732	223,683	39,013	38,418
Malaysia	2,174	5,470	30,778	33,653
	158,906	229,153	69,791	72,071

Non-current assets presented above consist of property, plant and equipment and right-of-use assets, as presented in the consolidated statement of financial position.

Information about major customers

During current financial year, revenue from two major customers amounted to \$49 million (2022: \$149 million) arising from sales by the aluminium segment and \$5 million (2022: \$3 million) arising from sales by the mild steel segment.

36. Authorisation of financial statements for issue

The financial statements for the year ended 30 September 2023 were authorised for issue in accordance with a resolution of the directors on 15 December 2023.



Statistics of SHAREHOLDINGS

As at 14 December 2023

Issued and fully paid-up capital	:	\$57,069,657.188
Number of shares (excluding treasury shares and subsidiary holdings)	:	242,056,382
Number of treasury shares held and percentage	:	1,687,700 (0.70%)
Number of subsidiary holdings held	:	Nil
Class of shares	:	Ordinary share fully paid with equal voting rights
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	29	1.17	1,262	0.00
100 - 1,000	686	27.83	485,839	0.20
1,001 - 10,000	964	39.11	3,526,729	1.46
10,001 - 1,000,000	770	31.24	50,489,181	20.86
1,000,001 AND ABOVE	16	0.65	187,553,371	77.48
TOTAL	2,465	100.00	242,056,382	100.00

SUBSTANTIAL SHAREHOLDERS

	Direct Interest	%	Deemed Interest	%
Yong Koon Chin	47,081,502	19.45	—	—
Yong Kin Sen	48,204,412	19.91	9,582 ⁽¹⁾	n.m. ⁽²⁾
Yong Poon Miew	47,373,181	19.57	—	—
Yeo Seng Chong	2,925,000	1.21	13,461,000 ⁽³⁾	5.56
Yeoman Capital Management Pte Ltd	286,000	0.12	13,175,000 ⁽⁴⁾	5.44
Yeoman 3-Rights Value Asia Fund	13,000,000	5.37	—	—

Notes:

- (1) Mr Yong Kin Sen is deemed interested in the shares held by his spouse.
- (2) n.m. = not meaningful
- (3) Mr Yeo Seng Chong is deemed interested in the shares held through DB Nominees (Singapore) Pte Ltd.
- (4) YCMPL acquired the shares on behalf of YCMPL's clients (including Yeoman 3-Rights Value Asia Fund and Yeoman Client 1) in its role as investment manager. YCMPL has voting control over the shares except those in Mr Yeo Seng Chong's personal dealing account.

Statistics of SHAREHOLDINGS

As at 14 December 2023

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	YONG KIN SEN	48,204,412	19.91
2	YONG POON MIEW	47,373,181	19.57
3	YONG KOON CHIN	47,081,502	19.45
4	DB NOMINEES (SINGAPORE) PTE LTD	13,175,000	5.44
5	DBS NOMINEES (PRIVATE) LIMITED	7,050,294	2.91
6	TAY HUAY HONG	5,639,400	2.33
7	KWA CHING TZE	3,100,050	1.28
8	YEO SENG CHONG	2,925,000	1.21
9	CITIBANK NOMINEES SINGAPORE PTE LTD	2,580,400	1.07
10	ABN AMRO CLEARING BANK N.V.	2,164,700	0.89
11	ANG JUI KHOON	2,093,400	0.86
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,393,657	0.58
13	PHILLIP SECURITIES PTE LTD	1,366,501	0.56
14	GOH TEOW HEE	1,235,000	0.51
15	RAFFLES NOMINEES (PTE.) LIMITED	1,170,150	0.48
16	NG KWONG CHONG OR LIU OI FUI IVY	1,000,724	0.41
17	WANG JUNG HSIN	1,000,000	0.41
18	HSBC (SINGAPORE) NOMINEES PTE LTD	964,250	0.40
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	960,950	0.40
20	KUAN BON HENG	932,000	0.39
			191,410,571
			79.06

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

33.99% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.



Notice of ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Nam Lee Pressed Metal Industries Limited (the "Company") will be convened at Orchid Country Club, Sapphire Suite, Social Clubhouse, No. 1 Orchid Club Road, Singapore 769162 on Friday, 19 January 2024 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 September 2023 together with the Auditors' Report. **(Resolution 1)**
2. To declare a one-tier tax-exempt final dividend of 0.25 Singapore cent per share for the financial year ended 30 September 2023 (FY2022: One-tier tax-exempt final dividend of 1.5 Singapore cent per share). **(Resolution 2)**
[See Explanatory Note (i)]
3. To re-elect the following Directors of the Company retiring pursuant to Article 94 of the Constitution of the Company:

Mr Tay Teck Seng Joshua **(Resolution 3)**
Ms Yong Li Yuen Joanna **(Resolution 4)**

[See Explanatory Note (ii)]
4. To re-elect the following Director of the Company retiring pursuant to Article 100 of the Constitution of the Company:

Mr Jong Voon Hoo **(Resolution 5)**

[See Explanatory Note (iii)]
5. To approve the payment of Directors' fees of S\$165,000 for the financial year ending 30 September 2024, payable quarterly in arrears (FY2023: S\$142,006). **(Resolution 6)**
6. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to issue shares under the General Mandate

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

Notice of ANNUAL GENERAL MEETING

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from the exercise of share options or vesting of share awards; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares.

Adjustments in accordance with sub-paragraph (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(Resolution 8)

[See Explanatory Note (iv)]



Notice of ANNUAL GENERAL MEETING

9. Renewal of Share Buyback Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) an on-market share acquisition (“**On-Market Purchase**”) transacted on the SGX-ST trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or
 - (ii) an off-market share acquisition (“**Off-Market Purchase**”) pursuant to an equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise be in accordance with all other laws, the Listing Manual and other regulations and rules of the SGX-ST,
- (b) (the “**Mandate**”);
 - (i) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Mandate may be exercised by the Directors of the Company at any time and from time to time, on and from the date of passing of this Resolution up to during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held; or
 - (ii) the date on which the authority conferred by the Mandate is revoked or varied by the Company in a general meeting; or
 - (iii) the date on which the share buyback is fulfilled up to the full extent of the Mandate; and
- (c) the Directors of the Company and/or any of them be and is hereby authorised to do such acts and things (including, without limitation, enter into all transactions, arrangements and agreements and executing such documents) as they and/or he may consider necessary or expedient to give effect to this Resolution.

In this Resolution:

“**Maximum Limit**” means that number of Shares representing 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution (excluding any treasury shares and subsidiary holdings at that date);

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the price paid per Share which does not exceed 5% above the average of the closing market prices of the Shares over the last 5 market days, on which transactions in the Shares were recorded, before the day on which the purchases are made and deemed to be adjusted for any corporate action which occurs during the relevant 5-day period and the day on which the purchases are made; and

Notice of ANNUAL GENERAL MEETING

The Maximum Price shall apply to both On-Market Purchases and Off-Market Purchases and shall exclude brokerage fees, commission, stamp duties payable, applicable goods and services tax, clearance fees and other related expenses.

(Resolution 9)

[See Explanatory Note (v)]

By Order of the Board

Yong Han Keong, Eric
Managing Director
Singapore, 4 January 2024

Explanatory Notes:

- (i) For the financial year ended 30 September 2022, the Company paid a one-tier tax-exempt final dividend of 1.5 Singapore cent per share and a one-tier tax-exempt special dividend of 0.5 Singapore cent per share. For the financial year ended 30 September 2023, the Company will be paying a one-tier tax-exempt final dividend of 0.25 Singapore cent per share, if approved by the members at this Annual General Meeting.
- (ii) Mr Tay Teck Seng Joshua will, upon re-election as Director of the Company, remain as Independent Director of the Company, Chairman of the Nominating Committee and Member of Audit Committee and Remuneration Committee. The Board considers Mr Tay to be independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.

Ms Yong Li Yuen Joanna will, upon re-election as Director of the Company, remain as Chairman cum Executive Director of the Company and will be considered non-independent.

Key information on Mr Tay and Ms Yong be found on pages 8 and 12 of the Annual Report 2023.

- (iii) Mr Jong Voon Hoo will, upon re-election as Director of the Company, remain as Independent Director of the Company, Chairman of the Audit Committee and Member of Nominating Committee and Remuneration Committee. The Board considers Mr Jong to be independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.

Key information on Mr Jong can be found on page 13 of the Annual Report 2023.

- (iv) The Ordinary Resolution 8, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (v) The Ordinary Resolution 9, if passed, will empower the Directors of the Company effective until the earliest of: (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held; (ii) the date on which the authority conferred by the Mandate is revoked or varied by the Company in a general meeting; and (iii) the date on which the share buyback is fulfilled up to the full extent of the Mandate, to repurchase ordinary shares of the Company by way of on-market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in the Resolution. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Mandate on the audited consolidated financial statements of the Group for the financial year ended 30 September 2023 are set out in greater detail in the Letter to Shareholders dated 4 January 2024 (the "Letter") attached.



Notice of ANNUAL GENERAL MEETING

Notes:

Printed copies of this Notice, Proxy Form and the Annual Report 2023 will be sent to shareholders by post.

The following documents can also be accessed at <http://www.namlee.com.sg/> or on the SGX website at <https://www.sgx.com/securities/company-announcements>:

- Annual Report for the financial year ended 30 September 2023 ("Annual Report 2023")
- Proxy Form

Shareholders are able to participate at the Annual General Meeting (the "Meeting") in person in the following manners set out in the paragraphs below:

Submission of Instrument Appointing a Proxy ("Proxy Form") to Vote:

1. A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Meeting.
2. A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

3. For Supplementary Retirement Scheme ("SRS") investors and Central Provident Fund Investment Scheme investors ("CPF Investors") who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including holders under depository agents) and who wish to exercise their votes should approach their respective relevant intermediaries (including their respective SRS Operators or depository agents) to submit their voting instructions in the Proxy Forms **at least seven (7) working days before the Meeting, on 9 January 2024 at 5.00 p.m.**
4. Members (whether individual or corporate) appointing a proxy or proxies must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which, the proxy/proxies will vote or abstain from voting at his/her discretion. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's registered office at 4 Gul Way, Singapore 629192; or
 - (b) if submitted electronically, be submitted via email to nlproxyform@namlee.com.sg

in either case, **by 9.30 a.m. on 16 January 2024 (being at least 72 hours before the time for holding the Meeting).**

6. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the Meeting unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time of the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

Submission of Questions in Advance:

- (1) Shareholders may also submit questions related to resolutions to be tabled at the Meeting in the following manner:
 - (a) if submitted by post, to the Company's registered office at 4 Gul Way, Singapore 629192; or
 - (b) if submitted electronically, be submitted via email to nlproxyform@namlee.com.sg

All questions for the Meeting must be submitted by **9.30 a.m. on 12 January 2024**.

Notice of ANNUAL GENERAL MEETING

- (2) A member who wishes to submit the questions in hard copy by mail is required to indicate the full name (for individuals)/company name (for corporates), NRIC/Passport No./Company Registration No., email address, contact number, shareholding type and number of shares held together with their submission, before submitting it by post to the address provided.
- (3) The Board of Directors of the Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the Meeting by publishing the responses to those questions on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://www.namlee.com.sg/> on 12 January 2024, being at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms. Where substantial relevant questions submitted by Shareholders are unable to be addressed prior to the Meeting, the Company will address them during the Meeting.

The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the Meeting on SGXNET and the Company's website within one month from the date of the Meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy or proxies to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of a proxy or proxies for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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NAM LEE PRESSED METAL INDUSTRIES LIMITED(Company Registration No. 197500362M)
(Incorporated In The Republic of Singapore)**PROXY FORM**

This proxy form has been made available on the Company's website at the URL <http://www.namlee.com.sg/> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

IMPORTANT:

1. The Annual Report 2023 and Notice of Annual General Meeting dated 4 January 2024 have been made available on SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at URL <http://www.namlee.com.sg/>.
2. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
3. The Chairman and proxy need not be a member of the Company.
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 January 2024.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy and proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.
6. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PLEASE READ THE NOTES TO THE PROXY FORM WHICH CONTAIN INSTRUCTIONS ON, INTER ALIA, THE APPOINTMENT OF PROXIES OR THE CHAIRMAN OF THE MEETING AS PROXY TO ATTEND, SPEAK AND VOTE ON HIS/HER BEHALF AT THE ANNUAL GENERAL MEETING.

I/We (Name) _____

of (Address) _____

being a shareholder / shareholders of Nam Lee Pressed Metal Industries Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both persons referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on/my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at Orchid Country Club, Sapphire Suite, Social Clubhouse, No. 1 Orchid Club Road, Singapore 769162 on Friday, 19 January 2024 at 9.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

All resolutions put to the vote at the Meeting shall be conducted by poll.

No.	Resolutions relating to:	Number of votes for ⁽¹⁾	Number of votes against ⁽¹⁾	Number of votes abstaining ⁽¹⁾
ORDINARY BUSINESS				
1	Adoption of the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 September 2023 together with the Auditors' Report			
2	Payment of proposed one-tier tax-exempt final dividend of 0.25 Singapore cent per share for the financial year ended 30 September 2023			
3	Re-election of Mr Tay Teck Seng Joshua as a Director of the Company			
4	Re-election of Ms Yong Li Yuen Joanna as a Director of the Company			
5	Re-election of Mr Jong Voon Hoo as a Director of the Company			
6	Approval of the payment of Directors' fees of S\$165,000 for the financial year ending 30 September 2024, payable quarterly in arrears			
7	Re-appointment of Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration			
SPECIAL BUSINESS				
8	Authority to issue shares under the General Mandate			
9	Renewal of Share Buyback Mandate			

* Voting will be conducted by poll. If you wish your proxy/proxies to vote all your shares "For" or "Against" the relevant resolution, please indicate with a "√" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a "√" in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution.

Dated this _____ day of _____ 2024

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument ("Proxy Form") appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the shares held by you.
2. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
3. Where a member (whether individual or corporate) appoints a proxy or proxies as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the proxy/proxies will vote or abstain from voting at his/her discretion.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A proxy need not be a member of the Company.
6. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including SRS investors and CPF investors) and who wish to exercise their votes by appointing a proxy or proxies should approach their respective relevant intermediaries to submit their voting instructions by **9 January 2024 at 5.00 p.m.** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint a proxy or proxies to vote on their behalf.
7. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
8. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's registered office at 4 Gul Way, Singapore 629192; or
 - (b) if submitted electronically, be submitted via email to nlproxyform@namlee.com.sg.

in either case, **by 9.30 a.m. on 16 January 2024 (being at least 72 hours before the time for holding the Meeting)**.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy or proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 January 2024.

GENERAL:

The Company shall be entitled to reject the proxy form appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



We offer no
compromises
on Quality



NAM LEE PRESSED METAL INDUSTRIES LIMITED
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