LEE METAL GROUP LTD
REG. No. 198205439C

Third Quarter and Nine Months Financial Statements And Dividend Announcement

1(a)(i) The Board of Directors of Lee Metal Group Ltd is pleased to announce the unaudited results of the Group for the Third Quarter and Nine Months ended 30 Sep 2016.

INCOME STATEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEP 2016

		3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
		2016	2015	+/(-)	**2016**	2015	+/(-)
	Notes	**$'000**	$'000	%	**$'000**	$'000	%
Turnover		**87,745**	100,431	(12.6%)	**236,966**	354,661	(33.2%)
Other operating income	A	**50**	164	(69.5%)	**440**	407	8.1%
Changes in inventories of finished goods and work-in-progress, raw materials and consumables used and finished goods purchased		**(69,536)**	(75,640)	(8.1%)	**(184,524)**	(285,986)	(35.5%)
Employee benefits expense	B	**(5,201)**	(6,374)	(18.4%)	**(16,147)**	(18,723)	(13.8%)
Depreciation and amortisation	C	**(2,781)**	(3,050)	(8.8%)	**(7,940)**	(8,594)	(7.6%)
Insurance, freight and transportation	D	**(1,001)**	(1,382)	(27.6%)	**(2,835)**	(3,908)	(27.5%)
Rental and utilities	E	**(1,460)**	(2,221)	(34.3%)	**(4,890)**	(6,633)	(26.3%)
Repair and maintenance	F	**(799)**	(1,022)	(21.8%)	**(2,397)**	(3,254)	(26.3%)
Other operating expenses	G	**(1,967)**	(4,894)	(59.8%)	**(5,818)**	(10,334)	(43.7%)
Financial expense	H	**(244)**	(731)	(66.6%)	**(1,110)**	(2,270)	(51.1%)
Financial income	I	**82**	73	12.3%	**166**	412	(59.7%)
Share of results of associate	J	**(16)**	9	n.m	**115**	(206)	n.m
Profit before tax		**4,872**	5,363	(9.2%)	**12,026**	15,572	(22.8%)
Income tax expense		**(857)**	(1,287)	(33.4%)	**(2,073)**	(3,076)	(32.6%)
Profit attributable to equity holders of the Company		**4,015**	4,076	(1.5%)	**9,953**	12,496	(20.4%)

STATEMENTS OF COMPREHENSIVE INCOME FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEP 2016

	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
	2016	2015	+/(-)	**2016**	2015	+/(-)
	$'000	$'000	%	**$'000**	$'000	%
Profit attributable to equity holders of the Company	**4,015**	4,076	(1.5%)	**9,953**	12,496	(20.4%)
Other comprehensive income (Item that may be reclassified subsequently to profit or loss):-						
- Foreign currency translation reserve	**284**	1,594	(82.2%)	**(761)**	2,021	n.m
Total comprehensive income attributable to equity holders of the Company	**4,299**	5,670	(24.2%)	**9,192**	14,517	(36.7%)

1(a)(ii) **Notes to the Income Statement**

	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
	2016	2015	+/(-)	**2016**	2015	+/(-)
A) Other operating income comprises the following:	**$'000**	$'000	%	**$'000**	$'000	%
- Reversal of impairment loss on trade receivables	**-**	-	n.m	**14**	5	180.0%
- Gain on disposal of property, plant and equipment,net	**3**	109	(97.2%)	**3**	119	(97.5%)
- Commission income	**-**	-	n.m	**-**	16	(100.0%)
- Rental income	**35**	35	0.0%	**105**	105	0.0%
- Sundry income	**12**	20	(40.0%)	**318**	162	96.3%
	50	164	(69.5%)	**440**	407	8.1%

B) Employee benefits expense decreased by 18.4% in 3rd Quarter 2016 and 13.8% in nine months ended 30 Sep 2016 mainly due to lower personnel costs in line with lower volume in both Fabrication & Manufacturing business and Steel Merchandising business.

C) Depreciation and amortisation expense decreased by 8.8% in 3rd Quarter 2016 and 7.6% in nine months ended 30 Sep 2016 as the Group revised the useful life of its wire mesh machines used in the Fabrication & Manufacturing business, which is in line with the industry practice.

D) Insurance, freight and transportation decreased by 27.6% in 3rd Quarter 2016 and 27.5% in nine months ended 30 Sep 2016 mainly due to decrease in transportation cost for both Fabrication & Manufacturing business and Steel Merchandising business in line with lower business volume.

E) Rental and utilities decreased by 34.3% in 3rd Quarter 2016 and 26.3% in nine months ended 30 Sep 2016 mainly due to lower inventory level and lower utilities incurred in the Fabrication & Manufacturing business.

F) Repair and maintenance decreased by 21.8% in 3rd Quarter 2016 and 26.3% in nine months ended 30 Sep 2016 due to lower costs incurred for upkeeping and servicing machineries in the Fabrication & Manufacturing business.

	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
	2016	2015	+/(-)	**2016**	2015	+/(-)
	$'000	$'000	%	**$'000**	$'000	%
G) Other operating expenses include:						
- Worker's dormitories and related costs	**391**	420	(6.9%)	**1,215**	1,221	(0.5%)
- Tools and consumables	**353**	395	(10.6%)	**1,005**	1,072	(6.3%)
- Insurance	**207**	294	(29.6%)	**864**	982	(12.0%)
- Bank charges	**25**	33	(24.2%)	**69**	113	(38.9%)
- Trade commission	**244**	135	80.7%	**403**	359	12.3%
- Professional fees	**88**	123	(28.5%)	**310**	395	(21.5%)
- Travelling	**153**	186	(17.7%)	**472**	508	(7.1%)
- Printing and stationery	**50**	72	(30.6%)	**277**	354	(21.8%)
- Net loss in foreign exchange	**104**	2,756	(96.2%)	**142**	3,719	(96.2%)
- Property, plant and equipment written off	**1**	-	n.m	**4**	-	n.m
- Impairment loss of trade receivables	**-**	164	(100.0%)	**6**	164	(96.3%)
- Other miscellaneous expenses	**351**	316	11.1%	**1,051**	1,447	(27.4%)
	1,967	4,894	(59.8%)	**5,818**	10,334	(43.7%)

Outsourcing of labour expense of $1,097,000 for 3Q15 and $3,902,000 for 9M15 was reclassified from "Other operating expenses" to "Changes in inventories of finished goods and work-in-progress, raw materials and consumables used and finished goods purchased" to better reflect the cost of manufacturing in the Fabrication & Manufacturing business.

H) Financial expense decreased by 66.6% in 3rd Quarter 2016 and 51.1% in nine months ended 30 Sep 2016 mainly due to lower financing quantum in both Fabrication & Manufacturing business and Steel Merchandising business.

I) Financial income increased by 12.3% in 3rd Quarter 2016 due to increase in interest income from banks. For nine months ended 30 Sep 2016, it decreased by 59.7% mainly due to full repayment of loans by an associate in April 2015.

J) Share of results of associate was a loss of $16,000 in 3rd Quarter 2016 compared to a profit of $9,000 in the corresponding quarter last year. For nine months ended 30 Sep 2016, it was a profit of $115,000 compared to a loss of $206,000 in the corresponding period last year. The profits were derived from additional sales of Austville units by the associate during first half of the year.

K) n.m means not meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		30.09.2016	31.12.2015	**30.09.2016**	31.12.2015
ASSETS	**Notes**	**$'000**	$'000	**$'000**	$'000
Non-current assets					
Properties, plant and equipment		**56,437**	61,851	**4,014**	4,130
Investment property		**1,929**	1,961	**-**	-
Investment in subsidiaries		**-**	-	**20,490**	20,490
Investment in associate		**1,762**	1,646	**-**	-
Club memberships		**456**	612	**129**	246
Deferred tax assets		**73**	73	**-**	-
		60,657	66,143	**24,633**	24,866
Current assets					
Inventories	1	**78,058**	89,438	**-**	-
Trade receivables		**66,875**	68,862	**-**	-
Other receivables and deposits		**222**	506	**48**	12
Prepayments		**936**	1,133	**19**	4
Asset held for sale		**13,600**	12,843	**-**	-
Forward exchange contracts		**515**	515	**-**	-
Due from subsidiaries (non trade)		**-**	-	**14,509**	9
Fixed deposits		**29,120**	27,780	**10,000**	26,012
Cash and bank balances		**53,268**	68,678	**968**	2,841
		242,594	269,755	**25,544**	28,878
Total assets		**303,251**	335,898	**50,177**	53,744

	Notes	Group 30.09.2016 $'000	Group 31.12.2015 $'000	Company 30.09.2016 $'000	Company 31.12.2015 $'000
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	1	**3,893**	25,856	**25**	25
Bills payable to banks (secured)	1	**72,370**	73,767	**-**	-
Other payables and accruals		**11,119**	9,915	**472**	410
Advance payment from customers		**366**	347	**-**	-
Provision for onerous contracts	2	**13,687**	7,499	**-**	-
Hire purchase creditors		**5,287**	5,421	**-**	-
Bank term loans (secured)	3	**3,250**	3,370	**-**	-
Income tax payable		**5,505**	5,958	**409**	472
		115,477	132,133	**906**	907
Net current assets		**127,117**	137,622	**24,638**	27,971
Non-current liabilities					
Hire purchase creditors		**5,394**	9,293	**-**	-
Bank term loans (secured)	3	**271**	13,488	**-**	-
Deferred tax liabilities		**249**	249	**250**	250
		5,914	23,030	**250**	250
Total liabilities		**121,391**	155,163	**1,156**	1,157
Net assets		**181,860**	180,735	**49,021**	52,587
Equity attributable to equity holders of the Company					
Share capital		**46,473**	46,473	**46,473**	46,473
Retained earnings		**140,677**	138,791	**2,548**	6,114
Foreign currency translation reserve		**(5,290)**	(4,529)	**-**	-
		181,860	180,735	**49,021**	52,587

1(b)(ii) Notes to the Statements of Financial Position

1) Inventories decreased by $11.4m mainly due to lower stock position in Fabrication & Manufacturing business. Correspondingly, trade payables and bills payable to banks have also decreased.

2) Provision for onerous contracts increased by $6.2m mainly due to higher costs expected in meeting the obligations under existing purchase and sales contracts.

3) Bank term loans decreased by $13.3m in total mainly due to repayment of property loans.

1(b)(iii) Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.09.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
80,907	-	82,558	-

Amount repayable after one year

As at 30.09.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
5,665	-	22,781	-

Details of collateral

The Group's bills payable and bank term loans are secured by the following:

(a) corporate guarantees given by the Company and certain subsidiaries to the banks;

(b) letters of negative pledges on the assets of the Company and certain subsidiaries, with the exception of property, plant and equipment under hire purchase arrangements;

(c) a deed of charge and assignment of inventories and floating charge over trade receivables; and

(d) the bank term loan is secured by legal mortgages over the Group's properties, plant and equipment with net book value of $18.4m (31.12.2015: $13.1m). The increase in net book value related to expenditure for improvement of leasehold properties of S$6.5m. The Group repaid two bank term loans fully in March 2016 and May 2016 respectively. These bank term loans were secured by legal mortgages over the leasehold investment property and asset held for sale.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEP 2016

		3rd Qtr ended 30 Sep		Nine Months ended 30 Sep	
		2016	2015	**2016**	2015
	Notes	**$'000**	$'000	**$'000**	$'000
Operating activities					
Profit before tax		**4,872**	5,363	**12,026**	15,572
Adjustments for:					
Amortisation of club memberships		**17**	15	**50**	47
Depreciation of property, plant and equipment		**2,753**	3,024	**7,858**	8,515
Depreciation of investment property		**11**	11	**32**	32
Property, plant and equipment written off		**1**	-	**4**	-
Gain on disposal of property, plant and equipment, net		**(3)**	(109)	**(3)**	(119)
Interest expense		**244**	731	**1,110**	2,270
Interest income		**(82)**	(73)	**(166)**	(412)
Foreign currency translation adjustments		**72**	1,132	**(824)**	691
Share of results of associate		**16**	(9)	**(115)**	206
Impairment loss of trade receivables		**6**	164	**6**	164
Provision for onerous contracts		**6,188**	-	**6,188**	-
Operating cash flows before changes in working capital		**14,095**	10,249	**26,166**	26,966
(Increase)/decrease in:					
Inventories		**(44,226)**	8,880	**11,381**	36,870
Trade receivables		**(7,694)**	9,248	**1,981**	11,681
Other receivables, deposits and prepayments		**221**	6,451	**588**	(7,790)
Increase/(decrease) in:					
Trade payables		**(988)**	(1,594)	**(21,963)**	(32,654)
Other payables and accruals		**2,791**	(9,488)	**1,221**	(17,835)
Cash flows (used in)/from operations		**(35,801)**	23,746	**19,374**	17,238
Interest paid		**(244)**	(731)	**(1,110)**	(2,270)
Interest received		**82**	73	**166**	412
Income taxes paid		**(1,042)**	(1,391)	**(2,526)**	(3,345)
Net cash flows (used in)/from operating activities	4	**(37,005)**	21,697	**15,904**	12,035
Investing activities					
Purchase of property, plant and equipment		**(153)**	(6,121)	**(2,438)**	(12,462)
Proceeds from distribution of profits of an associate		**-**	8,400	**-**	8,400
Proceeds from disposal of property, plant and equipment		**9**	-	**9**	132
Purchase of asset held for sale		**(470)**	(2,956)	**(757)**	(2,956)
Decrease in loans to associate		**-**	-	**-**	10,784
Net cash flows (used in)/from investing activities	5	**(614)**	(677)	**(3,186)**	3,898
Financing activities					
Decrease in fixed deposits - pledged		**450**	-	**450**	-
Increase/(decrease) in bills payable to banks (secured)		**44,693**	(14,868)	**(1,397)**	(6,240)
(Repayment of)/proceeds from bank term loans		**(812)**	8,918	**(13,337)**	7,233
Repayment of hire purchase		**(1,356)**	(1,119)	**(4,034)**	(3,356)
Dividends paid on ordinary shares		**(2,373)**	(2,373)	**(8,067)**	(12,813)
Net cash flows from/(used in) financing activities	6	**40,602**	(9,442)	**(26,385)**	(15,176)
Net increase/(decrease) in cash and cash equivalents		**2,983**	11,578	**(13,667)**	757
Effect of exchange rate changes on cash and cash equivalents		**209**	437	**48**	1,271
Cash & cash equivalents at beginning of the period		**79,196**	78,610	**96,007**	88,597
Cash & cash equivalents at end of the period	7	**82,388**	90,625	**82,388**	90,625

1(c)(i) Notes to the Consolidated Statement of Cash Flows

4) Net cash flows used in operating activities in 3rd Quarter 2016 was $37.0m compared to net cash flows from operating activities in 3rd Quarter 2015 of $21.7m. This was mainly due to increase in inventories and trade receivables. For the nine months ended 30 Sep 2016, net cash flows from operating activities increased by $3.9m, from $12.0m to $15.9m. This was mainly due to decrease in inventories, trade receivables and trade payables.

5) Net cash flows used in investing activities in 3rd Quarter 2016 decreased by $0.1m, from $0.7m to $0.6m. For the nine months ended 30 Sep 2016, net cash flows used in investing activities was $3.2m compared to net cash flows from investing activities in the nine months ended 30 Sep 2015 of $3.9m. These were due to absence of proceeds from distribution of profits by an associate, and reduction in purchase of plant and equipment and asset held for sale.

6) Net cash flows from financing activities in 3rd Quarter 2016 was $40.6m compared to net cash flows used in financing activities in 3rd Quarter 2015 of $9.4m. This was mainly due to increase in bills payable to banks . For the nine months ended 30 Sep 2016, net cash flows used in financing activities increased by $11.2m, from $15.2m to $26.4m. This was mainly due to the decrease in bills payable to banks, repayment of bank term loans and decrease in dividends payment to shareholders.

7) Cash and cash equivalents as at 3rd Quarter comprised the following:-

	2016	**2015**
	$'000	$'000
Cash and bank balances	**53,268**	80,833
Fixed deposits	**29,120**	10,242
Less: Fixed deposits pledged	**-**	(450)
	82,388	90,625

Fixed deposits of nil (2015: $0.5m) were pledged with banks to secure credit facilities for subsidiaries, are restricted in use and may not be withdrawn without the banks' prior approval.

1(d)(i) STATEMENTS OF CHANGES IN EQUITY

GROUP	**Share Capital**	**Translation Reserve**	**Revenue Reserve**	**Total Equity**
	$'000	**$'000**	**$'000**	**$'000**
Balance as at 01.01.2016	**46,473**	**(4,529)**	**138,791**	**180,735**
Changes in equity for the period:				
Total comprehensive income for the period	**-**	**(761)**	**9,953**	**9,192**
Dividends on ordinary shares	**-**	**-**	**(8,067)**	**(8,067)**
Balance as at 30.09.2016	**46,473**	**(5,290)**	**140,677**	**181,860**
Balance as at 01.01.2015	46,473	(6,254)	137,455	177,674
Changes in equity for the period:				
Total comprehensive income for the period	-	2,021	12,496	14,517
Dividends on ordinary shares	-	-	(12,813)	(12,813)
Balance as at 30.09.2015	46,473	(4,233)	137,138	179,378

COMPANY	**Share Capital**	**Revenue Reserve**	**Total Equity**
	$'000	**$'000**	**$'000**
Balance as at 01.01.2016	**46,473**	**6,114**	**52,587**
Changes in equity for the period:			
Total comprehensive income for the period	**-**	**4,501**	**4,501**
Dividends on ordinary shares	**-**	**(8,067)**	**(8,067)**
Balance as at 30.09.2016	**46,473**	**2,548**	**49,021**
Balance as at 01.01.2015	46,473	12,729	59,202
Changes in equity for the period:			
Total comprehensive income for the period	-	3,517	3,517
Dividends on ordinary shares	-	(12,813)	(12,813)
Balance as at 30.09.2015	46,473	3,433	49,906

1(d)(ii) Changes in Share Capital

Share Capital **Ordinary share issued & fully paid**	Number of shares	$'000
Balance as at 01.01.2016 & 30.09.2016	**474,551,093**	**46,473**

There was no movement in the issued and paid-up capital of the Company since 31 December 2015.

There were no outstanding convertibles as at 30.09.2016 (30.09.2015: Nil)

The Company has no treasury shares as at 30.09.2016 (30.09.2015: Nil)

2 Audit

The financial statements have not been audited nor reviewed by the Company's auditor.

3 Auditor's Report

Not Applicable.

4 Accounting Policies

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the current financial year as with those in the most recently audited financial statements as at 31 December 2015.

5 Changes in Accounting Policies

In the current year, the Group has adopted all the new/revised Financial Reporting Standards which took effect for annual periods beginning on or after 1 January 2016. The adoption of the above FRS did not result in any substantial change to the Group's accounting policies.

6 Earnings per ordinary share of the group

	3rd Qtr ended 30 Sep		**Nine Months ended 30 Sep**	
	2016	2015	**2016**	2015
Earnings per ordinary share for the period based on net profit attributable to equity holders:-				
(a) On weighted average number of ordinary shares in issue	**0.85cents**	0.86cents	**2.10cents**	2.63cents
(b) On a fully diluted basis	**0.85cents**	0.86cents	**2.10cents**	2.63cents

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of ordinary shares issued during 3Q16 and 9M16 of 474,551,093 shares (3Q15 and 9M15: 474,551,093 shares).

There is no difference between the basic and diluted earnings per share.

7 Net asset value per ordinary share

	Group as at:		**Company as at:**	
	30.09.2016	31.12.2015	**30.09.2016**	31.12.2015
Net asset value per share based on existing issued share capital as at end of the respective dates	**38.32cents**	38.09cents	**10.33cents**	11.08cents

Net asset value is computed based on the number of shares in issue as at 30 Sep 2016 and 31 December 2015 of 474,551,093 shares.

8 Performance Review

For 3rd Quarter 2016, the Group's turnover decreased by 12.6% to $87.7m from $100.4m in the corresponding quarter last year. The lower turnover was attributable to Fabrication & Manufacturing business which decreased by 7.8% to $86.9m from $94.3m, and Steel Merchandising business which decreased by 86.9% to $0.8m from $6.1m. The decrease in turnover was contributed by weaker steel prices in both Fabrication & Manufacturing business and Steel Merchandising business, and lower volume in Steel Merchandising business.

For the nine months ended 30 Sep 2016, Group turnover decreased by 33.2% to $237.0m from $354.7m in the corresponding period last year. The lower turnover was mainly attributable to Fabrication & Manufacturing business which decreased by 24.7% to $233.9m from $310.6m, and Steel Merchandising business which decreased by 93.0% to $3.1m from $44.1m. The decrease in turnover was contributed by weaker steel prices in Fabrication & Manufacturing business, and lower volume in both Fabrication & Manufacturing business and Steel Merchandising business.

The Group's gross profit margin as a percentage of turnover in 3rd Quarter 2016 was 20.8%, lower than the corresponding period last year of 24.7%. This was caused by lower gross profit margin derived from Fabrication & Manufacturing business. For the nine months ended 30 Sep 2016, the Group's gross profit margin was 22.1%, higher than the corresponding period last year of 19.4%. This was mainly due to higher revenue contribution from Fabrication & Manufacturing business.

The decrease in tonnage delivered in the Fabrication & Manufacturing business has resulted in corresponding decrease in costs in the following areas:

Employee benefits expense;

Depreciation and amortisation;

Insurance, freight and transportation;

Rental and utilities;

Repair and maintenance;

Other operating expenses; and

Financial expense

The decrease in depreciation and amortisation expense for 3rd Quarter 2016 and nine months ended 30 Sep 2016 was due to the Group revising the useful life of its wire mesh machines used in the Fabrication & Manufacturing business to be in line with the industry practice.

Share of results of associate was a loss of $16,000 in 3rd Quarter 2016 compared to a profit of $9,000 in the corresponding quarter last year, and a profit of $115,000 in nine months ended 30 Sep 2016 compared to a loss of $206,000 in the corresponding period last year. These were due to additional sales of Austville units by the associate in the first half of 2016.

The Group’s profit attributable to equity holders of the Company was $4.0m in 3rd Quarter 2016 and $10.0m for the nine months ended 30 Sep 2016, a decrease of 1.5% from the corresponding quarter last year of $4.1m and 20.4% from the corresponding period last year of $12.5m.

Cashflow

For the nine months ended 30 Sep 2016, net cash flows from operating activities amounted to $15.9m. This was mainly due to the decrease in inventories, trade receivables and trade payables. Net cash flows used in investing activities amounted to $3.2m. This was mainly due to the absence of absence of proceeds from distribution of profits by an associate coupled with reduction in purchase of plant and equipment and asset held for sale. With net cash flows used in financing activities of $26.4m, cash and cash equivalents as at 30 Sep 2016 was $82.4m, down from $96.0m as at 1 January 2016.

Balance Sheet

The Balance Sheet remained strong. The net asset value per share as at 30 Sep 2016 was 38.32 cents, slightly higher than 38.09 cents as at 31 December 2015.

9 Variance from Prospect Statement

No variance from previous statement.

10 Prospect Statement

For our Steel Merchandising business, the Group continues to fulfil existing contracts signed with clients. The business activity for this segment is expected to remain low as the Group progresses in winding down this business segment.

Our Fabrication & Manufacturing business faces intense competition and volatitiy in international steel prices, and expects to deliver lower tonnages and at lower steel prices than last year. In addition, numerous other prevailing risks ranging from fluctuation in foreign currency exchange rate to supply chain risk continue to impact the current business environment. The Group is committed to and is closely monitoring the prevailing risk factors with a view to timely mitigation, while at the same time intensifying efforts at cost control.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim paid on 24 June 2016	Interim paid on 15 September 2016	Interim payable on 9 December 2016
Dividend Type	Cash	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share	0.30 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim paid on 24 June 2015	Interim paid on 16 September 2015	Interim paid on 11 December 2015
Dividend Type	Cash	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share	0.30 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt	One-tier tax exempt

(c) Date payable

9 December 2016.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 23rd November 2016 after 5.00 p.m. for the purpose of determining shareholders' entitlement to the interim dividend of 0.30 cent per ordinary share.

Duly completed registrable transfers in respect of shares of the Company received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., of 333 North Bridge Road KH Kea Building #08-00, Singapore 188721 up to 5.00 p.m. on 23rd November 2016 will be registered to determine Members' entitlements to such dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares of the Company as at 5.00 p.m. on 23rd November 2016 will be entitled to the such proposed dividend. In this respect, the said dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

14 Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

We, Lee Lin Poey and Lee Heng Thiam, being two directors of Lee Metal Group Ltd, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 3rd Quarter ended 30 September 2016 to be false or misleading in any material aspects.

15 Confirmation pursuant to Rule 720(1) of the SGX Listing Manual

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

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary
4 November 2016