LEE METAL GROUP LTD
REG. No. 198205439C

Fourth Quarter and Full Year 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 Fourth Quarter and Full Year ended 31 Dec 2015.

INCOME STATEMENT FOR FOURTH QUARTER AND FULL YEAR ENDED 31 DEC 2015

		4th Qtr ended 31 Dec			Full Year ended 31 Dec		
		2015	2014	+/(-)	**2015**	2014	+/(-)
	Notes	**$'000**	$'000	%	**$'000**	$'000	%
Turnover		**90,782**	144,329	(37.1%)	**445,443**	519,270	(14.2%)
Other operating income	A	**744**	227	227.8%	**489**	2,074	(76.4%)
Changes in inventories of finished goods and work-in-progress, raw materials and consumables used and finished goods purchased		**(71,965)**	(119,944)	(40.0%)	**(357,951)**	(430,028)	(16.8%)
Employee benefits expense	B	**(5,817)**	(8,285)	(29.8%)	**(24,540)**	(26,691)	(8.1%)
Depreciation and amortisation	C	**(3,284)**	(2,683)	22.4%	**(11,878)**	(10,161)	16.9%
Insurance, freight and transportation	D	**(1,551)**	(1,478)	4.9%	**(5,459)**	(3,831)	42.5%
Rental and utilities	E	**(2,136)**	(2,149)	(0.6%)	**(8,769)**	(8,443)	3.9%
Repair and maintenance	F	**(1,358)**	(1,120)	21.3%	**(4,612)**	(4,319)	6.8%
Other operating expenses	G	**(1,993)**	(2,858)	(30.3%)	**(11,665)**	(9,469)	23.2%
Financial expense	H	**(714)**	(832)	(14.2%)	**(2,984)**	(3,678)	(18.9%)
Financial income	I	**68**	194	(64.9%)	**480**	1,374	(65.1%)
Share of results of associate	J	**20**	365	(94.5%)	**(186)**	11,545	n.m
Profit before tax		**2,796**	5,766	(51.5%)	**18,368**	37,643	(51.2%)
Income tax expense		**281**	(1,081)	n.m	**(2,795)**	(4,543)	(38.5%)
Profit attributable to equity holders of the Company		**3,077**	4,685	(34.3%)	**15,573**	33,100	(53.0%)

STATEMENTS OF COMPREHENSIVE INCOME FOR FOURTH QUARTER AND FULL YEAR ENDED 31 DEC 2015

	4th Qtr ended 31 Dec			Full Year ended 31 Dec		
	2015	2014	+/(-)	**2015**	2014	+/(-)
	$'000	$'000	%	**$'000**	$'000	%
Profit attributable to equity holders of the Company	**3,077**	4,685	(34.3%)	**15,573**	33,100	(53.0%)
Other comprehensive income (Item that may be reclassified subsequently to profit or loss):-						
- Foreign currency translation reserve	**1,298**	953	36.2%	**1,725**	1,090	58.3%
Total comprehensive income attributable to equity holders of the Company	**4,375**	5,638	(22.4%)	**17,298**	34,190	(49.4%)

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

	4th Qtr ended 31 Dec			Full Year ended 31 Dec		
	2015	2014	+/(-)	**2015**	2014	+/(-)
A) Other operating income comprises the following:	**$'000**	$'000	%	**$'000**	$'000	%
- Impairment loss on trade receivables reversed	**-**	-	n.m	**4**	-	n.m
- Net gain in foreign exchange	**662**	-	n.m	**-**	-	n.m
- Gain on disposal of property, plant and equipment,net	**-**	-	n.m	**119**	20	495.0%
- Commission income	**-**	39	(100.0%)	**16**	228	(93.0%)
- Rental income	**35**	188	(81.4%)	**141**	1,723	(91.8%)
- Sundry income	**47**	-	n.m	**209**	103	102.9%
	744	227	227.8%	**489**	2,074	(76.4%)

B) Employee benefits expense decreased by 29.8% in 4th Quarter 2015 and 8.1% for full year ended 31 Dec 2015 mainly due to lower personnel costs in line with lower profit in both Fabrication & Manufacturing business and Steel Merchandising business.

C) Depreciation and amortisation expense increased by 22.4% in 4th Quarter 2015 and 16.9% for full year ended 31 Dec 2015 due to the Group's expansion of value-added capacity in the Fabrication & Manufacturing business.

D) Insurance, freight and transportation increased by 4.9% in 4th Quarter 2015 and 42.5% for full year ended 31 Dec 2015 due to increase in business volume in Fabrication & Manufacturing business and transportation cost incurred for Steel Merchandising business.

E) Rental and utilities decreased by 0.6% in 4th Quarter 2015 mainly due to the cessation of factory leasing and optimization of space usage at existing and new factories. For full year ended 31 Dec 2015, rental and utilities increased by 3.9% mainly due to additional storage space for increased inventory level in Singapore and higher utilities in line with higher value-added activities in the Fabrication & Manufacturing business during the year. In addition, higher rental cost was also contributed by Steel Merchandising business.

F) Repair and maintenance increased by 21.3% in 4th Quarter 2015 and 6.8% for full year ended 31 Dec 2015 due to higher costs incurred for upkeeping and servicing more machineries.

	4th Qtr ended 31 Dec			Full Year ended 31 Dec		
	2015	2014	+/(-)	**2015**	2014	+/(-)
	$'000	$'000	%	**$'000**	$'000	%
G) Other operating expenses include:						
- Worker's dormitories and related costs	**443**	385	15.1%	**1,664**	1,438	15.7%
- Tools and consumables	**299**	394	(24.1%)	**1,371**	1,470	(6.7%)
- Insurance	**272**	182	49.5%	**1,254**	1,135	10.5%
- Bank charges	**27**	104	(74.0%)	**140**	457	(69.4%)
- Trade commission	**162**	134	20.9%	**521**	376	38.6%
- Professional fees	**104**	137	(24.1%)	**499**	491	1.6%
- Travelling	**168**	168	0.0%	**676**	602	12.3%
- Printing and stationery	**162**	125	29.6%	**516**	564	(8.5%)
- Net loss in foreign exchange	**-**	801	(100.0%)	**3,057**	1,106	176.4%
- Property, plant and equipment written off	**4**	-	n.m	**4**	1	300.0%
- Impairment of trade receivables	**10**	-	n.m	**174**	-	n.m
- Other miscellaneous expenses	**342**	428	(20.1%)	**1,789**	1,829	(2.2%)
	1,993	2,858	(30.3%)	**11,665**	9,469	23.2%

Outsourcing of labour expense of $1,425,000 for 4Q15 (4Q14: $1,279,000) and $5,327,000 for 12M15 (12M14: $3,416,000) respectively were 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 costs of manufacturing in the Fabrication & Manufacturing business.

H) Financial expense decreased by 14.2% in 4th Quarter 2015 and 18.9% for full year ended 31 Dec 2015 mainly due to lower financing quantum and volume in Steel Merchandising business.

I) Financial income decreased by 64.9% in 4th Quarter 2015 and 65.1% for full year ended 31 Dec 2015 due to full repayment of loans by an associate in April 2015.

J) Share of results of associate for full year ended 31 Dec 2014 of $11.5m was due to the share of profit of our joint venture executive condominium project, Austville Residences, which obtained Temporary Occupation Permit (TOP) in April 2014.

K) n.m means not meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		31.12.2015	31.12.2014	**31.12.2015**	31.12.2014
ASSETS	**Notes**	**$'000**	$'000	**$'000**	$'000
Non-current assets					
Property, plant and equipment	1	**61,851**	49,589	**4,130**	4,515
Investment properties		**1,961**	2,004	**-**	-
Investment in subsidiaries		**-**	-	**20,490**	20,490
Investment in associate	2	**1,646**	11,983	**-**	-
Club memberships		**612**	579	**246**	227
Deferred tax assets		**73**	99	**-**	-
		66,143	64,254	**24,866**	25,232
Current assets					
Inventories	3	**89,437**	139,616	**-**	-
Trade receivables	4	**68,862**	85,166	**-**	-
Other receivables and deposits		**506**	637	**12**	11
Prepayments	5	**1,133**	6,450	**4**	23
Asset held for sale	6	**12,843**	-	**-**	-
Forward exchange contracts		**515**	596	**-**	-
Due from subsidiaries (non trade)		**-**	-	**9**	11,083
Loans to associate	7	**-**	10,784	**-**	-
Fixed deposits		**27,780**	42,946	**26,012**	23,303
Cash and bank balances		**68,678**	46,101	**2,841**	853
		269,754	332,296	**28,878**	35,273
Total assets		**335,897**	396,550	**53,744**	60,505

	Notes	Group 31.12.2015 $'000	Group 31.12.2014 $'000	Company 31.12.2015 $'000	Company 31.12.2014 $'000
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	3	**25,856**	43,234	**25**	24
Bills payable to banks (secured)	3	**73,767**	117,258	**-**	-
Other payables and accruals		**9,915**	14,260	**410**	441
Advance payment from customers	3	**347**	5,618	**-**	-
Provision for onerous contracts		**7,499**	6,645	**-**	-
Hire purchase creditors		**5,421**	4,506	**-**	-
Bank term loans (secured)		**3,370**	3,370	**-**	-
Income tax payable		**5,958**	6,292	**472**	557
		132,133	201,183	**907**	1,022
Net current assets		**137,621**	131,113	**27,971**	34,251
Non-current liabilities					
Hire purchase creditors		**9,293**	10,314	**-**	-
Bank term loans (secured)	6	**13,488**	7,098	**-**	-
Deferred tax liabilities		**249**	282	**250**	281
		23,030	17,694	**250**	281
Total liabilities		**155,163**	218,877	**1,157**	1,303
Net assets		**180,734**	177,673	**52,587**	59,202
Equity attributable to equity holders of the Company					
Share capital		**46,473**	46,473	**46,473**	46,473
Retained earnings		**138,790**	137,454	**6,114**	12,729
Foreign currency translation reserve		**(4,529)**	(6,254)	**-**	-
		180,734	177,673	**52,587**	59,202

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

1) Property, plant & equipment increased by $12.3m mainly due to the acquisition of new plant and equipment for our new factories.

2) Investment in associate decreased by $10.3m due to distribution of profits from our associate for the joint venture executive condominium project, Austville Residences.

3) Inventories decreased by $50.2m mainly due to lower stock position in Steel Merchandising business. Correspondingly, trade payables, bills payable to banks and advance payment from customers have also decreased.

4) Trade receivables decreased by $16.3m mainly due to lower turnover in Fabrication & Manufacturing business resulting from weaker steel prices.

5) Prepayments decreased by $5.3m mainly due to reduction in prepayments relating to plant and equipment for our new factories.

6) Asset held for sale increased by $12.8m due to acquisition of a freehold bungalow for redevelopment to a new luxury bungalow. Correspondingly, bank term loans have also increased.

7) Loans to associate reduced by $10.8m due to full repayment of loans and interests by our associate in April 2015.

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

Amount repayable in one year or less, or on demand

As at 31.12.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
82,558	-	125,134	-

Amount repayable after one year

As at 31.12.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
22,781	-	17,412	-

Details of collateral

The Group's bills payable and bank term loan 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, charge over fixed deposits and floating charge over trade receivables; and

(d) the bank term loans are secured by legal mortgages over the Group's leasehold investment properties with net book value of $2.0m (31.12.2014: $2.0m), asset held for sale with net book value of $12.8m (31.12.2014: Nil) and property, plant and equipment with net book value of $16.5m (31.12.2014: $14.3m).

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS FOR FOURTH QUARTER AND FULL YEAR ENDED 31 DEC 2015

		4th Qtr ended 31 Dec		Full Year ended 31 Dec	
		2015	2014	**2015**	2014
	Notes	**$'000**	$'000	**$'000**	$'000
Operating activities					
Profit before tax		**2,796**	5,766	**18,368**	37,643
Adjustments for:					
Amortisation of club memberships		**16**	16	**63**	62
Depreciation of property, plant and equipment		**3,257**	2,656	**11,772**	10,055
Depreciation of investment properties		**11**	11	**43**	44
Property, plant and equipment written off		**4**	-	**4**	1
Gain on disposal of property, plant and equipment, net		**-**	-	**(119)**	(20)
Interest expense		**714**	832	**2,984**	3,678
Interest income		**(68)**	(194)	**(480)**	(1,374)
Net fair value loss/(gain) on forward exchange contracts		**81**	(412)	**81**	(187)
Foreign currency translation adjustments		**381**	765	**1,072**	724
Share of results of associate		**(20)**	(365)	**186**	(11,545)
Provision for onerous contracts		**854**	-	**854**	-
Operating cash flows before changes in working capital		**8,026**	9,075	**34,828**	39,081
(Increase)/decrease in:					
Inventories		**13,309**	41,801	**50,179**	17,328
Trade receivables		**4,459**	(5,266)	**16,304**	(13,827)
Other receivables, deposits and prepayments		**13,238**	(1,918)	**5,448**	(5,455)
Increase/(decrease) in:					
Trade payables		**15,276**	37,292	**(17,378)**	19,220
Other payables and accruals		**(1,543)**	(3,001)	**(9,616)**	(2,860)
Cash flows from operations		**52,765**	77,983	**79,765**	53,487
Interest paid		**(714)**	(832)	**(2,984)**	(3,678)
Interest received		**68**	194	**480**	1,374
Income taxes refund/(paid)		**209**	(931)	**(3,136)**	(7,596)
Net cash flows from operating activities	8	**52,328**	76,414	**74,125**	43,587
Investing activities					
Purchase of property, plant and equipment		**(7,395)**	(1,967)	**(19,857)**	(5,526)
Purchase of club memberships		**(95)**	-	**(96)**	-
Proceeds from distribution of profits of an associate		**1,750**	-	**10,150**	-
Proceeds from disposal of property, plant and equipment		**207**	8	**339**	135
Purchase of asset held for sale		**(127)**	-	**(3,083)**	-
(Increase)/decrease in loans to associate		**-**	(1)	**10,784**	5,566
Net cash flows (used in)/from investing activities	9	**(5,660)**	(1,960)	**(1,763)**	175
Financing activities					
Decrease in fixed deposits - pledged		**-**	1	**-**	-
Decrease bills payable to banks (secured)		**(37,251)**	(66,665)	**(43,491)**	(45,971)
Repayment of bank term loans		**(842)**	(842)	**(3,370)**	(3,370)
Repayment of hire purchase		**(1,123)**	(1,201)	**(4,479)**	(4,281)
Dividends paid on ordinary shares		**(1,424)**	(1,424)	**(14,237)**	(16,609)
Net cash flows used in financing activities	10	**(40,640)**	(70,131)	**(65,577)**	(70,231)
Net increase / (decrease) in cash and cash equivalents		**6,028**	4,323	**6,785**	(26,469)
Effect of exchange rate changes on cash and cash equivalents		**(645)**	191	**626**	347
Cash & cash equivalents at beginning of the year		**90,625**	84,083	**88,597**	114,719
Cash & cash equivalents at end of the year	11	**96,008**	88,597	**96,008**	88,597

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

8) Net cash flows from operating activities in 4th Quarter 2015 decreased by $24.1m, from $76.4m to $52.3m. This was mainly due to the increase in inventory, other receivables, deposits and prepayments as well as the decrease in trade payables. For the full year ended 31 Dec 2015, net cash flows from operating activities increased by $30.5m, from $43.6m to $74.1m. This was mainly due to the decrease in inventories, trade receivables, other receivables, deposits and prepayments.

9) Net cash flows used in investing activities in 4th Quarter 2015 increased by $3.7m, from $2.0m to $5.7m. For the full year ended 31 Dec 2015, net cash flows used in investing activities was $1.8m compared to net cash flow from investing activities of $0.2m in prior year. These were due to the purchase of new plant and equipment but offset by proceeds from distribution of profits of an associate. In addition, net cash flows used in investing activities for the full year ended 31 Dec 2015 was also offset by full repayment of loans and interests by its associate.

10) Net cash flows used in financing activities in 4th Quarter 2015 decreased by $29.5m, from $70.1m to $40.6m and for the full year ended 31 Dec 2015 decreased by $4.6m, from $70.2m to $65.6m. These were mainly due to decrease in bills payable to banks. For the full year ended 31 Dec 2015, the decrease in net cash flows used in financing activities was also due to lower dividend payments.

11) Cash and cash equivalents as at 4th Quarter comprised the following:-

	2015	**2014**
	$'000	$'000
Cash and bank balances	**68,678**	46,101
Fixed deposits	**27,780**	42,946
Less: Fixed deposits pledged	**(450)**	(450)
	96,008	88,597

Fixed deposits of $0.5m (2014: $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 01.01.2015	**46,473**	**(6,254)**	**137,454**	**177,673**
Changes in equity for the year:				
Total comprehensive income for the year	**-**	**1,725**	**15,573**	**17,298**
Dividends on ordinary shares	**-**	**-**	**(14,237)**	**(14,237)**
Balance as at 31.12.2015	**46,473**	**(4,529)**	**138,790**	**180,734**
Balance as at 01.01.2014	46,473	(7,344)	120,963	160,092
Changes in equity for the year:				
Total comprehensive income for the year	-	1,090	33,100	34,190
Dividends on ordinary shares	-	-	(16,609)	(16,609)
Balance as at 31.12.2014	46,473	(6,254)	137,454	177,673

COMPANY	**Share Capital**	**Revenue Reserve**	**Total Equity**
	$'000	**$'000**	**$'000**
Balance as at 01.01.2015	**46,473**	**12,729**	**59,202**
Changes in equity for the year:			
Total comprehensive income for the year	**-**	**7,622**	**7,622**
Dividends on ordinary shares	**-**	**(14,237)**	**(14,237)**
Balance as at 31.12.2015	**46,473**	**6,114**	**52,587**
Balance as at 01.01.2014	46,473	12,161	58,634
Changes in equity for the year:			
Total comprehensive income for the year	-	17,177	17,177
Dividends on ordinary shares	-	(16,609)	(16,609)
Balance as at 31.12.2014	46,473	12,729	59,202

1(d)(ii) Changes in Share Capital

Share Capital	Number of shares	$'000
Ordinary share issued & fully paid		
Balance as at 01.01.2015 & 31.12.2015	**474,551,093**	**46,473**

There was no movement in the issued and paid-up capital of the Company since 31 December 2014.

There were no outstanding convertibles as at 31.12.2015 (31.12.2014: Nil)

The Company has no treasury shares as at 31.12.2015 (31.12.2014: 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 2014.

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 2015. 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

	4th Qtr ended 31 Dec		**Full Year ended 31 Dec**	
	2015	2014	**2015**	2014
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	**0.65cents**	0.99cents	**3.28cents**	6.98cents
(b) On a fully diluted basis	**0.65cents**	0.99cents	**3.28cents**	6.98cents

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of ordinary shares issued during 4Q15 and 12M15 of 474,551,093 shares (4Q14 and 12M14: 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:**	
	31.12.2015	31.12.2014	**31.12.2015**	31.12.2014
Net asset value per share based on existing issued share capital as at end of the respective dates	**38.09cents**	37.44cents	**11.08cents**	12.48cents

Net asset value is computed based on the number of shares in issue as at 31 December 2015 & 31 December 2014 of 474,551,093 shares.

8 Performance Review

For 4th Quarter 2015, the Group's turnover decreased by 37.1% to $90.8m from $144.3m in the corresponding quarter last year. The lower turnover was attributable to Steel Merchandising business which decreased by 83.3% to $5.8m from $34.8m, and Fabrication & Manufacturing business which decreased by 22.4% to $85.0m from $109.5m. The decrease in turnover was contributed by weaker steel prices in Fabrication & Manufacturing business coupled with lower volume in Steel Merchandising business, but partially offset by higher volume in Fabrication & Manufacturing business.

For the full year ended 31 Dec 2015, Group turnover decreased by 14.2% to $445.4m from $519.3m in prior year. The lower turnover was mainly attributable to Steel Merchandising business which decreased by 63.1% to $49.8m from $135.0m, but offset by Fabrication & Manufacturing business which increased by 2.9% to $395.6m from $384.3m. The decrease in turnover was contributed by lower volume in Steel Merchandising business and weaker steel prices in both businesses, but offset by higher volume in Fabrication & Manufacturing business.

The Group's gross profit margin as a percentage of turnover in 4th Quarter 2015 and full year ended 31 Dec 2015 was 20.7% and 19.6% respectively, higher than the corresponding period last year of 16.9% and 17.2%. These were mainly due to higher contribution from our Fabrication & Manufacturing business.

The increase in value-added tonnage delivered in the Fabrication & Manufacturing business has resulted in costs increase in the following areas:

Depreciation and amortisation;

Insurance, freight and transportation;

Rental and utilities;

Repair and maintenance; and

Other operating expenses

The Group's profit attributable to equity holders of the Company was $3.1m in 4th Quarter 2015 and $15.6m for full year ended 31 Dec 2015, a decrease of 34.3% from the corresponding quarter last year of $4.7m and 53.0% from prior year of $33.1m. Excluding prior year's share of profit of $11.5m from its first joint venture executive condominium project, Austville Residences, the Group's profit would had decreased by 27.8% for full year ended 31 Dec 2015.

Cashflow

For full year ended 31 Dec 2015, net cash flows from operating activities amounted to $74.1m. This was mainly due to the decrease in inventories, trade receivables, other receivables, deposits and prepayments. Net cash flows used in investing activities amounted to $1.8m. This was mainly due to the purchase of new plant and equipment but offset by proceeds from distribution of profits and full repayment of loans and interests by its associate. With net cash flows used in financing activities of $65.6m, cash and cash equivalents as at 31 Dec 2015 amounted to $96.0m, up from $88.6m as at 1 January 2015.

Balance Sheet

The Balance Sheet remained strong. The net asset value per share as at 31 Dec 2015 was 38.09 cents, better than 37.44 cents as at 31 December 2014. This was after payments for special and final dividends of $9.5m in respect of FY2014 in May 2015 and interim dividends totaling $4.7m in respect of FY2015.

9 Variance from Prospect Statement

No variance from previous statement.

10 Prospect Statement

Global steel prices remain weak in light of the slower growth in steel demand and overcapacity in China steel production. Thus, the Group expects its Steel Merchandising business to remain subdued.

The Building and Construction Authority ("BCA") estimates construction demand for 2016 to be between $27 billion and $34 billion, and majority of the contracts will be awarded from the public sector. Private sector demand will slow down with increased supply of completed projects. BCA expects sustainable annual construction demand between 2017 and 2020 to range from $26 billion to $37 billion.

Despite competition and rising cost, the forecasted construction demand is expected to provide a sustainable workload for the reinforcement steel industry. With the new production factories, the Group focuses on promoting its value added products and services to our clients.

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 2015	Interim paid on 16 September 2015	Interim paid on 11 December 2015	Total Interim paid
Dividend Type	Cash	Cash	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share	0.30 cent per ordinary share	1.00 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt	One-tier tax exempt	One-tier tax exempt

Name of Dividend	Final payable on 23 May 2016
Dividend Type	Cash
Dividend Rate	1.00 cent per ordinary share
Tax Rate	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 2014	Interim paid on 16 September 2014	Interim paid on 12 December 2014	Total Interim paid
Dividend Type	Cash	Cash	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share	0.30 cent per ordinary share	1.00 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt	One-tier tax exempt	One-tier tax exempt

Name of Dividend	Special paid on 22 May 2015	Final paid on 22 May 2015
Dividend Type	Cash	Cash
Dividend Rate	1.00 cent per ordinary share	1.00 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt

(c) Date payable

23 May 2016.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 29th April 2016 after 5.00 p.m. for the purpose of determining shareholders' entitlement to the Final dividend.

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 29th April 2016 will be registered to determine Members' entitlements to such dividends. 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 29th April 2016 will be entitled to the such proposed dividends. In this respect, the said dividends 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 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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1,Q2,Q3 or Half Year Results)

15 Segmented revenue and results for business or geographical segments of the group in the form presented in the issuer's most recently audited annual financial statements, with comparative information for immediately preceding year.

Business

The Group is organised into two main operating businesses, namely:

- Steel Merchandising
- Fabrication and Manufacturing

	Full Year ended 31 Dec 2015				Full Year ended 31 Dec 2014			
S$'000	**Steel Merchandising**	**Fabrication and Manufacturing**	**Adjustment and elimination**	**Total**	Steel Merchandising	Fabrication and Manufacturing	Adjustment and elimination	Total
Turnover:								
External customers	**49,830**	**395,613**	**-**	**445,443**	135,029	384,241	-	519,270
Inter-segment	**-**	**-**	**-**	**-**	-	-	-	-
Total Revenue	**49,830**	**395,613**	**-**	**445,443**	135,029	384,241	-	519,270
Results:								
Depreciation and amortisation	**533**	**11,345**	**-**	**11,878**	469	9,692	-	10,161
Share of results of associate	**-**	**(186)**	**-**	**(186)**	-	11,545	-	11,545
Other non-cash expenses	**-**	**854**	**-**	**854**	-	-	-	-
Segment (loss) / profit	**(1,125)**	**22,184**	**(5,486)**	**15,573**	3,182	25,220	4,698	33,100
Assets:								
Investment in associates	**-**	**1,646**	**-**	**1,646**	-	11,983	-	11,983
Additions to non-current assets	**9**	**24,224**	**-**	**24,233**	389	5,474	-	5,863
Segment assets	**39,849**	**253,707**	**42,341**	**335,897**	74,973	267,587	53,990	396,550
Segment liabilities	**7,031**	**36,585**	**111,547**	**155,163**	20,061	50,734	148,082	218,877

Geographical Segments

	Turnover		**Non-current assets**	
	2015	2014	**2015**	2014
Country	**$'000**	$'000	**$'000**	$'000
Singapore	**376,662**	374,393	**66,143**	64,155
Malaysia	**68,781**	144,877	**-**	-
Total	**445,443**	519,270	**66,143**	64,155

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

This is covered in paragraph 8 above.

17 A breakdown of sales.

	Group ($'000)		
	2015	2014	**Increase / (Decrease) %**
Turnover reported for first half of the year	**254,230**	249,414	1.9%
Profit after tax reported for the first half of the year	**8,420**	23,360	(64.0%)
Turnover reported for second half of the year	**191,213**	269,856	(29.1%)
Profit after tax reported for the second half of the year	**7,153**	9,740	(26.6%)

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

	Latest Full Year	Previous Full
Interim Dividends	**4,746**	4,746
Special Dividend	**-**	4,746
Final Dividend *	**4,746**	4,746
Total:	**9,492**	14,238

* For FY2015, Final Dividend is computed based on the number of shares in issue as at 31 Dec 2015 of 474,551,093.

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lee Lin Poey	57	Brother of Lee Heng Thiam, Lee Hock Seng, Lee Siew Khim and Lee Siew Choo.	Executive Chairman and Director of Lee Metal Group Ltd ("LMG") since December 1982.	No Change
Lee Heng Thiam	52	Brother of Lee Lin Poey, Lee Hock Seng, Lee Siew Khim and Lee Siew Choo.	Executive Director of LMG since January 1984 and Managing Director of LMG since March 2011.	No Change
Lee Hock Seng	62	Brother of Lee Lin Poey, Lee Heng Thiam, Lee Siew Khim and Lee Siew Choo.	Executive Director of wholly-owned subsidiary of LMG, Lee Welded Mesh Singapore Pte Ltd from April 2013.	No Change
Lee Siew Khim	54	Sister of Lee Lin Poey, Lee Heng Thiam, Lee Hock Seng and Lee Siew Choo.	Administration & Human Resource Manager of LMG since January 1984.	No Change
Lee Ren De	30	Nephew of Lee Lin Poey, Lee Heng Thiam, Lee Hock Seng, Lee Siew Khim and Lee Siew Choo.	Financial Controller of LMG from February 2014.	No Change
Chee Mei Ying	29	Niece-in-law of Lee Lin Poey, Lee Heng Thiam, Lee Hock Seng, Lee Siew Khim and Lee Siew Choo.	Administration and Finance Manager of Lee Welded Mesh Singapore Pte Ltd from November 2012.	No Change

Note - Lee Lin Poey, Lee Heng Thiam, Lee Hock Seng, Lee Siew Khim and Lee Siew Choo are substantial shareholders of Lee Metal Group Ltd.

Lee Lin Poey and Lee Heng Thiam are also Executive Directors of Lee Metal Group Ltd.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary
23 February 2016