



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 2014.

INCOME STATEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEP 2014

	Notes	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
		2014 \$'000	2013 \$'000	+ /(-) %	2014 \$'000	2013 \$'000	+ /(-) %
Turnover		125,527	149,470	(16.0%)	374,941	484,976	(22.7%)
Other operating income	A	664	13	5007.7%	1,847	1,323	39.6%
Changes in inventories of finished goods and work-in-progress, raw materials and consumables used and finished goods purchased		(102,537)	(123,331)	(16.9%)	(307,947)	(409,272)	(24.8%)
Employee benefits expense	B	(7,350)	(5,287)	39.0%	(18,406)	(17,599)	4.6%
Depreciation and amortisation	C	(2,626)	(1,695)	54.9%	(7,478)	(4,960)	50.8%
Insurance, freight and transportation	D	(1,019)	(616)	65.4%	(2,353)	(1,634)	44.0%
Rental and utilities	E	(2,217)	(1,740)	27.4%	(6,294)	(5,183)	21.4%
Repair and maintenance	F	(1,141)	(866)	31.8%	(3,199)	(2,465)	29.8%
Other operating expenses	G	(3,084)	(3,874)	(20.4%)	(8,748)	(9,264)	(5.6%)
Financial expense	H	(967)	(912)	6.0%	(2,846)	(2,549)	11.7%
Financial income		764	183	317.5%	1,180	595	98.3%
Share of results of associate	I	3	(53)	n.m	11,180	17	65664.7%
Profit before tax		6,017	11,292	(46.7%)	31,877	33,985	(6.2%)
Income tax expense		(962)	(1,933)	(50.2%)	(3,462)	(5,811)	(40.4%)
Profit attributable to equity holders of the Company		5,055	9,359	(46.0%)	28,415	28,174	0.9%

STATEMENTS OF COMPREHENSIVE INCOME FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEP 2014

	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
	2014 \$'000	2013 \$'000	+ /(-) %	2014 \$'000	2013 \$'000	+ /(-) %
Profit attributable to equity holders of the Company	5,055	9,359	(46.0%)	28,415	28,174	0.9%
Other comprehensive income (Item that may be reclassified subsequently to profit or loss):-						
- Foreign currency translation reserve	491	(139)	n.m	137	902	(84.8%)
Total comprehensive income attributable to equity holders of the Company	5,546	9,220	(39.8%)	28,552	29,076	(1.8%)

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

	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
	2014 \$'000	2013 \$'000	+ /(-) %	2014 \$'000	2013 \$'000	+ /(-) %
A) Other operating income comprises the following:						
- Bad debts recovered	-	-	n.m	-	1,042	(100.0%)
- (Loss)/gain on disposal of property, plant and equipment, net	(4)	-	n.m	20	-	n.m
- Commission income	117	14	735.7%	190	46	313.0%
- (Loss)/gain on disposal of unquoted equity investment	-	(1)	(100.0%)	-	233	(100.0%)
- Rental income	512	-	n.m	1,535	-	n.m
- Sundry income	39	-	n.m	102	2	5000.0%
	664	13	5007.7%	1,847	1,323	39.6%

- B) Employee benefits expense increased by 39.0% in 3rd Quarter 2014 and 4.6% in nine months ended 30 Sep 2014 mainly due to increase in headcount and foreign worker levy in line with higher value-added activities in the Fabrication & Manufacturing business.
- C) Depreciation and amortisation expense increased by 54.9% in 3rd Quarter 2014 and 50.8% in nine months ended 30 Sep 2014 due to higher capital expenditure in the Fabrication & Manufacturing business and acquisition of investment properties in October 2013.
- D) Insurance, freight and transportation increased by 65.4% in 3rd Quarter 2014 and 44.0% in nine months ended 30 Sep 2014 due to the increase in value-added activities in the Fabrication & Manufacturing business.
- E) Rental and utilities increased by 27.4% in 3rd Quarter 2014 and 21.4% in nine months ended 30 Sep 2014 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.
- F) Repair and maintenance increased by 31.8% in 3rd Quarter 2014 and 29.8% in nine months ended 30 Sep 2014 due to higher costs incurred for upkeeping and servicing of more machineries and motor vehicles.

	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
	2014 \$'000	2013 \$'000	+ /(-) %	2014 \$'000	2013 \$'000	+ /(-) %
G) Other operating expenses include:						
- Outsourcing of labour	816	775	5.3%	2,137	2,379	(10.2%)
- Worker's dormitories and related costs	368	290	26.9%	1,053	856	23.0%
- Tools and consumables	472	295	60.0%	1,076	852	26.3%
- Insurance	328	234	40.2%	953	738	29.1%
- Bank charges	123	146	(15.8%)	353	493	(28.4%)
- Trade commission	121	93	30.1%	242	365	(33.7%)
- Professional fees	106	125	(15.2%)	354	366	(3.3%)
- Travelling	119	141	(15.6%)	434	410	5.9%
- Printing and stationery	175	70	150.0%	439	266	65.0%
- Net (gain)/loss in foreign exchange	(35)	1,303	(102.7%)	305	1,083	(71.8%)
- Property, plant and equipment written off	3	-	n.m	3	179	(98.3%)
- Loss on disposal of property, plant and equipment, net	-	1	(100.0%)	-	33	(100.0%)
- Other miscellaneous expenses	488	401	21.7%	1,399	1,244	12.5%
	3,084	3,874	(20.4%)	8,748	9,264	(5.6%)

- H) Financial expense increased by 6.0% in 3rd Quarter 2014 and 11.7% in nine months ended 30 Sep 2014 mainly due to acquisition of investment properties in October 2013, financing of machineries under hire purchase arrangement and financing of higher inventory level.
- I) Share of results of associate for nine months ended 30 Sep 2014 was S\$11.2m due to the share of profit of our joint venture executive condominium project, Austville Residences, which obtained Temporary Occupation Permit (TOP) in 2nd Quarter 2014.

J) n.m means not meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

ASSETS	Notes	Group		Company	
		30.09.2014 \$'000	31.12.2013 \$'000	30.09.2014 \$'000	31.12.2013 \$'000
Non-current assets					
Property, plant and equipment		39,631	38,365	4,561	4,809
Investment properties		16,631	17,558	-	-
Investment in subsidiaries		-	-	20,490	20,490
Investment in associate	1	11,618	437	-	-
Club memberships		595	642	230	240
		68,475	57,002	25,281	25,539
Current assets					
Inventories	2	181,419	156,948	-	-
Trade receivables	3	79,900	71,339	-	-
Other receivables and deposits		539	539	11	8
Prepayments		585	1,093	19	3
Forward exchange contracts		183	409	-	-
Due from subsidiaries (non trade)		-	-	12,566	17,395
Loans to associate	4	10,782	16,349	-	-
Fixed deposits		22,270	65,219	13,500	16,100
Cash and bank balances		62,264	49,950	257	764
		357,942	361,846	26,353	34,270
Total assets		426,417	418,848	51,634	59,809
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	2	5,942	24,015	25	-
Bills payable to banks (secured)	2	183,923	163,230	-	-
Other payables and accruals	5	10,286	14,975	438	454
Advance payment from customers	6	12,593	7,764	-	-
Provision for onerous contracts		6,645	6,645	-	-
Hire purchase creditors		4,454	4,326	-	-
Bank term loans (secured)		3,370	3,370	-	-
Income tax payable		6,141	9,384	501	479
		233,354	233,709	964	933
Net current assets		124,588	128,137	25,389	33,337
Non-current liabilities					
Hire purchase creditors		11,480	14,435	-	-
Bank term loans (secured)		7,941	10,468	-	-
Deferred tax liabilities		184	144	281	242
		19,605	25,047	281	242
Total liabilities		252,959	258,756	1,245	1,175
Net assets		173,458	160,092	50,389	58,634
Equity attributable to equity holders of the Company					
Share capital		46,473	46,473	46,473	46,473
Retained earnings		134,192	120,963	3,916	12,161
Foreign currency translation reserve		(7,207)	(7,344)	-	-
		173,458	160,092	50,389	58,634

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

- 1) Investment in associate increased by \$11.2m due to the share of profit of associate following the completion of our joint venture executive condominium project, Austville Residences, which obtained Temporary Occupation Permit (TOP) in 2nd Quarter 2014.
- 2) Inventories increased by \$24.5m due to higher stock position in both Fabrication & Manufacturing business and Steel Merchandising business. Correspondingly, bills payable to banks increased but offset by decrease in trade payables.
- 3) Trade receivables increased by \$8.6m due to higher business volume for Fabrication & Manufacturing business.
- 4) Loans to associate reduced by \$5.6m due to partial repayment of loan and interest.
- 5) Other payables and accruals decreased by \$4.7m mainly due to lower operating expenses accrued in 3rd Quarter 2014 compared to 31 December 2013.
- 6) Advance payment from customers increased by \$4.8m due to more advance payment received from customers of our Steel Merchandising business.

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

Amount repayable in one year or less, or on demand

As at 30.09.2014		As at 31.12.2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
191,747	-	170,926	-

Amount repayable after one year

As at 30.09.2014		As at 31.12.2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
19,421	-	24,903	-

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.
- (d) the bank term loans are secured by legal mortgages over the leasehold investment properties of the Group with a net book value of \$16.6m as at 30 Sep 2014 (31 December 2013: \$17.6m).

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEP 2014

	Notes	3rd Qtr ended 30 Sep		Nine Months ended 30 Sep	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Operating activities					
Profit before tax		6,017	11,292	31,877	33,985
Adjustments for:					
Amortisation of club memberships		16	24	47	32
Depreciation of property, plant and equipment		2,301	1,671	6,504	4,928
Depreciation of investment properties		309	-	927	-
Property, plant and equipment written off		3	-	3	179
Loss/(gain) on disposal of property, plant and equipment, net		4	1	(20)	33
Loss on disposal of club memberships		-	53	-	53
Gain on disposal of unquoted equity investment		-	-	-	(234)
Interest expense		967	912	2,846	2,549
Interest income		(764)	(183)	(1,180)	(595)
Net fair value (gain)/loss on forward exchange contracts		(252)	1,370	226	809
Foreign currency translation adjustments		182	410	(41)	517
Share of results of associate		(3)	53	(11,180)	(17)
Operating cash flows before changes in working capital		8,780	15,603	30,009	42,239
(Increase)/decrease in:					
Inventories		10,840	14,706	(24,471)	(9,387)
Trade receivables		(6,159)	3,845	(8,562)	118
Other receivables, deposits and prepayments		473	(2,682)	509	(7,555)
Increase/(decrease) in:					
Trade payables		(229)	(781)	(18,072)	(44,373)
Other payables and accruals		5,897	(4,036)	139	9,532
Cash flows from / (used in) operations		19,602	26,655	(20,448)	(9,426)
Interest paid		(967)	(912)	(2,846)	(2,549)
Interest received		764	183	1,180	595
Income taxes paid		(2,843)	(2,429)	(6,665)	(5,052)
Net cash flows from / (used in) operating activities	7	16,556	23,497	(28,779)	(16,432)
Investing activities					
Purchase of property, plant and equipment		(2,377)	(989)	(7,605)	(4,368)
Purchase of club memberships		-	(344)	-	(430)
Proceeds from disposal of club memberships		-	8	-	8
Proceeds from disposal of property, plant and equipment		-	66	126	66
Proceeds from disposal of unquoted equity investment		-	-	-	234
Decrease/(increase) in loans to associate		5,922	(173)	5,567	1,572
Net cash flows from / (used in) investing activities	8	3,545	(1,432)	(1,912)	(2,918)
Financing activities					
Decrease / (increase) in fixed deposits - pledged		5,234	8,694	(1)	8,983
(Decrease) / increase in bills payable to banks (secured)		(34,487)	(18,399)	20,694	42,775
Repayment of bank term loans		(842)	-	(2,527)	(551)
(Repayment of) / proceeds from hire purchase, net		(1,004)	2,841	(3,081)	6,688
Dividends paid on ordinary shares		(2,373)	(2,373)	(15,186)	(10,440)
Net cash flows (used in) / from financing activities	9	(33,472)	(9,237)	(101)	47,455
Net (decrease) / increase in cash and cash equivalents		(13,371)	12,828	(30,792)	28,105
Effect of exchange rate changes on cash and cash equivalents		299	(543)	156	348
Cash & cash equivalents at beginning of the period		97,155	77,427	114,719	61,259
Cash & cash equivalents at end of the period	10	84,083	89,712	84,083	89,712

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

- 7) Net cash flows from operating activities decreased by \$6.9m from \$23.5m to \$16.6m in 3rd Quarter 2014 mainly due to increase in trade receivables but offset partly by increase in other payables and accruals. Net cash flows used in operating activities increased by \$12.4m from \$16.4m to \$28.8m in the nine months ended 30 Sep 2014 mainly due to increase in inventories and trade receivables as well as decrease in trade payables.
- 8) Net cash flows from investing activities in 3rd Quarter 2014 was \$3.5m compared to net cash flows used in investing activities of S\$1.4m in 3rd Quarter 2013. For the nine months ended 30 Sep 2014, net cash flows used in investing activities decreased by \$1.0m from \$2.9m to \$1.9m. These were mainly due to decrease in loans to associate and higher acquisition of new plant and equipment in the Fabrication & Manufacturing business.
- 9) Net cash flows used in financing activities in 3rd Quarter 2014 increased by \$24.3m from \$9.2m to \$33.5m mainly due to decrease in bills payable to banks and repayment of hire purchase creditors and bank term loans. For the nine months ended 30 Sep 2014, net cash flows used in financing activities was \$0.1m compared to net cash flows from financing activities \$47.5m. This was mainly due to higher dividends payment to shareholders, repayment of hire purchase creditors and bank term loans, but partially offset by the increase in bills payable to banks.
- 10) Cash and cash equivalents as at 3rd Quarter and Nine Months ended 30 Sep comprised the following:-

	<u>2014</u>	<u>2013</u>
	\$'000	\$'000
Cash and bank balances	62,264	69,415
Fixed deposits	22,270	24,007
Less: Fixed deposits pledged	(451)	(3,710)
	<u>84,083</u>	<u>89,712</u>

Fixed deposits of \$0.5m (2013: \$3.7m) 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	Translation	Revenue	Total Equity
	Capital	Reserve	Reserve	
	\$'000	\$'000	\$'000	\$'000
Balance as at 01.01.2014	46,473	(7,344)	120,963	160,092
Changes in equity for the period:				
Total comprehensive income for the period	-	137	28,415	28,552
Dividends on ordinary shares	-	-	(15,186)	(15,186)
Balance as at 30.09.2014	<u>46,473</u>	<u>(7,207)</u>	<u>134,192</u>	<u>173,458</u>
Balance as at 01.01.2013	46,473	(8,358)	92,677	130,792
Changes in equity for the period:				
Total comprehensive income for the period	-	902	28,174	29,076
Dividends on ordinary shares	-	-	(10,440)	(10,440)
Balance as at 30.09.2013	<u>46,473</u>	<u>(7,456)</u>	<u>110,411</u>	<u>149,428</u>
COMPANY	Share	Revenue	Total Equity	
	Capital	Reserve		
	\$'000	\$'000	\$'000	
Balance as at 01.01.2014	46,473	12,161	58,634	
Changes in equity for the period:				
Total comprehensive income for the period	-	6,941	6,941	
Dividends on ordinary shares	-	(15,186)	(15,186)	
Balance as at 30.09.2014	<u>46,473</u>	<u>3,916</u>	<u>50,389</u>	
Balance as at 01.01.2013	46,473	9,215	55,688	
Changes in equity for the period:				
Total comprehensive income for the period	-	6,111	6,111	
Dividends on ordinary shares	-	(10,440)	(10,440)	
Balance as at 30.09.2013	<u>46,473</u>	<u>4,886</u>	<u>51,359</u>	

1(d)(ii) Changes in Share Capital

Share Capital	Number of shares	\$'000
<u>Ordinary share issued & fully paid</u>		
Balance as at 01.01.2014 & 30.09.2014	<u>474,551,093</u>	<u>46,473</u>

There was no movement in the issued and paid-up capital of the Company since 31 December 2013.

There were no outstanding convertibles as at 30.09.2014 (30.09.2013: Nil)

The Company has no treasury shares as at 30.09.2014 (30.09.2013: 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 2013.

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 2014. 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

	<u>3rd Qtr ended 30 Sep</u>		<u>Nine Months ended 30 Sep</u>	
	2014	2013	2014	2013
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	1.07cents	1.97cents	5.99cents	5.94cents
(b) On a fully diluted basis	1.07cents	1.97cents	5.99cents	5.94cents

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of ordinary shares issued during 3Q14 and 9M14 of 474,551,093 shares (3Q13 and 9M13: 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:	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Net asset value per share based on existing issued share capital as at end of the respective dates	36.55cents	33.74cents	10.62cents	12.36cents

Net asset value is computed based on the number of shares in issue as at 30 September 2014 & 31 December 2013 of 474,551,093 shares.

8 Performance Review

For 3rd Quarter 2014, Group turnover decreased 16.0% to \$125.5m from \$149.5m in the corresponding quarter last year. The lower turnover was attributable to both Steel Merchandising business which decreased 42.0% to \$28.3m from \$48.8m, and Fabrication & Manufacturing business which decreased 3.5% to \$97.2m from \$100.7m. Our Steel Merchandising business had lower business volume but was offset slightly by higher steel prices. Our Fabrication & Manufacturing business attained lower turnover due to weaker steel prices but offset partly by higher business volume.

For nine months ended Sep 2014, Group turnover decreased 22.7% to \$374.9m from \$485.0m in the corresponding period last year. The lower turnover was attributable to both Steel Merchandising business which decreased 47.7% to \$100.2m from \$191.7m, and Fabrication & Manufacturing business which decreased 6.3% to \$274.7m from \$293.3m. Our Steel Merchandising business had lower business volume as well as weaker steel prices. In addition, our Fabrication & Manufacturing business attained lower turnover due to weaker steel prices but offset partly by higher business volume.

For 3rd Quarter 2014, Group gross profit margin as percentage of turnover was 18.3%, an improvement from 17.5% in the corresponding quarter last year. For the nine month ended 30 Sep 2014, Group gross profit margin was 17.9%, an improvement from 15.6% in the corresponding nine months ended 30 Sep 2013. These were attributable to higher contribution from Fabrication & Manufacturing business.

The Group continues to increase its production capacity in the Fabrication & Manufacturing business. As such, costs increases in the following areas:

- Employee benefits expense;
- Depreciation and amortisation;
- Insurance, freight and transportation;
- Rental and utilities;
- Repair and maintenance; and
- Financial expense

The Group's first joint venture executive condominium project, Austville Residences, was fully sold and obtained Temporary Occupation Permit (TOP) in 2nd Quarter 2014. Thus, the Group recognized share of profit of associate for \$11.2m.

The Group's profit attributable to equity holders of the Company was \$5.1m for 3rd Quarter 2014 and \$28.4m for nine months ended 30 Sep 2014.

Cashflow

For the nine months ended 30 Sep 2014, net cash flows used in operating activities amounted to \$28.8m. This was mainly due to increase in inventories and trade receivables as well as decrease in trade payables. Net cash flows used in investing activities amounted to \$1.9m. This was mainly due to decrease in loans to associate and higher acquisition of new plant and equipment in the Fabrication & Manufacturing business. With net cash flows used in financing activities of \$0.1m, cash and cash equivalents as at 30 Sep 2014 amounted to \$84.1m, down from \$114.7m as at 1 January 2014.

Balance Sheet

The Balance Sheet remained strong. The net asset value per share as at 30 Sep 2014 increased to 36.55 cents up from 33.74 cents as at 31 December 2013.

9 Variance from Prospect Statement

No variance from previous statement.

10 Prospect Statement

Our Steel Merchandising business, which focuses on regional trading of steel products, remains subdued as our clients face more domestic competition.

Our Fabrication & Manufacturing business is supported by the construction demand in Singapore. However, competition and increased production capacity from new entrants and existing players continue to exert pressure on margins. The Group thus focus on value-added activities and strive to increase productivity in order to remain competitive.

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 2014	Interim paid on 16 September 2014	Interim payable on 12 December 2014
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 2013	Interim paid on 16 September 2013	Interim paid on 13 December 2013
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

12 December 2014.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 26th November 2014 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 26th November 2014 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 26th November 2014 will be entitled to such proposed dividend. In this respect, the 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 2014 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary
7 November 2014