



# 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 December 2017.

### INCOME STATEMENT FOR FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2017

	Notes	4th Quarter ended 31 December			Full Year ended 31 December		
		2017 \$'000	2016 \$'000	+ / (-) %	2017 \$'000	2016 \$'000	+ / (-) %
<b>Turnover</b>		<b>92,534</b>	81,631	13.4%	<b>338,996</b>	318,597	6.4%
Other operating income	A	825	359	129.8%	2,060	676	204.7%
Changes in inventories of finished goods and work-in-progress, raw materials and consumables used and finished goods purchased		(79,659)	(63,905)	24.7%	(280,929)	(248,429)	13.1%
Employee benefits expense	B	(4,564)	(5,572)	(18.1%)	(19,566)	(21,719)	(9.9%)
Depreciation and amortisation	C	(2,404)	(2,824)	(14.9%)	(9,987)	(10,764)	(7.2%)
Insurance, freight and transportation	D	(419)	(866)	(51.6%)	(2,604)	(3,701)	(29.6%)
Rental and utilities	E	(1,522)	(1,538)	(1.0%)	(6,213)	(6,428)	(3.3%)
Repair and maintenance	F	(652)	(919)	(29.1%)	(2,661)	(3,316)	(19.8%)
Other operating expenses	G	(3,491)	(3,151)	10.8%	(10,314)	(8,846)	16.6%
Financial expense	H	(579)	(427)	35.6%	(2,123)	(1,537)	38.1%
Financial income	I	287	49	485.7%	501	215	133.0%
Share of results of associate	J	(40)	(16)	150.0%	(41)	99	n.m
<b>Profit before tax</b>		<b>316</b>	2,821	(88.8%)	<b>7,119</b>	14,847	(52.1%)
Income tax expense		1,682	538	212.6%	386	(1,535)	(125.1%)
<b>Profit attributable to equity holders of the Company</b>		<b>1,998</b>	3,359	(40.5%)	<b>7,505</b>	13,312	(43.6%)

### STATEMENTS OF COMPREHENSIVE INCOME FOR FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2017

	4th Quarter ended 31 December			Full Year ended 31 December		
	2017 \$'000	2016 \$'000	+ / (-) %	2017 \$'000	2016 \$'000	+ / (-) %
<b>Profit attributable to equity holders of the Company</b>	<b>1,998</b>	3,359	(40.5%)	<b>7,505</b>	13,312	(43.6%)
Other comprehensive income (Item that may be reclassified subsequently to profit or loss):-						
- Foreign currency translation reserve	(243)	1,084	n.m	(279)	323	n.m
<b>Total comprehensive income attributable to equity holders of the Company</b>	<b>1,755</b>	4,443	(60.5%)	<b>7,226</b>	13,635	(47.0%)

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

	4th Quarter ended 31 December			Full Year ended 31 December		
	2017 \$'000	2016 \$'000	+ / (-) %	2017 \$'000	2016 \$'000	+ / (-) %
A) Other operating income comprises the						
- Write back of provision for impairment loss on trade receivables	747	6	12350.0%	747	20	3635.0%
- Proceeds from insurance claim	-	152	(100.0%)	-	152	(100.0%)
- Net gain in foreign exchange	-	123	(100.0%)	-	-	n.m
- (Loss)/gain on disposal of property, plant and equipment, net	(3)	-	n.m	102	-	n.m
- Write-back of provision for cargo handling costs	31	-	n.m	973	-	n.m
- Rental income	35	35	0.0%	141	141	0.0%
- Sundry income	15	43	(65.1%)	97	363	(73.3%)
	<b>825</b>	359	129.8%	<b>2,060</b>	676	204.7%

B) Employee benefits expense decreased by 18.1% in 4th Quarter 2017 and 9.9% for full year ended 31 December 2017 mainly due to reduction in employee headcount in line with lower volume in Fabrication & Manufacturing business.

C) Depreciation and amortisation expense decreased by 14.9% in 4th Quarter 2017 and 7.2% for full year ended 31 December 2017 mainly due to some of the plant & equipment were fully depreciated in prior year.

D) Insurance, freight and transportation decreased by 51.6% in 4th Quarter 2017 and 29.6% for full year ended 31 December 2017 due to decrease in transportation cost in line with lower tonnage delivered as well as lower costs from outsourcing of transport services.

E) Rental and utilities decreased marginally by 1.0% in 4th Quarter 2017 and 3.3% for full year ended 31 December 2017 mainly due to lower rental and utilities in the Fabrication & Manufacturing business.

F) Repair and maintenance decreased by 29.1% in 4th Quarter 2017 and 19.8% for full year ended 31 December 2017 due to lower costs incurred for upkeep and servicing machineries and motor vehicles in the Fabrication & Manufacturing business.

	4th Quarter ended 31 December			Full Year ended 31 December		
	2017 \$'000	2016 \$'000	+ / (-) %	2017 \$'000	2016 \$'000	+ / (-) %
G) Other operating expenses						
- Worker's dormitories and related costs	147	115	27.8%	610	1,330	(54.1%)
- Tools and consumables	263	492	(46.5%)	1,698	1,497	13.4%
- Insurance	317	413	(23.2%)	1,300	1,277	1.8%
- Bank charges	22	22	0.0%	98	91	7.7%
- Trade commission	90	65	38.5%	368	468	(21.4%)
- Professional fees	99	88	12.5%	388	398	(2.5%)
- Travelling	153	116	31.9%	510	588	(13.3%)
- Printing and stationery	57	65	(12.3%)	346	342	1.2%
- Net loss in foreign exchange	1,737	-	n.m	2,092	19	10910.5%
- Property, plant and equipment written off	-	219	(100.0%)	-	223	(100.0%)
- (Reversal of impairment)/impairment loss of trade receivables	(181)	1,137	(115.9%)	-	1,143	(100.0%)
- Loss on disposal of property, plant and equipment, net	-	40	(100.0%)	-	37	(100.0%)
- Loss on liquidation of a subsidiary	-	-	n.m	759	-	n.m
- Bad debts written off	388	-	n.m	388	6	6366.7%
- Other miscellaneous expenses	399	379	5.3%	1,757	1,427	23.1%
	<b>3,491</b>	<b>3,151</b>	<b>10.8%</b>	<b>10,314</b>	<b>8,846</b>	<b>16.6%</b>

H) Financial expense increased by 35.6% in 4th Quarter 2017 and 38.1% for full year ended 31 December 2017 mainly to fund the acquisition of assets held for sale.

I) Financial income increased by 485.7% in 4th Quarter 2017 and 133.0% for full year ended 31 December 2017 mainly due to late payment interest recovered from a customer for debts long overdue.

J) Share of loss of associate increased by 150.0% in 4th Quarter 2017. For full year ended 31 December 2017, share of loss of associate was \$41k compared with share of profit of associate of \$99k last year. These were due to the last unit of our joint venture executive condominium project, Austville Residences being sold in April 2017 compared with 3 units sold in the first half of last year.

K) n.m means not meaningful

#### 1(b)(i) STATEMENTS OF FINANCIAL POSITION

ASSETS	Notes	Group		Company	
		31.12.2017 \$'000	31.12.2016 \$'000	31.12.2017 \$'000	31.12.2016 \$'000
<b>Non-current assets</b>					
Properties, plant and equipment		50,836	53,750	3,821	3,976
Investment properties		2,530	1,918	-	-
Investment in subsidiaries	1	-	-	17,681	20,381
Investment in associate		1,704	1,745	-	-
Club memberships		379	440	117	127
Deferred tax assets		109	693	-	-
		<b>55,558</b>	<b>58,546</b>	<b>21,619</b>	<b>24,484</b>
<b>Current assets</b>					
Inventories	2	161,203	79,177	-	-
Trade receivables	3	71,870	57,129	-	-
Other receivables and deposits	4	3,276	250	13	8
Prepayments		202	635	5	4
Assets held for sale	5	42,028	14,424	-	-
Forward exchange contracts		-	600	-	-
Due from subsidiaries (non trade)		-	-	29,707	18,509
Fixed deposits	6	23,221	28,758	6,507	8,500
Cash and bank balances	6	28,811	69,081	498	1,272
		<b>330,611</b>	<b>250,054</b>	<b>36,730</b>	<b>28,293</b>
<b>Total assets</b>		<b>386,169</b>	<b>308,600</b>	<b>58,349</b>	<b>52,777</b>

	Notes	Group	31.12.2016	Company	31.12.2016
		31.12.2017	\$'000	31.12.2017	\$'000
<b>EQUITY AND</b>					
<b>Current liabilities</b>					
Trade payables	2	49,098	4,383	25	23
Bills payable to banks (secured)	2	121,743	77,311	-	-
Other payables and accruals	7	5,872	9,854	262	283
Advance payment from customers	8	2,308	354	-	-
Provision for onerous contracts	9	13,387	14,287	-	-
Forward exchange contracts		1,337	-	-	-
Hire purchase creditors		3,480	4,802	-	-
Bank term loans (secured)		-	2,708	-	-
Income tax payable		2,446	5,231	263	316
		199,671	118,930	550	622
<b>Net current assets</b>		130,940	131,124	36,180	27,671
<b>Non-current liabilities</b>					
Hire purchase creditors		3,594	4,514	-	-
Deferred tax liabilities		290	277	290	278
		3,884	4,791	290	278
<b>Total liabilities</b>		203,555	123,721	840	900
<b>Net assets</b>		182,614	184,879	57,509	51,877
<b>Equity attributable to equity holders of the Company</b>					
Share capital		46,473	46,473	46,473	46,473
Retained earnings		140,626	142,612	11,036	5,404
Foreign currency translation reserve		(4,485)	(4,206)	-	-
		182,614	184,879	57,509	51,877

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

- Investment in subsidiaries decreased by \$2.7m due to the member's voluntary liquidation of a wholly-owned dormant subsidiary, Steel Park Resources Pte Ltd in May 2017.
- Inventories increased by \$82.0m mainly due to higher stock position in Fabrication & Manufacturing business. Correspondingly, trade payables and bills payable to banks also increased.
- Trade receivables increased by \$14.7m mainly due to higher steel prices derived in 4th Quarter 2017.
- Other receivables and deposits increased by \$3.0m mainly due to trade credit insurance claims and deposit paid to supplier.
- Assets held for sale increased by \$27.6m due to the additional costs incurred on redevelopment of new luxury bungalows.
- Cash and cash equivalents, comprising fixed deposits and cash and bank balances decreased by \$45.8m to pay for increase in inventories and addition to assets held for sale.
- Other payables and accruals decreased by \$4.0m mainly due to settlement to other creditors and lower accrual of operating expenses.
- Advance payment from customers increased by \$2.0m due to advance payment received for our property development business.
- Provision for onerous contracts decreased by \$0.9m due to write-back of prior year's provision.

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

Amount repayable in one year or less, or on demand

As at 31.12.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
125,223	-	84,821	-

Amount repayable after one year

As at 31.12.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,594	-	4,514	-

# Details of collateral

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

- corporate guarantees given by the Company and certain subsidiaries to the banks;
- 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;
- a deed of charge and assignment of inventories and floating charge over trade receivables; and
- during the financial year, there was no bank term loan. In prior year, the bank term loan was secured by legal mortgages over the Group's properties, plant and equipment with net book value of \$17.8m.

## 1(c) CONSOLIDATED STATEMENT OF CASH FLOWS FOR FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2017

	Notes	4th Quarter ended 31 December		Full Year ended 31 December	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Operating activities</b>					
Profit before tax		316	2,821	7,119	14,847
Adjustments for:					
Amortisation of club memberships		15	13	61	63
Depreciation of property, plant and equipment		2,378	2,800	9,883	10,658
Depreciation of investment properties		11	11	43	43
Property, plant and equipment written off		-	219	-	223
Loss/(gain) on disposal of property, plant and equipment, net		3	40	(102)	37
Gain on disposal of club memberships		-	(41)	-	(41)
Loss on liquidation of a subsidiary		759	-	759	-
Interest expense		579	427	2,123	1,537
Interest income		(287)	(49)	(501)	(215)
Net fair value loss/(gain) on forward exchange contracts		1,937	(85)	1,937	(85)
Foreign currency translation adjustments		(768)	1,120	(786)	296
Share of results of associate		40	16	41	(99)
(Write back of)/provision for impairment loss of trade receivables		(928)	1,117	(747)	1,122
Bad Debts written off		388	-	388	6
Provision/(write-back of provision) for onerous contracts		1,100	600	(900)	6,788
<b>Operating cash flows before changes in working</b>		<b>5,543</b>	<b>9,009</b>	<b>19,318</b>	<b>35,180</b>
(Increase)/decrease in:					
Inventories		(84,677)	(1,115)	(82,028)	10,262
Trade receivables		(4,336)	8,623	(14,759)	10,604
Other receivables, deposits and prepayments		(1,023)	166	(2,593)	754
Increase/(decrease) in:					
Trade payables		45,197	490	44,714	(21,473)
Other payables and accruals		(1,405)	(1,274)	(2,080)	(52)
<b>Cash flows from operations</b>		<b>(40,701)</b>	<b>15,899</b>	<b>(37,428)</b>	<b>35,275</b>
Interest paid		(579)	(427)	(2,123)	(1,537)
Interest received		62	49	277	215
Income taxes refund/(paid)		241	(327)	(1,801)	(2,854)
<b>Net cash flows (used in)/from operating activities</b>	10	<b>(40,977)</b>	<b>15,194</b>	<b>(41,075)</b>	<b>31,099</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment		(3,230)	(372)	(4,319)	(2,812)
Proceeds from disposal of club memberships		-	150	-	150
Proceeds from disposal of property, plant and equipment		8	-	363	9
Addition to assets held for sale		(22,664)	(824)	(27,604)	(1,581)
<b>Net cash flows used in investing activities</b>	11	<b>(25,886)</b>	<b>(1,046)</b>	<b>(31,560)</b>	<b>(4,234)</b>
<b>Financing activities</b>					
Decrease in fixed deposits - pledged		-	-	-	450
Increase in bills payable to banks (secured)		60,266	4,941	44,432	3,544
Repayment of bank term loans		(271)	(812)	(2,708)	(14,150)
Repayment of hire purchase		(1,192)	(1,390)	(5,152)	(5,421)
Dividends paid on ordinary shares		(1,424)	(1,424)	(9,491)	(9,491)
<b>Net cash flows from/(used in) financing activities</b>	12	<b>57,379</b>	<b>1,315</b>	<b>27,081</b>	<b>(25,068)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(9,484)</b>	<b>15,463</b>	<b>(45,554)</b>	<b>1,797</b>
Effect of exchange rate changes on cash and cash equivalents		(236)	(12)	(253)	36
Cash & cash equivalents at beginning of the year		61,752	82,388	97,839	96,006
<b>Cash &amp; cash equivalents at end of the year</b>	13	<b>52,032</b>	<b>97,839</b>	<b>52,032</b>	<b>97,839</b>

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

- 10) For 4th Quarter 2017, net cash flows used in operating activities was \$41.0m compared with net cash flows from operating activities of \$15.2m. For the full year ended 31 December 2017, net cash flows used in operating activities was \$41.1m compared with net cash flows from operating activities of \$31.1m. These were mainly due to increase in inventories, trade receivables and trade payables.
- 11) Net cash flows used in investing activities in 4th Quarter 2017 increased by \$24.8m, from \$1.1m to \$25.9m. For the full year ended 31 December 2017, net cash flows used in investing activities increased by \$27.4m, from \$4.2m to \$31.6m. These were mainly due to addition to assets held for sale and purchase of plant and equipment.
- 12) Net cash flows from financing activities in 4th Quarter 2017 increased by \$56.1m, from \$1.3m to \$57.4m. For the full year ended 31 December 2017, net cash flows from financing activities was \$27.1m compared with net cash flows used in financing activities of \$25.1m. These were mainly due to increase in bills payable to banks and lower redemption of bank term loan.
- 13) Cash and cash equivalents as at 4th Quarter comprised the following:-

	2017	2016
	\$'000	\$'000
Cash and bank balances	28,811	69,081
Fixed deposits	23,221	28,758
	<b>52,032</b>	<b>97,839</b>

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

GROUP	Attributable to equity holders of the Company			
	Share Capital	Translation Reserve	Revenue Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance as at 01.01.2017	46,473	(4,206)	142,612	184,879
Changes in equity for the year:				
Total comprehensive income for the year	-	(279)	7,505	7,226
Dividends on ordinary shares	-	-	(9,491)	(9,491)
Balance as at 31.12.2017	<b>46,473</b>	<b>(4,485)</b>	<b>140,626</b>	<b>182,614</b>
Balance as at 01.01.2016	46,473	(4,529)	138,791	180,735
Changes in equity for the year:				
Total comprehensive income for the year	-	323	13,312	13,635
Dividends on ordinary shares	-	-	(9,491)	(9,491)
Balance as at 31.12.2016	<b>46,473</b>	<b>(4,206)</b>	<b>142,612</b>	<b>184,879</b>
<b>COMPANY</b>	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total Equity</b>	
	\$'000	\$'000	\$'000	
Balance as at 01.01.2017	46,473	5,404	51,877	
Changes in equity for the year:				
Total comprehensive income for the year	-	15,123	15,123	
Dividends on ordinary shares	-	(9,491)	(9,491)	
Balance as at 31.12.2017	<b>46,473</b>	<b>11,036</b>	<b>57,509</b>	
Balance as at 01.01.2016	46,473	6,114	52,587	
Changes in equity for the year:				
Total comprehensive income for the year	-	8,781	8,781	
Dividends on ordinary shares	-	(9,491)	(9,491)	
Balance as at 31.12.2016	<b>46,473</b>	<b>5,404</b>	<b>51,877</b>	

### 1(d)(ii) Changes in Share Capital

Share Capital	Number of shares	\$'000
<b><u>Ordinary share issued &amp; fully paid</u></b>		
Balance as at 01.01.2017 & 31.12.2017	<b>474,551,093</b>	<b>46,473</b>

There was no movement in the issued and paid-up capital of the Company since 31 December 2016.

There were no outstanding convertibles as at 31.12.2017 (31.12.2016: Nil).

The Company has no treasury shares as at 31.12.2017 (31.12.2016: 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 2016.

## 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 2017. 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>4th Quarter ended 31 December</u>		<u>Full Year ended 31</u>	
	2017	2016	2017	2016
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	<b>0.42cents</b>	0.71cents	<b>1.58cents</b>	2.81cents
(b) On a fully diluted basis	<b>0.42cents</b>	0.71cents	<b>1.58cents</b>	2.81cents

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of ordinary shares issued during 4Q17 and 12M17 of 474,551,093 shares (4Q16 and 12M16: 474,551,093 shares).

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

## 7 Net asset value per ordinary share

	<u>Group as at:</u>		<u>Company as at:</u>	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net asset value per share based on existing issued share capital as at end of the respective dates	<b>38.48cents</b>	38.96cents	<b>12.12cents</b>	10.93cents

Net asset value is computed based on the number of shares in issue as at 31 December 2017 & 31 December 2016 of 474,551,093 shares.

## 8 Performance Review

For 4th Quarter 2017, the Group's turnover increased by 13.4% to \$92.5m from \$81.6m in the corresponding quarter last year. The higher turnover was solely attributable to Fabrication & Manufacturing business due to higher steel prices.

For the full year ended 31 December 2017, Group's turnover increased by 6.4% to \$339.0m from \$318.6m in prior year. The higher turnover was attributable to Fabrication & Manufacturing business which increased by 7.5% to \$339.0m from \$315.4m on the back of higher steel prices but offset by lower volume. The increase in turnover for Fabrication & Manufacturing business was slightly offset by the winding down of Steel Merchandising business in December 2016.

The Group's gross profit margins as a percentage of turnover in 4th Quarter 2017 and full year ended 31 December 2017 were 13.9% and 17.1% respectively, lower than the corresponding period last year of 21.7% and 22.0%. These were mainly due to lower tonnages delivered for value added components in the Fabrication & Manufacturing business.

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

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

Other operating expenses increased by 10.8% in 4th Quarter 2017 and 16.6% for the full year ended 31 December 2017. These were mainly due to net loss in foreign exchange.

Share of loss of associate increased by 150.0% in 4th Quarter 2017. For the full year ended 31 December 2017, share of loss of associate was \$41k compared with share of profit of associate of \$99k in prior year. These were due to the last unit of our joint venture executive condominium project, Austville Residences being sold in April 2017 compared to 3 units sold in the first half of last year.

The Group's profit attributable to equity holders of the Company was \$2.0m in 4th Quarter 2017 and \$7.5m for the full year ended 31 December 2017, a decrease of 40.5% from the corresponding quarter last year of \$3.4m and 43.6% from last year of \$13.3m.

#### Cashflow

For the full year ended 31 December 2017, net cash flows used in operating activities amounted to \$41.1m. This was mainly due to the increase in inventories, trade receivables and trade payables. Net cash flows used in investing activities amounted to \$31.6m. This was mainly due to addition to assets held for sale and purchase of plant and equipment. With net cash flows from financing activities of \$27.1m, cash and cash equivalents as at 31 December 2017 was \$52.0m, down from \$97.8m as at 1 January 2017.

#### Balance Sheet

The Balance Sheet remained strong. The net asset value per share for the Group as at 31 December 2017 was 38.48 cents, slightly lower than 38.96 cents as at 31 December 2016.

### **9 Variance from Prospect Statement**

No variance from previous statement.

### **10 Prospect Statement**

The Building and Construction Authority (BCA) projected the total value of contracts to be awarded this year to range between \$26.0 billion and \$31.0 billion, a marked improvement from the \$24.5 billion (preliminary estimate) awarded in 2017. Public projects are expected to make up some 60 per cent of all contracts and is set to be worth between \$16 billion and \$19 billion this year, more than last year's \$15.5 billion. Private sector demand is expected to reach between \$10 billion and \$12 billion, up from last year's \$9 billion.

Public construction demand is expected to be boosted by an anticipated increase in demand for institutional and other buildings such as healthcare facilities, and civil engineering works as well as a slate of smaller government projects that have been brought forward in response to the slowdown in the previous years. The private sector's construction demand is similarly expected to improve on the back of a strengthened overall economic outlook and the upturn in property market sentiment.

The construction demand in 2018 should provide sustainable demand for the Group. However, the headwinds under current challenging economic conditions continue to prevail. These include escalation of international steel prices led by China stemming from the imposition of environmental pollution control and strong demand from their major downstream industries. Domestically, the construction sector is still facing intense competition among the industry players as well as credit risk of end customers.

### **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 23 June 2017	Interim paid on 13 September 2017	Interim paid on 8 December 2017	Total Interim paid
Dividend	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 15 May 2018
Dividend	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 2016	Interim paid on 15 September 2016	Interim paid on 9 December 2016	Total Interim paid
Dividend	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 paid on 22 May 2017
Dividend	Cash
Dividend Rate	1.00 cent per ordinary share
Tax Rate	One-tier tax exempt

**(c) Date**

7 May 2018.

**(d) Books closure date**

The Share Transfer Books and Register of Members of the Company will be closed on 24th April 2018 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 24th April 2018 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 24th April 2018 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 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 three main operating businesses, namely:

- Property Development & Investment
- Steel Merchandising
- Fabrication and Manufacturing

Fourth Quarter and Full Year ended 31 December 2017						Fourth Quarter and Full Year ended 31 December 2016				
S\$'000	Property Development & Investment	Steel Merchandising	Fabrication and Manufacturing	Adjustment and elimination	Total	Property Development & Investment	Steel Merchandising	Fabrication and Manufacturing	Adjustment and elimination	Total
Turnover:										
External customers	-	-	338,996	-	338,996	-	3,233	315,364	-	318,597
Inter-segment	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	-	338,996	-	338,996	-	3,233	315,364	-	318,597
Results:										
Depreciation and amortisation	207	-	9,780	-	9,987	208	74	10,482	-	10,764
Share of results of associate	(41)	-	-	-	(41)	99	-	-	-	99
Other non-cash income/(expenses)	(759)	740	519	-	500	-	(901)	(7,239)	-	(8,140)
Segment (loss) / profit	(121)	1,890	6,972	(1,236)	7,505	1,054	(1,374)	16,488	(2,856)	13,312
Assets:										
Investment in associates	1,704	-	-	-	1,704	1,745	-	-	-	1,745
Additions to non-current assets	655	-	7,230	-	7,885	-	-	2,882	-	2,882
Segment assets	51,059	1,466	310,315	23,329	386,169	28,048	1,512	249,589	29,451	308,600
Segment liabilities	2,697	20	198,102	2,736	203,555	574	4,423	110,507	8,217	123,721

**Geographical Segments**

Country	Turnover		Non-current assets	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Singapore	338,550	313,006	55,449	57,853
Malaysia	-	5,591	-	-
Indonesia	446	-	-	-
Total	338,996	318,597	55,449	57,853

**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)		
	2017	2016	Increase / (Decrease) %
Turnover reported for first half of the year	160,039	149,221	7.2%
Profit after tax reported for the first half of the year	3,621	5938	(39.0%)
Turnover reported for second half of the year	178,957	169,376	5.7%
Profit after tax reported for the second half of the year	3,884	7,374	(47.3%)

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

	<b>Latest Full</b>	<b>Previous Full</b>
Interim Dividends	<b>4,745</b>	4,745
Special Dividend	-	-
Final Dividend *	<b>4,746</b>	4,746
<b>Total:</b>	<b>9,491</b>	9,491

\* For FY2017, Final Dividend is computed based on the number of shares in issue as at 31 December 2017 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.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Lee Lin Poey	59	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	54	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	64	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	56	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

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  
20 February 2018