



Second Quarter and Half 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 Second Quarter and Half Year ended 30 June 2017.

INCOME STATEMENT FOR SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

	Notes	2nd Quarter ended 30 June			Half Year ended 30 June		
		2017 \$'000	2016 \$'000	+ / (-) %	2017 \$'000	2016 \$'000	+ / (-) %
<b>Turnover</b>		<b>78,666</b>	72,703	8.2%	<b>160,039</b>	149,221	7.2%
Other operating income	A	92	130	(29.2%)	159	390	(59.2%)
Changes in inventories of finished goods and work-in-progress, raw materials and consumables used and finished goods purchased		(63,995)	(54,254)	18.0%	(129,434)	(114,988)	12.6%
Employee benefits expense	B	(4,951)	(5,206)	(4.9%)	(10,039)	(10,946)	(8.3%)
Depreciation and amortisation	C	(2,541)	(2,631)	(3.4%)	(5,109)	(5,159)	(1.0%)
Insurance, freight and transportation	D	(459)	(908)	(49.4%)	(1,389)	(1,834)	(24.3%)
Rental and utilities	E	(1,582)	(1,602)	(1.2%)	(3,065)	(3,430)	(10.6%)
Repair and maintenance	F	(656)	(749)	(12.4%)	(1,378)	(1,598)	(13.8%)
Other operating expenses	G	(2,333)	(2,389)	(2.3%)	(4,533)	(3,851)	17.7%
Financial expense	H	(583)	(315)	85.1%	(947)	(866)	9.4%
Financial income	I	54	38	42.1%	95	84	13.1%
Share of results of associate	J	29	87	(66.7%)	13	131	(90.1%)
<b>Profit before tax</b>		<b>1,741</b>	4,904	(64.5%)	<b>4,412</b>	7,154	(38.3%)
Income tax expense		(295)	(894)	(67.0%)	(791)	(1,216)	(35.0%)
<b>Profit attributable to equity holders of the Company</b>		<b>1,446</b>	4,010	(63.9%)	<b>3,621</b>	5,938	(39.0%)

STATEMENTS OF COMPREHENSIVE INCOME FOR SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

	2nd Quarter ended 30 June			Half Year ended 30 June		
	2017 \$'000	2016 \$'000	+ / (-) %	2017 \$'000	2016 \$'000	+ / (-) %
<b>Profit attributable to equity holders of the Company</b>	<b>1,446</b>	4,010	(63.9%)	<b>3,621</b>	5,938	(39.0%)
Other comprehensive income (Item that may be reclassified subsequently to profit or loss):-						
- Foreign currency translation reserve	(189)	52	n.m	(613)	(1,045)	(41.3%)
<b>Total comprehensive income attributable to equity holders of the Company</b>	<b>1,257</b>	4,062	(69.1%)	<b>3,008</b>	4,893	(38.5%)

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

	2nd Quarter ended 30 June			Half Year ended 30 June		
	2017 \$'000	2016 \$'000	+ / (-) %	2017 \$'000	2016 \$'000	+ / (-) %
A) Other operating income comprises the following:						
- Reversal of impairment loss on trade receivables	7	14	(50.0%)	7	14	(50.0%)
- Gain on disposal of property, plant and equipment, net	23	-	n.m	-	-	n.m
- Rental income	35	35	0.0%	70	70	0.0%
- Sundry income	27	81	(66.7%)	82	306	(73.2%)
	<b>92</b>	130	(29.2%)	<b>159</b>	390	(59.2%)

B) Employee benefits expense decreased by 4.9% in 2nd Quarter 2017 and 8.3% in half year ended 30 June 2017 mainly due to reduction in employee headcount in line with lower volume in Fabrication & Manufacturing business.

C) Depreciation and amortisation expense decreased slight by 3.4% in 2nd Quarter 2017 and 1.0% in half year ended 30 June 2017 due to reduction in acquisition of fixed assets.

- D) Insurance, freight and transportation decreased by 49.4% in 2nd Quarter 2017 and 24.3% in half year ended 30 June 2017 due to decrease in transportation cost in line with lower tonnage delivered as well as lower costs from outsourcing of transport service.
- E) Rental and utilities decreased by 1.2% in 2nd Quarter 2017 and 10.6% in half year ended 30 June 2017 as the Group streamlined its warehouse operations in the Fabrication & Manufacturing business.
- F) Repair and maintenance decreased by 12.4% in 2nd Quarter 2017 and 13.8% in half year ended 30 June 2017 due to lower costs incurred for upkeeping and servicing machineries and motor vehicles in the Fabrication & Manufacturing business.

	2nd Quarter ended 30 June			Half Year ended 30 June		
	2017 \$'000	2016 \$'000	+ /(-) %	2017 \$'000	2016 \$'000	+ /(-) %
G) Other operating expenses include:						
- Worker's dormitories and related costs	165	403	(59.1%)	313	824	(62.0%)
- Tools and consumables	406	363	11.8%	1,152	652	76.7%
- Insurance	454	292	55.5%	658	657	0.2%
- Bank charges	25	19	31.6%	57	44	29.5%
- Trade commission	154	48	220.8%	208	159	30.8%
- Professional fees	100	120	(16.7%)	156	222	(29.7%)
- Travelling	117	165	(29.1%)	233	319	(27.0%)
- Printing and stationery	190	178	6.7%	244	227	7.5%
- Net loss in foreign exchange	45	463	(90.3%)	266	38	600.0%
- Property, plant and equipment written off	-	-	n.m	-	3	(100.0%)
- Impairment loss of trade receivables	314	-	n.m	356	6	5833.3%
- Loss on disposal of property, plant and equipment, net	-	-	n.m	18	-	n.m
- Other miscellaneous expenses	363	338	7.4%	872	700	24.6%
	<b>2,333</b>	<b>2,389</b>	<b>(2.3%)</b>	<b>4,533</b>	<b>3,851</b>	<b>17.7%</b>

- H) Financial expense increased by 85.1% in 2nd Quarter 2017 and 9.4% in half year ended 30 June 2017 mainly due to higher trade financing in Fabrication & Manufacturing business.
- I) Financial income increased by 42.1% in 2nd Quarter 2017 and 13.1% in half year ended 30 June 2017 due to increase in interest income from banks in line with higher fixed deposits and cash and bank balances.
- J) Share of results of associate decreased by 66.7% in 2nd Quarter 2017 and 90.1% in half year ended 30 June 2017. This was 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.
- K) n.m means not meaningful

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

ASSETS	Notes	Group		Company	
		30.06.2017 \$'000	31.12.2016 \$'000	30.06.2017 \$'000	31.12.2016 \$'000
<b>Non-current assets</b>					
Properties, plant and equipment		51,959	53,750	3,899	3,976
Investment property		1,897	1,918	-	-
Investment in subsidiaries		-	-	17,681	20,381
Investment in associate		1,759	1,745	-	-
Club memberships		410	440	122	127
Deferred tax assets		693	693	-	-
		<b>56,718</b>	<b>58,546</b>	<b>21,702</b>	<b>24,484</b>
<b>Current assets</b>					
Inventories	1	115,417	79,177	-	-
Trade receivables		57,392	57,129	-	-
Other receivables and deposits	2	2,281	250	8	8
Prepayments		773	635	16	4
Asset held for sale	3	16,716	14,424	-	-
Forward exchange contracts		600	600	-	-
Due from subsidiaries (non trade)		-	-	19,420	18,509
Fixed deposits		20,715	28,758	5,565	8,500
Cash and bank balances		80,195	69,081	852	1,272
		<b>294,089</b>	<b>250,054</b>	<b>25,861</b>	<b>28,293</b>
<b>Total assets</b>		<b>350,807</b>	<b>308,600</b>	<b>47,563</b>	<b>52,777</b>

	Notes	Group		Company	
		30.06.2017	31.12.2016	30.06.2017	31.12.2016
		\$'000	\$'000	\$'000	\$'000
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		4,695	4,383	23	23
Bills payable to banks (secured)	1	126,989	77,311	-	-
Other payables and accruals		8,056	9,854	209	283
Advance payment from customers		259	354	-	-
Provision for onerous contracts		13,287	14,287	-	-
Hire purchase creditors		4,423	4,802	-	-
Bank term loans (secured)		1,083	2,708	-	-
Income tax payable		4,417	5,231	310	316
		<b>163,209</b>	<b>118,930</b>	<b>542</b>	<b>622</b>
<b>Net current assets</b>		<b>130,880</b>	<b>131,124</b>	<b>25,319</b>	<b>27,671</b>
<b>Non-current liabilities</b>					
Hire purchase creditors		5,128	4,514	-	-
Deferred tax liabilities		278	277	278	278
		<b>5,406</b>	<b>4,791</b>	<b>278</b>	<b>278</b>
<b>Total liabilities</b>		<b>168,615</b>	<b>123,721</b>	<b>820</b>	<b>900</b>
<b>Net assets</b>		<b>182,192</b>	<b>184,879</b>	<b>46,743</b>	<b>51,877</b>
<b>Equity attributable to equity holders of the Company</b>					
<b>Share capital</b>		<b>46,473</b>	<b>46,473</b>	<b>46,473</b>	<b>46,473</b>
<b>Retained earnings</b>		<b>140,538</b>	<b>142,612</b>	<b>270</b>	<b>5,404</b>
<b>Foreign currency translation reserve</b>		<b>(4,819)</b>	<b>(4,206)</b>	<b>-</b>	<b>-</b>
		<b>182,192</b>	<b>184,879</b>	<b>46,743</b>	<b>51,877</b>

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

- Inventories increased by \$36.2m mainly due to higher stock position in Fabrication & Manufacturing business. Correspondingly, bills payable to banks have also increased.
- Other receivables and deposits increased by \$2.0m mainly due to trade credit insurance claim receivables.
- Asset held for sale increased by \$2.3m due to the additional costs incurred on redevelopment of a new luxury bungalow.

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

Amount repayable in one year or less, or on demand

As at 30.06.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
132,495	-	84,821	-

Amount repayable after one year

As at 30.06.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
5,128	-	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
- the bank term loan is secured by legal mortgages over the Group's properties, plant and equipment with net book value of \$16.2m (31 Dec 2016: \$17.8m).

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS FOR SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

	Notes	2nd Quarter ended 30		Half Year ended 30 June	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>					
Profit before tax		1,741	4,904	4,412	7,154
Adjustments for:					
Amortisation of club memberships		15	17	31	33
Depreciation of property, plant and equipment		2,515	2,603	5,056	5,104
Depreciation of investment property		11	11	22	22
Property, plant and equipment written off		-	-	-	3
(Gain)/loss on disposal of property, plant and equipment, net		(23)	-	18	-
Interest expense		583	315	947	866
Interest income		(54)	(38)	(95)	(84)
Foreign currency translation adjustments		(358)	54	(665)	(896)
Share of results of associate		(29)	(87)	(13)	(131)
Impairment loss of trade receivables		314	6	356	6
Write-back of provision for onerous contracts		(1,000)	-	(1,000)	-
<b>Operating cash flows before changes in working capital</b>		<b>3,715</b>	<b>7,785</b>	<b>9,069</b>	<b>12,077</b>
(Increase)/decrease in:					
Inventories		9,524	23,677	(36,244)	55,607
Trade receivables		8,221	435	(619)	9,675
Other receivables, deposits and prepayments		(1,402)	1,432	(2,168)	366
Increase/(decrease) in:					
Trade payables		865	1,267	313	(20,975)
Other payables and accruals		(5,009)	(253)	(1,893)	(1,572)
<b>Cash flows from operations</b>		<b>15,914</b>	<b>34,343</b>	<b>(31,542)</b>	<b>55,178</b>
Interest paid		(583)	(315)	(947)	(866)
Interest received		54	38	95	84
Income taxes paid		(1,582)	(1,388)	(1,604)	(1,485)
<b>Net cash flows from/(used in) operating activities</b>	4	<b>13,803</b>	<b>32,678</b>	<b>(33,998)</b>	<b>52,911</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment		(510)	(1,528)	(646)	(2,286)
Proceeds from disposal of property, plant and equipment		87	-	235	-
Addition to asset held for sale		(1,638)	(150)	(2,292)	(287)
<b>Net cash flows used in investing activities</b>	5	<b>(2,061)</b>	<b>(1,678)</b>	<b>(2,703)</b>	<b>(2,573)</b>
<b>Financing activities</b>					
Increase/(decrease) in bills payable to banks (secured)		15,096	(31,800)	49,678	(46,092)
Repayment of bank term loans		(812)	(5,572)	(1,625)	(12,525)
Repayment of hire purchase		(1,293)	(1,332)	(2,640)	(2,677)
Dividends paid on ordinary shares		(5,695)	(5,695)	(5,695)	(5,695)
<b>Net cash flows from/(used in) financing activities</b>	6	<b>7,296</b>	<b>(44,399)</b>	<b>39,718</b>	<b>(66,989)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>19,038</b>	<b>(13,399)</b>	<b>3,017</b>	<b>(16,651)</b>
Effect of exchange rate changes on cash and cash equivalents		173	-	53	(160)
Cash & cash equivalents at beginning of the year		81,699	92,595	97,840	96,007
<b>Cash &amp; cash equivalents at end of the period</b>	7	<b>100,910</b>	<b>79,196</b>	<b>100,910</b>	<b>79,196</b>

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

4) Net cash flows from operating activities in 2nd Quarter 2017 decreased by \$18.9m, from \$32.7m to \$13.8m mainly due to the increase in inventories. For half year ended 30 June 2017, net cash flows used in operating activities was \$34.0m compared to net cash flows from operating activities of \$52.9m. This was mainly due to the increase in inventories and decrease in trade payables.

5) Net cash flows used in investing activities in 2nd Quarter 2017 increased by \$0.4m, from \$1.7m to \$2.1m. For half year ended 30 June 2017, net cash flows used in investing activities increased by \$0.1m, from \$2.6m to \$2.7m. These were due to addition to asset held for sale but partially offset by reduction in purchase of property, plant and equipment and proceeds from disposal of plant and equipment.

6) Net cash flows from financing activities in 2nd Quarter 2017 was \$7.3m compared to net cash flows used in financing activities in 2nd Quarter 2016 of \$44.4m. For half year ended 30 June 2017, net cash flows from financing activities was \$39.7m compared to net cash flows used in financing activities of \$67.0m. These were mainly due to increase in bills payable to banks but partially offset by lower redemption of bank term loans .

7) Cash and cash equivalents as at 2nd Quarter comprised the following:-

	2017	2016
	\$'000	\$'000
Cash and bank balances	80,195	55,950
Fixed deposits	20,715	23,696
Less: Fixed deposits pledged	-	(450)
	<b>100,910</b>	<b>79,196</b>

Fixed deposits of nil (30 June 2016: \$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	<u>Attributable to equity holders of the Company</u>			
	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 period:				
Total comprehensive income for the period	-	(613)	3,621	3,008
Dividends on ordinary shares	-	-	(5,695)	(5,695)
Balance as at 30.06.2017	<b>46,473</b>	<b>(4,819)</b>	<b>140,538</b>	<b>182,192</b>
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	-	(1,045)	5,938	4,893
Dividends on ordinary shares	-	-	(5,695)	(5,695)
Balance as at 30.06.2016	<b>46,473</b>	<b>(5,574)</b>	<b>139,034</b>	<b>179,933</b>

COMPANY	Share Capital	Revenue Reserve	Total Equity
	\$'000	\$'000	\$'000
	Balance as at 01.01.2017	46,473	5,403
Changes in equity for the period:			
Total comprehensive income for the period	-	562	562
Dividends on ordinary shares	-	(5,695)	(5,695)
Balance as at 30.06.2017	<b>46,473</b>	<b>270</b>	<b>46,743</b>
Balance as at 01.01.2016	46,473	6,114	52,587
Changes in equity for the period:			
Total comprehensive income for the period	-	352	352
Dividends on ordinary shares	-	(5,695)	(5,695)
Balance as at 30.06.2016	<b>46,473</b>	<b>771</b>	<b>47,244</b>

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

<u>Share Capital</u>	<u>Number of shares</u>	<u>\$'000</u>
<u>Ordinary share issued &amp; fully paid</u>		
Balance as at 01.01.2017 & 30.06.2017	<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 30.06.2017 (30.06.2016: Nil)

The Company has no treasury shares as at 30.06.2017 (30.06.2016: 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>2nd Quarter ended 30 June</u>		<u>Half Year ended 30 June</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>0.30cents</b>	0.85cents	<b>0.76cents</b>	1.25cents
(b) On a fully diluted basis	<b>0.30cents</b>	0.85cents	<b>0.76cents</b>	1.25cents

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of ordinary shares issued during 2Q17 and 1H17 of 474,551,093 shares (2Q16 and 1H16: 474,551,093 shares).

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

### 7 Net asset value per ordinary share

	<b>Group as at:</b>		<b>Company as at:</b>	
	<b>30.06.2017</b>	31.12.2016	<b>30.06.2017</b>	31.12.2016
Net asset value per share based on existing issued share capital as at end of the respective dates	<b>38.39cents</b>	38.96cents	<b>9.85cents</b>	10.93cents

Net asset value is computed based on the number of shares in issue as at 30 June 2017 & 31 December 2016 of 474,551,093 shares.

### 8 Performance Review

For 2nd Quarter 2017, the Group's turnover increased by 8.2% to \$78.7m from \$72.7m in the corresponding quarter last year. Having wound down our Steel Merchandising business, the higher turnover was attributable solely to Fabrication & Manufacturing business which increased by 8.6% to \$78.7m from \$72.5m.

For the half year ended 30 June 2017, Group's turnover increased by 7.2% to \$160.0m from \$149.2m in the corresponding period last year. The higher turnover was solely attributable to Fabrication & Manufacturing business which increased by 8.8% to \$160.0m from \$147.0m.

The increases in turnover for both 2nd Quarter 2017 and the half year ended 30 June 2017 were contributed by higher steel prices but offset by lower sales tonnages in Fabrication & Manufacturing business.

The Group's gross profit margins as a percentage of turnover in 2nd Quarter 2017 and half year ended 30 June 2017 were 18.6% and 19.1%, lower than the corresponding period last year of 25.4% and 22.9%. These were 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;
- Depreciation and amortisation;
- Insurance, freight and transportation;
- Rental and utilities; and
- Repair and maintenance

Other operating expenses decreased slightly by 2.3% in 2nd Quarter 2017. For the half year ended 30 June 2017, other operating expenses increased by 17.7% mainly due to tools and consumables and impairment loss of trade receivables.

Share of results of associate decreased by 66.7% in 2nd Quarter 2017 and 90.1% in half year ended 30 June 2017. This was 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 \$1.4m in 2nd Quarter 2017 and \$3.6m for the half year ended 30 June 2017, a decrease of 63.9% from the corresponding quarter last year of \$4.0m and 39.0% from the corresponding period last year of \$5.9m.

#### Cashflow

For the half year ended 30 June 2017, net cash flows used in operating activities amounted to \$34.0m. This was mainly due to the increase in inventories and decrease in trade payables. Net cash flows used in investing activities amounted to \$2.7m. This was mainly due to addition to asset held for sale but partially offset by reduction in purchase of property, plant and equipment and proceeds from disposal of plant and equipment. With net cash flows from financing activities of \$39.7m, cash and cash equivalents as at 30 June 2017 was \$100.9m, up 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 30 June 2017 was 38.39 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 continuous slowdown in the private sector construction segment was largely due to a fall in the demand for residential, industrial, institutional and other building works. This weighs down on our value added activities. The decrease in value added tonnages coupled with intensified competition continue to exert pressure on the gross profit margins. The Group will have to stay competitive to survive in this challenging environment.

### 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 payable on 13 September 2017
Dividend Type	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share
Tax Rate	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 2016	Interim paid on 15 September 2016
Dividend Type	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt

#### **(c) Date payable**

13 September 2017.

**(d) Books closure date**

The Share Transfer Books and Register of Members of the Company will be closed on 31st August 2017 after 5.00 p.m. for the purpose of determining shareholders' entitlement to the interim 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 31st August 2017 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 31st August 2017 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 2nd Quarter ended 30 Jun 2017 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  
11 August 2017