



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 2015.

INCOME STATEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEP 2015

	Notes	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
		2015 \$'000	2014 \$'000	+ / (-) %	2015 \$'000	2014 \$'000	+ / (-) %
Turnover		100,431	125,527	(20.0%)	354,661	374,941	(5.4%)
Other operating income	A	164	664	(75.3%)	407	1,847	(78.0%)
Changes in inventories of finished goods and work-in-progress, raw materials and consumables used and finished goods purchased		(74,543)	(102,537)	(27.3%)	(282,084)	(307,947)	(8.4%)
Employee benefits expense	B	(6,374)	(7,350)	(13.3%)	(18,723)	(18,406)	1.7%
Depreciation and amortisation	C	(3,050)	(2,626)	16.1%	(8,594)	(7,478)	14.9%
Insurance, freight and transportation	D	(1,382)	(1,019)	35.6%	(3,908)	(2,353)	66.1%
Rental and utilities	E	(2,221)	(2,217)	0.2%	(6,633)	(6,294)	5.4%
Repair and maintenance	F	(1,022)	(1,141)	(10.4%)	(3,254)	(3,199)	1.7%
Other operating expenses	G	(5,991)	(3,084)	94.3%	(14,236)	(8,748)	62.7%
Financial expense	H	(731)	(967)	(24.4%)	(2,270)	(2,846)	(20.2%)
Financial income	I	73	764	(90.4%)	412	1,180	(65.1%)
Share of results of associate	J	9	3	200.0%	(206)	11,180	n.m
Profit before tax		5,363	6,017	(10.9%)	15,572	31,877	(51.1%)
Income tax expense		(1,287)	(962)	33.8%	(3,076)	(3,462)	(11.1%)
Profit attributable to equity holders of the Company		4,076	5,055	(19.4%)	12,496	28,415	(56.0%)

STATEMENTS OF COMPREHENSIVE INCOME FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEP 2015

	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
	2015 \$'000	2014 \$'000	+ / (-) %	2015 \$'000	2014 \$'000	+ / (-) %
Profit attributable to equity holders of the Company	4,076	5,055	(19.4%)	12,496	28,415	(56.0%)
Other comprehensive income (Item that may be reclassified subsequently to profit or loss):-						
- Foreign currency translation reserve	1,594	491	224.6%	2,021	137	1375.2%
Total comprehensive income attributable to equity holders of the Company	5,670	5,546	2.2%	14,517	28,552	(49.2%)

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

	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
	2015 \$'000	2014 \$'000	+ / (-) %	2015 \$'000	2014 \$'000	+ / (-) %
A) Other operating income comprises the following:						
- Impairment loss on trade receivables reversed	-	-	n.m	5	-	n.m
- Gain / (loss) on disposal of property, plant and equipment, net	109	(4)	(2825.0%)	119	20	495.0%
- Commission income	-	117	(100.0%)	16	190	(91.6%)
- Rental income	35	512	(93.2%)	105	1,535	(93.2%)
- Sundry income	20	39	(48.7%)	162	102	58.8%
	164	664	(75.3%)	407	1,847	(78.0%)

B) Employee benefits expense decreased by 13.3% in 3rd Quarter 2015 mainly due to lower personnel costs in line with lower turnover in both Fabrication & Manufacturing business and Steel Merchandising Business. For nine months ended 30 Sep 2015, it increased by 1.7% mainly due to increase in headcount and foreign worker levy owing to higher value-added activities in the Fabrication & Manufacturing business.

C) Depreciation and amortisation expense increased by 16.1% in 3rd Quarter 2015 and 14.9% in nine months ended 30 Sep 2015 as the Group expands its value-added capacity in the Fabrication & Manufacturing business.

D) Insurance, freight and transportation increased by 35.6% in 3rd Quarter 2015 and 66.1% in nine months ended 30 Sep 2015 due to increase in business volume in Fabrication & Manufacturing business as well as transportation cost incurred for Steel Merchandising business.

E) Rental and utilities increased by 0.2% in 3rd Quarter 2015 and 5.4% in nine months ended 30 Sep 2015 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. In addition, higher rental cost was also contributed by Steel Merchandising business.

F) Repair and maintenance decreased by 10.4% in 3rd Quarter 2015 due to lower costs incurred for upkeeping and servicing of motor vehicles. For nine months ended 30 Sep 2015, repair and maintenance increased by 1.7% due to higher costs incurred for upkeeping and servicing of more machineries.

	3rd Qtr ended 30 Sep			Nine Months ended 30 Sep		
	2015 \$'000	2014 \$'000	+ / (-) %	2015 \$'000	2014 \$'000	+ / (-) %
G) Other operating expenses include:						
- Outsourcing of labour	1,097	816	34.4%	3,902	2,137	82.6%
- Worker's dormitories and related costs	420	368	14.1%	1,221	1,053	16.0%
- Tools and consumables	395	472	(16.3%)	1,072	1,076	(0.4%)
- Insurance	294	328	(10.4%)	982	953	3.0%
- Bank charges	33	123	(73.2%)	113	353	(68.0%)
- Trade commission	135	121	11.6%	359	242	48.3%
- Professional fees	123	106	16.0%	395	354	11.6%
- Travelling	186	119	56.3%	508	434	17.1%
- Printing and stationery	72	175	(58.9%)	354	439	(19.4%)
- Net loss / (gain) in foreign exchange	2,756	(35)	(7974.3%)	3,719	305	1119.3%
- Property, plant and equipment written off	-	3	(100.0%)	-	3	(100.0%)
- Impairment of trade receivables	164	-	n.m	164	-	n.m
- Other miscellaneous expenses	316	488	(35.2%)	1,447	1,399	3.4%
	5,991	3,084	94.3%	14,236	8,748	62.7%

H) Financial expense decreased by 24.4% in 3rd Quarter 2015 and 20.2% in nine months ended 30 Sep 2015 mainly due to lower financing quantum in Steel Merchandising business in line with lower turnover.

I) Financial income decreased by 90.4% in 3rd Quarter 2015 and 65.1% in nine months ended 30 Sep 2015 following a full repayment of loan by its associate in April 2015.

J) Share of results of associate for nine months ended 30 Sep 2014 of \$11.2m 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

	Notes	Group		Company	
		30.09.2015 \$'000	31.12.2014 \$'000	30.09.2015 \$'000	31.12.2014 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment		53,582	49,589	4,229	4,515
Investment properties		1,972	2,004	-	-
Investment in subsidiaries		-	-	20,490	20,490
Investment in associate	1	3,377	11,983	-	-
Club memberships		533	579	217	227
Deferred tax assets		1,038	1,038	-	-
		60,502	65,193	24,936	25,232
Current assets					
Inventories	2	102,748	139,616	-	-
Trade receivables	3	73,321	85,166	-	-
Other receivables and deposits		737	637	12	11
Prepayments	4	14,141	6,450	23	23
Asset held for sale	5	12,716	-	-	-
Forward exchange contracts		596	596	-	-
Due from subsidiaries (non trade)		-	-	9	11,083
Loans to associate	6	-	10,784	-	-
Fixed deposits		10,242	42,946	8,500	23,303
Cash and bank balances		80,833	46,101	16,294	853
		295,334	332,296	24,838	35,273
Total assets		355,836	397,489	49,774	60,505

	Notes	Group		Company	
		30.09.2015	31.12.2014	30.09.2015	31.12.2014
		\$'000	\$'000	\$'000	\$'000
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	2	10,583	43,234	39	24
Bills payable to banks (secured)	2	111,018	117,258	-	-
Other payables and accruals	7	9,798	14,260	432	441
Advance payment from customers	2	2,006	5,618	-	-
Provision for onerous contracts		6,645	6,645	-	-
Hire purchase creditors		4,486	4,506	-	-
Bank term loans (secured)	5	6,623	3,370	-	-
Income tax payable		6,046	6,292	434	557
		157,205	201,183	905	1,022
Net current assets		138,129	131,113	23,933	34,251
Non-current liabilities					
Hire purchase creditors		6,978	10,314	-	-
Bank term loans (secured)	5	11,078	7,098	-	-
Deferred tax liabilities		1,197	1,221	260	281
		19,253	18,633	260	281
Total liabilities		176,458	219,816	1,165	1,303
Net assets		179,378	177,673	48,609	59,202
Equity attributable to equity holders of the Company					
Share capital		46,473	46,473	46,473	46,473
Retained earnings		137,138	137,454	3,433	12,729
Foreign currency translation reserve		(4,233)	(6,254)	-	-
		179,378	177,673	49,906	59,202

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

- Investment in associate decreased by \$8.6m due to distribution of profits from our associate for our joint venture executive condominium project, Austville Residences in July 2015.
- Inventories decreased by \$36.9m mainly due to lower stock position in Steel Merchandising business. Correspondingly, trade payables, bills payable to banks and advance payment from customers also decreased.
- Trade receivables decreased by \$11.8m due to lower turnover in Fabrication & Manufacturing business resulting from weaker steel prices.
- Prepayments increased by \$7.7m mainly due to prepayments relating to plant and equipment for the our new factories and purchase of inventories.
- Asset held for sale increased by \$12.7m due to acquisition of a freehold bungalow in prime district for redevelopment to a new luxury bungalow. Correspondingly, bank term loans also increased.
- Loans to associate reduced by \$10.8m due to a full repayment of loan and interest by its associate in April 2015.
- Other payables and accruals decreased by \$4.5m mainly due to lower operating expenses accrued in nine months ended 30 Sep 2015 compared to 31 December 2014.

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

Amount repayable in one year or less, or on demand

As at 30.09.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
122,127	-	125,134	-

Amount repayable after one year

As at 30.09.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
18,056	-	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 \$12.7m (31.12.2014: Nil) and property, plant and equipment with net book value of \$13.4m (31.12.2014: \$14.3m).

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEP 2015

		3rd Qtr ended 30 Sep		Nine Months ended 30 Sep	
		2015	2014	2015	2014
	Notes	\$'000	\$'000	\$'000	\$'000
Operating activities					
Profit before tax		5,363	6,017	15,572	31,877
Adjustments for:					
Amortisation of club memberships		15	16	47	47
Depreciation of property, plant and equipment		3,024	2,301	8,515	6,504
Depreciation of investment properties		11	309	32	927
Property, plant and equipment written off		-	3	-	3
(Gain)/loss on disposal of property, plant and equipment, net		(109)	4	(119)	(20)
Interest expense		731	967	2,270	2,846
Interest income		(73)	(764)	(412)	(1,180)
Net fair value (gain)/loss on forward exchange contracts		-	(252)	-	226
Foreign currency translation adjustments		1,132	182	691	(41)
Share of results of associate		(9)	(3)	206	(11,180)
Operating cash flows before changes in working capital		10,085	8,780	26,802	30,009
(Increase)/decrease in:					
Inventories		8,880	10,840	36,870	(24,471)
Trade receivables		9,412	(6,159)	11,845	(8,562)
Other receivables, deposits and prepayments		6,451	473	(7,790)	509
Increase/(decrease) in:					
Trade payables		(1,594)	(229)	(32,654)	(18,072)
Other payables and accruals		(9,488)	5,897	(17,835)	139
Cash flows from/(used in) operations		23,746	19,602	17,238	(20,448)
Interest paid		(731)	(967)	(2,270)	(2,846)
Interest received		73	764	412	1,180
Income taxes paid		(1,391)	(2,843)	(3,345)	(6,665)
Net cash flows from/(used in) operating activities	8	21,697	16,556	12,035	(28,779)
Investing activities					
Purchase of property, plant and equipment		(6,121)	(2,377)	(12,462)	(7,605)
Proceeds from distribution of profits of an associate		8,400	-	8,400	-
Proceeds from disposal of property, plant and equipment		-	-	132	126
Purchase of asset held for sale		(2,956)	-	(2,956)	-
Decrease in loans to associate		-	5,922	10,784	5,567
Net cash flows (used in)/from investing activities	9	(677)	3,545	3,898	(1,912)
Financing activities					
Decrease / (increase) in fixed deposits - pledged		-	5,234	-	(1)
(Decrease) / increase in bills payable to banks (secured)		(14,868)	(34,487)	(6,240)	20,694
Proceed from / (repayment of) bank term loans		8,918	(842)	7,233	(2,527)
Repayment of hire purchase		(1,119)	(1,004)	(3,356)	(3,081)
Dividends paid on ordinary shares		(2,373)	(2,373)	(12,813)	(15,186)
Net cash flows used in financing activities	10	(9,442)	(33,472)	(15,176)	(101)
Net increase / (decrease) in cash and cash equivalents		11,578	(13,371)	757	(30,792)
Effect of exchange rate changes on cash and cash equivalents		437	299	1,271	156
Cash & cash equivalents at beginning of the period		78,610	97,155	88,597	114,719
Cash & cash equivalents at end of the period	11	90,625	84,083	90,625	84,083

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

- 8) Net cash flows from operating activities in 3rd Quarter 2015 increased by \$5.1m, from \$16.6m to \$21.7m. Net cash flows from operating activities was \$12.0m in the nine months ended 30 Sep 2015 compared to net cash flows used in operating activities of \$28.8m in the nine months ended 30 Sep 2014. These were mainly due to decrease in inventories and trade receivables.
- 9) Net cash flows used in investing activities was \$0.7m in 3rd Quarter 2015 compared to net cash flows from investing activities of \$3.5m in 3rd Quarter 2014. For the nine months ended 30 Sep 2015, net cash flows from investing activities was \$3.9m compared to net cash flow used in investing activities of \$1.9m in the nine months ended 30 Sep 2014. These were due to purchase of new plant and equipment and purchase of asset held for sale but offset by proceeds from distribution of profits of an associate.
- 10) Net cash flows used in financing activities in 3rd Quarter 2015 decreased by \$24.1m, from \$33.5m to \$9.4m. For the nine months ended 30 Sep 2015, net cash flows used in financing activities increased by \$15.1m, from \$0.1m to \$15.2m. These were mainly due to decrease in bills payable to banks.

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

	2015	2014
	\$'000	\$'000
Cash and bank balances	80,833	62,264
Fixed deposits	10,242	22,270
Less: Fixed deposits pledged	(450)	(451)
	90,625	84,083

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)	137,455	177,674
Changes in equity for the period:				
Total comprehensive income for the period	-	2,021	12,496	14,517
Dividends on ordinary shares	-	-	(12,813)	(12,813)
Balance as at 30.09.2015	46,473	(4,233)	137,138	179,378

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	46,473	(7,207)	134,192	173,458

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 period:			
Total comprehensive income for the period	-	3,517	3,517
Dividends on ordinary shares	-	(12,813)	(12,813)
Balance as at 30.09.2015	46,473	3,433	49,906

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	46,473	3,916	50,389

1(d)(ii) Changes in Share Capital

Share Capital	Number of shares	\$'000
<u>Ordinary share issued & fully paid</u>		
Balance as at 01.01.2015 & 30.09.2015	<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 2014.

There were no outstanding convertibles as at 30.09.2015 (30.09.2014: Nil)

The Company has no treasury shares as at 30.09.2015 (30.09.2014: 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

	<u>3rd Qtr ended 30 Sep</u>		<u>Nine Months ended 30 Sep</u>	
	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	0.86cents	1.07cents	2.63cents	5.99cents
(b) On a fully diluted basis	0.86cents	1.07cents	2.63cents	5.99cents

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of ordinary shares issued during 3Q15 and 9M15 of 474,551,093 shares (3Q14 and 9M14: 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:	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Net asset value per share based on existing issued share capital as at end of the respective dates	37.80cents	37.44cents	10.52cents	12.48cents

Net asset value is computed based on the number of shares in issue as at 30 September 2015 & 31 December 2014 of 474,551,093 shares.

8 Performance Review

For 3rd Quarter 2015, Group turnover decreased by 20.0% to \$100.4m from \$125.5m in the corresponding quarter last year. The lower turnover was attributable to Steel Merchandising business which decreased by 78.4% to \$6.1m from \$28.3m, and Fabrication & Manufacturing business which decreased by 3.0% to \$94.3m from \$97.2m. The decrease in turnover was contributed by weaker steel prices for both businesses coupled with lower volume in Steel Merchandising business, but partially offset by higher volume in Fabrication & Manufacturing business.

For the nine month ended 30 Sep 2015, Group turnover decreased by 5.4% to \$354.7m from \$374.9m in the corresponding period last year. The lower turnover was mainly attributable to Steel Merchandising business which decreased by 56.0% to \$44.1m from \$100.2m, but offset by Fabrication & Manufacturing business which increased by 13.1% to \$310.6m from \$274.7m. 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.

Group gross profit margin as percentage of turnover in 3rd Quarter 2015 and nine months ended 30 Sep 2015 was 25.8% and 20.5% respectively, higher than the corresponding period last year of 18.3% and 17.9%. 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:

- Employee benefits expense;
- 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 \$4.1m in 3rd Quarter 2015 and \$12.5m for the nine months ended 30 Sep 2015, a decrease of 19.4% from the corresponding quarter last year of \$5.1m and 56.0% from the corresponding period last year of \$28.4m. Excluding prior year's share of profit for \$11.2m in its first joint venture executive condominium project, Austville Residences, Group's profit would have been decreased by 27.3% in the nine months ended 30 Sep 2015.

Cashflow

For the nine months ended 30 Sep 2015, net cash flows from operating activities amounted to \$12.0m. This was mainly due to decrease in inventories and trade receivables. Net cash flows from investing activities amounted to \$3.9m. This was mainly due to purchase of new plant and equipment and purchase of asset held for sale but offset by proceeds from distribution of profits of an associate. With net cash flows used in financing activities of \$15.2m, cash and cash equivalents as at 30 Sep 2015 amounted to \$90.6m, up from \$88.6m as at 1 January 2015.

Balance Sheet

The Balance Sheet remained strong. The net asset value per share as at 30 Sep 2015 was 37.80 cents, slightly better than 37.44 cents as at 31 December 2014. This was after payments for FY2014 special and final dividends of \$9.5m in May 2015 and FY2015 interim dividends totaling \$3.3m, made up of \$0.9m in June 2015 and \$2.4m in September 2015 respectively.

9 Variance from Prospect Statement

No variance from previous statement.

10 Prospect Statement

With the weakening of steel prices and fluctuation of currency exchange rate in the Steel Merchandising business, the Group will continue to be selective and vigilant in mitigating its risks.

The Group remains focused on providing value-added services and products to our Fabrication and Manufacturing 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 payable on 11 December 2015
Dividend Type	Cash	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share	0.30 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt	One-tier tax exempt

(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
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

11 December 2015.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 25th November 2015 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 25th November 2015 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 25th November 2015 will be entitled to the such proposed dividend. In this respect, the said dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

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

Not applicable.

13 Interested Person Transactions

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

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

We, Lee Lin Poey and Lee Heng Thiam, being two directors of Lee Metal Group Ltd, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 3rd Quarter ended 30 September 2015 to be false or misleading in any material aspects.

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

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

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary
9 November 2015