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For Immediate Release

**Ley Choon records full year profitability with net earnings
of S\$1.5 million**

- **Net profit of S\$0.2 million in Q4FY2018 marks Ley Choon's eighth consecutive quarter of profitability**
- **Total unfulfilled order book of about S\$145 million continues to sustain revenue and earnings visibility**

Singapore, 28 May 2018 – Catalyst-listed Ley Choon Group Holdings Limited ("Ley Choon" or the "Company", and together with its subsidiaries, the "Group") recorded a net profit of S\$1.5 million for the 12 months ended 31 March 2018 ("12MFY18").

Financial Highlights

The Group recorded lower revenue of S\$105.7 million for 12MFY18, a decline of 8.4% as compared to the S\$115.4 million recorded in corresponding period ended 31 March 2017 ("12MFY17"). The decrease in overall Group revenue was attributable mainly to the lower revenue recognised from the completion of airport and roadwork projects, which fell by S\$10.4 million and S\$5.6 million respectively. However, this was partially offset by an increase of S\$6.9 million in revenue from big diameter pipe projects.

In addition, the Group's other income for 12MFY18 came in lower at S\$2.6 million as compared to the previous corresponding period's S\$20.9 million due to the absence of one-off gains on disposal of No.4 Sungei Kadut Street 2 and 55 Kranji Crescent which amounted to S\$11.4 million.

The Group faced higher operational costs and lower margins for new projects as a result of competitive pricing environment which led to a decline in gross profit and gross profit margin, which stood at S\$16.6 million and 15.7% respectively for 12MFY18 as compared to S\$23.0 million and 20.0% for 12MFY17.

With the Group's continued commitment towards efficiency and prudent cost management, administrative expenses for 12MFY18 decreased by approximately S\$3.7 million or 21.7% to S\$13.2 million as compared to S\$16.9 million for 12MFY17.

The Group remains committed to its earlier Debt Restructuring Agreement and continues to take measured steps to reduce borrowings. The Group's lower borrowings contributed towards reduced finance costs for 12MFY18, which fell approximately by S\$1.8 million or 44.8% to S\$2.2 million as compared to S\$4.0 million for 12MFY17.

S\$ '000	4QFY2018 ended 31 Mar 18	4QFY2017 ended 31 Mar 17	Change (%)	FY2018	FY2017	Change (%)
Revenue	27,137	29,178	(7.0)	105,662	115,377	(8.4)
Gross profit	4,374	4,959	(11.8)	16,592	23,029	(28.0)
Other income	582	6,929	(91.6)	2,554	20,903	(87.8)
Profit for the period	162	3,692	(95.6)	1,505	17,746	(91.5)

On the Group's full year performance, Ley Choon's Executive Chairman and Chief Executive Officer, Mr Toh Choo Huat said, **"Our Group remained resilient in the face of margin pressure, recording its eighth consecutive quarter of profitability. Our commitment to the Group's debt restructuring agreement and relentless focus on prudent cost management continue to deliver results, as reflected in the reduction of our administrative expenses and finance costs. We are encouraged by the Group's strong outstanding orders and will continue to focus on strengthening our expertise and core competencies to stay ahead in the industry. We are confident that the Group continues to be in a stronger position to deliver sustainable value to shareholders over the long-term."**

Outlook

Ley Choon will continue to focus its efforts towards becoming a strong and competent participant in the public sector infrastructure projects, where the Group will pursue new opportunities to secure potential infrastructure construction contracts.

Despite concerns over cross border rail projects in light of recent developments, Ley Choon believes that demand from the public sector remains strong. The construction sector will

continue to be supported by major infrastructure projects such as Changi Airport Terminal 5, the Jurong Regional Line, Cross Island Line, among others.

In April 2018, the Group announced that it has secured contracts worth approximately S\$11.0 million in aggregate for road and pipe installation works. These have further boosted the Group's order book which stands at approximately S\$145 million, sustaining the Group's revenue and earnings visibility.

- End -

About Ley Choon Group Holdings Limited

Ley Choon Group Holdings Limited ("Ley Choon" or the "Group") is an established one-stop underground utilities infrastructure construction and road works service provider. Since our inception as Ley Choon Constructions and Engineering Pte Ltd in 1990, we have grown our spectrum of services to encompass:

- Underground utilities infrastructure construction and maintenance services, which include water pipes, NEWater pipes, high-pressure gas pipes, high-voltage power cables, fibre optic cables and sewer pipeline rehabilitation;
- Road and airfield pavement construction and maintenance services, which include supply and laying of graded stone, cement treated base, milling and laying of asphalt premix;
- Construction materials supply services, which include production of asphalt premix and recycled aggregates from construction and demolition waste, production of ready mix concrete and cement bricks.

Our customers include the Singapore government agencies such as Public Utilities Board, Land Transport Authority, SP Group, Housing and Development Board, Urban Redevelopment Authority, Building and Construction Authority ("BCA"), Jurong Town Corporation, as well as the reputable companies such as Changi Airport Group and PowerGas.

As a L6-registered contractor (the highest grade) with the BCA, Ley Choon is able to tender for Singapore's public sector contracts of unlimited value in the categories of cable/pipe-laying and road reinstatement, pipes and other basic construction materials. The Group is also an A1-registered contractor in the category of civil engineering (CW02).

The Group has expanded overseas. The Group has set up a plant in China, engaging in construction waste recycling and the development, production and sale of eco-green construction materials. It has also undertaken a sewer pipe rehabilitation project in Sri Lanka.

For more information, please visit www.leychoon.com

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By RHT Communications and Investor Relations Pte Ltd**

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