LEY CHOON GROUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198700318G)

RESPONSE TO QUERY RAISED BY SINGAPORE EXCHANGE LIMITED ON THE ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Board of Directors of Ley Choon Group Holdings Limited (the "**Company**") wishes to announce the following response to the query raised by Singapore Exchange Limited on the annual report of the Company for the financial year ended 31 December 2013 (the "**Annual Report**"):

Query:

We note that the Company has presented a schedule on the utilization of proceeds in Page 57 of the annual report. Listing Rule 1207(20) requires the annual report to include a status report on the use of proceeds arising from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use and is in accordance with the percentage allocated in the prospectus or the announcements of the issuer. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed. Please confirm if the rule has been complied with

Company's Response:

Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the Annual Report.

As announced via SGXNET on 7 March 2014, 3 October 2013, 19 September 2013, 13 August 2013 and 16 August 2013, 7 August 2013, 31 July 2013, 9 May 2013, 4 March 2013, 14 November 2012, 12 September 2012 (the "**Previous Announcements**") and the offer information statement dated 26 July 2012, the Company has utilised the net proceeds from Placement 1 and Placement 2 in consistent with the stated use of the proceeds and in accordance with the percentage allocated as disclosed in the Previous Announcements.

The breakdown of the net proceeds used for working capital is as follows:

Purpose	**Amount of net proceeds (S$'000)**
Placement 1	
Payment of bank bills	2,400
Placement 2	
Payment of bank bills	5,774
Operating expenses	374

The Company confirms that it is in compliance with Listing Rule 1207(20).

The Board will continue to make periodic announcements on the utilisation of the balance of the net proceeds as and when such proceeds are materially deployed.

BY ORDER OF THE BOARD
Toh Choo Huat
Executive Chairman and Chief Executive Officer
11 April 2014

*DMG & Partners Securities Pte Ltd was the financial adviser to the Company for the acquisition of the entire issued and paid-up share capital of Ley Choon Constructions and Engineering Pte Ltd (the "**Financial Adviser**"). The Financial Adviser assumes no responsibility for the contents of this announcement.*