LEY CHOON GROUP HOLDINGS LIMITED

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

DISPOSAL OF SUBSIDIARY - LEY CHOON EWC SDN. BHD.

1. INTRODUCTION

1.1 The Board of Directors of (the "**Board**") Ley Choon Group Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly owned subsidiary, Ley Choon Constructions and Engineering Pte. Ltd. ("**LCCE**") had on 31 May 2015 entered into a conditional sale and purchase agreement (the "**SPA**") with Nur EWC Sdn. Bhd. ("**NUR EWC**") and Musa Bin Haji Adnin ("**MBHA**") (collectively, the "**Purchasers**" and each the "**Purchaser**"), pursuant to which LCCE has agreed to sell, and the Purchasers have agreed to purchase an aggregate of 255,000 ordinary shares in the issued and paid up share capital of Ley Choon EWC Sdn Bhd ("**LC EWC**), representing 51.0% of the total number of issued shares in LC EWC (the "**Sale Shares**"), for an aggregate consideration of S$486,570 (the "**Consideration**"), upon the terms and subject to the conditions of the SPA (the "**Disposal**").

1.2 As the Sale Shares represent the entire interest of LCCE in LC EWC, LCCE will cease to have any interest in LC EWC and LC EWC will cease to be a subsidiary of the Company following the completion of the Disposal. As such, this announcement is also made pursuant to Rule 704(18) (c) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**SGX-ST Listing Manual**").

2. BACKGROUND AND RATIONALE FOR THE DISPOSAL

LC EWC was incorporated pursuant to the joint venture arrangement entered into between LCCE and NUR EWC for the purpose of undertaking the business of non-building constructions (civil engineering construction) and manufacture of asphalt pre-mix.

Prior to the Disposal, LCCE and NUR EWC held 51.0% and 49.0% shareholding interest in LC EWC respectively.

The Disposal is part of an internal restructuring exercise undertaken by the Company and is consistent with the Group's commitment to optimize profitability and operations.

3. CONSIDERATION

The Consideration which shall be satisfied in cash was arrived at after arm's length negotiations on a willing-buyer and willing-seller basis and after taking into consideration the net asset value of LC EWC as stated in its financial statements for the year ended 31 December 2014.

4. INFORMATION ON THE PURCHASERS

NUR EWC is a company incorporated in Brunei and the legal and beneficial owner of the remaining 49.0% of the shares of the total number of issued shares in LC EWC not held by LCCE prior to the Disposal.

MBHA is a director of LC EWC.

Each Purchaser is an independent third party and there is no relationship between the Purchasers, the Company and the Company's Directors or, to the best of the Company's knowledge, the Company's substantial shareholders.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

As each of the relative figures computed on the applicable bases as set out in Rule 1006 of the Listing Manual of the SGX-ST Listing Manual is less than 5.0%, the Disposal is a "Non-discloseable Transaction" for the purposes of Chapter 10 of the SGX-ST Listing Manual.

6. FINANCIAL IMPACT ON THE COMPANY

The Disposal is not expected to have a material impact on the Company's consolidated net tangible assets or earnings per share for the financial year ending 31 December 2015.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

BY ORDER OF THE BOARD
Toh Choo Huat
Executive Chairman and Chief Executive Officer
2 June 2015