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Ley Choon doubles its net profit in FY2023, current order book at 2.5 times FY2023 revenue

- Revenue rose 33.4% to S\$123.9 million in FY2023 on the back of higher underground construction activities
- Robust order book value of S\$315.9 million to be progressively recognised over the next three years
- Pared down borrowings sizably in FY2023, continues deleveraging efforts given the Group’s steady cash flow and strong order book visibility
- Bidding for high-quality projects from a strong pool of opportunities available in the underground utility infrastructure space

Singapore, 29 May 2023 – SGX Catalist-listed **Ley Choon Group Holdings Limited** (立堦集团控股有限公司) (“**Ley Choon**” or the “**Group**”), a leading one-stop service provider for underground utility infrastructure construction and road works, announced its financial results for the twelve months ended 31 March 2023 (“**FY2023**”).

S\$'000	2H23	2H22	Change	FY2023	FY2022	Change
Revenue	62,656	45,905	36.5%	123,921	92,897	33.4%
Gross Profit	7,872	4,222	86.5%	16,370	10,911	50.0%
Gross Profit Margin	12.6%	9.2%	3.4ppts	13.2%	11.7%	1.5ppts
Net Profit	5,043	1,304	286.7%	9,719	4,758	104.3%
Net Profit Margin	8.0%	2.8%	5.2ppts	7.8%	5.1%	2.7ppts

ppts = percentage points

According to reports by the [Ministry of Trade and Industry](#) (“**MTI**”) and [Building and Construction Authority](#) (“**BCA**”), the estimated total construction output in Singapore reached S\$30.2 billion in 2022, higher than the S\$26.0 billion recorded from the preceding year.

Similarly, Ley Choon also saw a ramp-up in construction activities with revenue increasing by 33.4% year-on-year (“YoY”) to S\$123.9 million. Meanwhile, gross profit margin expanded by

1.5 percentage points due to a favourable project mix and revenue growth during the period. In tandem with that, net profit doubled to S\$9.7 million.

The Group managed to pare down its total borrowings from S\$27.9 million as of 31 March 2022 to S\$19.9 million as of 31 March 2023. Consequently, Ley Choon's debt-to-equity ratio improved from 0.7 times to 0.4 times over the same period.

Outlook

As of 31 March 2023, the Group has a total unbilled order book of S\$315.9 million, which is around 2.5 times its FY2023 revenue. Expected to be fulfilled over the next three years, the contracts at hand provide Ley Choon with good mid-term earnings visibility.

Supported by a steady cash flow and strong order book visibility, the Group will continue its deleveraging efforts in FY2024.

BCA projected that construction demand, which measures the value of contracts awarded, to range between S\$27 billion and S\$32 billion in 2023. With the robust industry outlook, Ley Choon is expected to be one of the key beneficiaries given its strong market position in the underground utility infrastructure construction and road works space.

Mr Toh Choo Huat (卓沅撥), Executive Chairman and CEO of Ley Choon commented **“Apart from new underground infrastructure, we also foresee a sizeable number of older infrastructures needing replacement soon. In the coming year or so, we will capitalize on this uptrend and bid for more projects to replenish or even grow our order book further.”**

“However, we will be prudent and selective with the projects we choose to participate in, taking into consideration working capital needs, manpower allocation, as well as managing the relatively higher raw material costs. Ultimately, we want to steer the Group towards a sustainable growth path that will benefit shareholders in the long term.”

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About Ley Choon Group Holdings Limited

Ley Choon Group Holdings Limited (“**Ley Choon**”) is an established one-stop Underground Utility Infrastructure construction and road works service provider, which started operations as Ley Choon Constructions and Engineering Pte Ltd in 1990.

Our core businesses comprise i) Pipes and Roads Segment, consisting of Underground Utility Infrastructure construction and maintenance which includes laying of water pipes, high-pressure gas pipes and high-voltage power cables, rehabilitation of sewer pipeline, construction and maintenance of road and airfield pavement; and ii) Construction Materials Segment, comprising asphalt premix production and construction waste recycling. Our customers include government bodies such as Public Utilities Board, Land Transport Authority, Housing and Development Board, Urban Redevelopment Authority, Building and Construction Authority, Jurong Town Corporation and companies such as Changi Airport Group and PowerGas.

We are a BCA L6 registered contractor (the highest grade) which allows us to tender for Singapore public sector contracts of unlimited value in the categories of cable/pipe-laying and road reinstatement, pipes, and other basic construction materials. We are also an A1 registered contractor in the category of civil engineering (CW02).

As one of only four asphalt premix plant operators in Singapore, our plant is one of the largest in Singapore in terms of production capacity, capable of producing up to 400 tons of asphalt premix per hour.

The Group has ventured overseas to undertake civil engineering projects. The Group has a presence in Sri Lanka since 2014 through the undertaking of a sewer pipeline rehabilitation project funded by Asian Development Bank.

Headquartered in Singapore with total staff strength of about 900, we build our capabilities by investing in our people and equipment and upgrading our systems and processes to be more efficient, productive and competitive. We have invested in productivity tools such as an Enterprise Resource Planning system and an off-site sky CCTV monitoring system to integrate our operations and better manage our resources. To this end, we have been awarded ISO9001, ISO14001 and OHSAS 18001 certifications as well as an Enterprise 50 Award in 2010 in recognition for achieving quality standards and business excellence.

For more information, please visit www.leychoon.com

Issued for and on behalf of Ley Choon Group Holdings Limited

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