

FOR IMMEDIATE RELEASE

Ley Choon registers revenue of S\$45 million for 1QFY14

- Revenue grew 23.2% yoy on delivery of road construction and maintenance works, and higher sales of asphalt premix
- Order book stood at around S\$161 million
- Group will seek opportunities for business expansion in Singapore and abroad

Singapore, 9 May 2014 – SGX Mainboard-listed Ley Choon Group Holdings Limited (立堉集团控股有限公司) (“Ley Choon” or the “Group”), a leading one-stop service provider for underground utilities construction and road works, has reported a net profit attributable to shareholders of S\$1.0 million for the three months ended 31 March 2014 (“1QFY14”). This represents a 74.1% decrease from S\$3.9 million for 1QFY13, mainly due to higher subcontract/labour costs.

Revenue increased 23.2% yoy to S\$44.9 million for 1QFY14 with higher contribution from the expressway and road maintenance works delivered under the Group’s S\$63.9 million worth of contracts secured from the Land Transport Authority in mid 2013. These projects started in July 2013 and would last for two years. The Group also received higher sales of asphalt premix as it ramped up the production in the second asphalt premix plant and secured new customers.

Mr Toh Choo Huat (卓沐機), Executive Chairman and CEO of Ley Choon, commented **“We have taken several measures to mitigate the external cost pressure, such as factoring in these costs in our new tenders.”**

Administrative expenses decreased 10.2% yoy to S\$3.7 million for 1QFY14, mainly due to a lower performance-related bonus accrued for FY2013. Finance costs increased 41.4% yoy to S\$1.4 million for 1QFY14 with higher short-term borrowings incurred during the period.

For 1QFY14, the Group generated net cash of S\$5.9 million from operating activities, a reverse from S\$17.6 million used in operating activities for 1QFY13, thanks to its working capital management. The Group’s trade and other receivables decreased from S\$47.0 million as at 31 December 2013 to S\$41.9 million as at 31 March 2014.

Mr Toh added, **“The demand for underground infrastructure construction and road maintenance services in Singapore and the region remains positive, offering many pockets of opportunity for players with technical strength and track record like us.**

The Group secured S\$7.3 million worth of contracts to undertake the water pipe/main laying works for the Public Utilities Board in April 2014. This, together with other contract wins, brings the Group's order book to approximately S\$161 million as of 9 May 2014.

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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:

- I) 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;
- II) Road and airfield construction and maintenance services;
- III) Manufacture of asphalt premix, which is an essential raw material required for the construction and maintenance of road and airfield and road resurfacing, and recycling of construction waste.

As a one-stop underground utilities infrastructure construction service provider, our core strengths reside with our technical expertise in underground utilities infrastructure and the in-house supply of asphalt premix and recycled aggregates as raw material.

Ley Choon is one of the only three asphalt plant operators in Singapore, operating two asphalt premix plants with a combined production capacity of 575 tons per hour. Our new asphalt premix plant with the built-in recycling feature is Singapore's largest plant in terms of production capacity at 400 tons per hour.

We are a L6-registered contractor (the highest grade) in the categories of cable/pipe-laying and road reinstatement, pipes and A2-registered contractor in the category of civil engineering (CW02) with the BCA. Our customers include the Singapore government agencies such as Public Utilities Board, Land Transport Authority, Housing and Development Board, Urban Redevelopment Authority, Building and Construction Authority, Jurong Town Corporation and reputable companies.

Leveraging on our expertise, the Group has been expanding overseas, e.g. undertaking civil engineering projects and constructing water treatment plant and vehicle flyover, etc. in Brunei since 2011. The Group is also setting up its first plant in China, engaging in the construction waste recycling and the development, production and sale of eco-green construction materials.

Headquartered in Singapore with total staff strength of over 1,400, we build technology capabilities by investing in people and process and system optimization, such as the application of Enterprise Resource Planning system and off-site CCTV monitoring system.

As a testament to our technology advantage and service quality, Ley Choon has been accredited with ISO9001, ISO14001 and OHSAS 18001 and awarded the "Enterprise 50 Award" in 2010.



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Ley Choon was listed on the Mainboard of SGX-ST in August 2012 via a reverse takeover of Ultro Technologies Limited.

For more information, please visit www.leychoon.com

Issued for and on behalf of Ley Choon Group Holdings Limited

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