

FOR IMMEDIATE RELEASE

Ley Choon posts 10-year high revenue and 15.2% increase in net profit for 1HFY24

- Revenue was up 2.5% year-on-year while gross profit margin increased 2.4 percentage points on favourable project mix
- Current order book of S\$265.2 million to be recognised over the next two to three years
- Potential order book expansion given the robust outlook for Singapore’s construction sector and the underground utility infrastructure space
- On an accelerated path to fulfill Debt Restructuring Agreement

Singapore, 10 November 2023 – SGX Catalist-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 utility infrastructure construction and road works, announced its financial results for the first six months ended 30 September 2023 (“**1HFY24**”).

Results

S\$'000	1H24	1H23	Change
Revenue	62,818	61,265	+ 2.5%
Gross Profit	10,263	8,498	+ 20.8%
Gross Profit Margin	16.3%	13.9%	+ 2.4 pts
Net Profit	5,389	4,676	+ 15.2%
Net Profit Margin	8.6%	7.6%	+ 1.0 ppt

ppts = percentage points

Revenue came in 2.5% higher year-on-year (“**YoY**”) at S\$62.8 million for 1HFY24, its highest in 10 years. This was consistent with the overall expansions in both public and private sector construction output in Singapore. According to the Ministry of Trade and Industry (“**MTI**”), the construction sector registered a YoY growth of 7.7% and 6.0% in the second and third quarters of 2023.

Gross profit increased by 20.8% YoY while gross profit margin expanded by 2.4 percentage points for 1HFY24. This was primarily due to a favourable project mix during the period. In tandem with that, net profit was 15.2% higher YoY for 1HFY24.

Ley Choon is on an accelerated path to fulfil its Debt Restructuring Agreement (“**DRA**”) with its lenders. Over the past year, the Group has successfully pared down the DRA-related borrowings by S\$10.0 million.

Commenting on the DRA, Mr. Toh Choo Huat (卓沺機) (“**Mr Toh**”), Executive Chairman and CEO of Ley Choon said, **“Over the past 6 years, we have been extremely disciplined and consistent in executing our debt restructuring plan. Once we complete this journey, the Group will have more options to tap into different capital facilities for both fixed capital and working capital expansions. Additionally, we will have greater flexibility to reward our shareholders once this is finalised.”**

Outlook

As of 30 September 2023, the Group has an unfulfilled order book of S\$265.2 million. At around 2.1 times its trailing 12-month revenue, the order book will provide earnings visibility to Ley Choon for the next 24 to 36 months.

Earlier this year, BCA projected that construction demand, which measures the value of contracts awarded, to range between S\$27 billion and S\$32 billion in 2023. Apart from new projects, Singapore is also in a replacement cycle where many old underground utility infrastructures are due for upgrades to support the larger population today.

Mr Toh added that, **“In line with the industry upcycle, the team has also stepped up on tender activities recently. As a market leader, we are confident in securing a sizeable amount of these underground-related projects that we participate in. We are aiming beyond order book replenishment and towards an expansion from our normal levels.**

- End -

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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