

FOR IMMEDIATE RELEASE

Ley Choon completes DRA and recommends dividend in FY2024

Latest order book stood at 2 times of FY2024 revenue

- Gross profit margin expanded by 3.1 percentage points y-o-y due to more high value projects carried out
- Completed debt restructuring agreement which allows for greater flexibility to scale going forward
- Recommended final dividend of 0.27 Singapore cents (first in 10 years), offering an implied yield of 4.6% based on the closing price on 24 May 2024

Singapore, 27 May 2024 – 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 2024 (“**FY2024**”).

Results

S\$'000	FY24	FY23	Change
Revenue	129,140	123,921	+4.2%
Gross Profit	21,097	16,370	+28.9%
Gross Profit Margin	16.3%	13.2%	+3.1 pts
Net Profit	10,914	9,239	+18.1%
Net Profit Margin	8.4%	7.5%	+0.9 pts

ppts = percentage points

The Group reported revenue of S\$129.1 million for FY2024, which was 4.2% higher year-on-year (“**YoY**”) due to higher construction activities in road works and cable laying projects. This was in line with the S\$33.8 billion worth of preliminary construction demand reported in 2023 by the Building and Construction Authority (“**BCA**”), which exceeded the forecast of S\$27 billion to S\$32 billion in early 2023.¹

Gross profit increased by 28.9% YoY and gross profit margin expanded by 3.1 percentage points for FY2024. This was primarily attributed to the favourable project mix with more higher value construction activities being carried out.

¹ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024#:~:text=4.,%2432%20billion%20in%20January%202023.>

On 14 March 2024, the Group completed its debt restructuring agreement ahead of the 31 March 2024 deadline. This gives Ley Choon better flexibility for capital expenditure planning and working capital management as it looks to capitalise on growth opportunities in the near-to mid-term.

The Group also recommended a final dividend of 0.27 Singapore cents for FY2024. Based on Ley Choon's closing price of 5.9 Singapore cents as of 24 May 2024, it offers an implied dividend yield of 4.6%.

Outlook

As of 31 March 2024, the Group reported an unfulfilled order book of S\$258.5 million, which is roughly 2 times the revenue reported for FY2024. The amount will be progressively recognised over the next 24 to 36 months.

Looking ahead, the construction industry remains on an uptrend. BCA expects construction demand over the medium term to range between S\$31 billion and S\$38 billion per year from 2025 to 2028.²

Mr Toh Choo Huat (卓沭機), Executive Chairman and CEO of Ley Choon commented, **“The underground utility infrastructure sector in Singapore remains favourable over the mid-term on the back of an ongoing replacement cycle at scale. As one of the key players in the industry, we are optimistic about replenishing and expanding our order book in the coming year.**

Additionally, with the completion of our debt restructuring agreement in March 2024, we now have greater flexibility over our capital management to grow the business further. We have also taken the opportunity to reward our shareholders with our first dividend payout since 2014.”

- End -

² <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024#:~:text=4.,%2432%20billion%20in%20January%202023.>

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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