

For Immediate Release**Ley Choon's lenders sign debt restructuring agreement**

- **Debt restructuring agreement ("DRA") to provide mechanism for the repayment of current and future project proceeds to lenders**
- **Group will continue to dispose non-core assets and utilize proceeds to repay lenders**
- **Post signing of the DRA, Group can concentrate on business operations to improve profitability**

Singapore, 26 September 2016 – SGX-listed Ley Choon Group Holdings Limited (立堉集团控股有限公司) ("Ley Choon" or the "Group"), a one-stop service provider for underground utilities construction and road works, has entered into a debt restructuring agreement ("DRA") with its lenders to encapsulate the key terms in restructuring the Group's debt obligations.

These lenders who have existing securities over earnings from the Group's ongoing projects shall release current and future project proceeds into the Group's operating bank accounts subject to the terms of the DRA. The DRA provides a mechanism for the repayment of the project proceeds, as well as other amounts owed, to the lenders.

The Group shall repay the principal and interest owing to lenders according to a cash sweep mechanism and will be required make a bullet repayment, i.e. a lump sum payment for the entirety of loan amount, to the lenders on 31 March 2021, the final repayment date. The Group will pay interest on the loan amount to the lenders until this final repayment date.

As part of the DRA, the Group shall also dispose its non-core assets and utilise the proceeds to repay the lenders.

Post signing of the DRA, the Group can concentrate on business operations to improve profitability. In its most recent financial quarter results announcement, the Group reported a net profit of S\$0.6 million for its first quarter ended 30 Jun 2016 ("1QFY2017"), reversing earlier quarters of losses. The Group has also recently secured a S\$35.3 million PUB water pipeline contract, boosting its order book to S\$172 million.

Mr Toh Choo Huat (卓沐撥), Executive Chairman and CEO of Ley Choon, commented, **“With the debt restructuring agreement now formally inked, we shall now re-focus on our business operations, to secure more projects and to improve our profitability. Our order book remains healthy and divesting our non-core assets will strengthen the Group’s balance sheet. These positive developments should underpin our commitment towards improving shareholder returns.”**

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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:

- 1) 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;
- 2) Road and airfield pavement construction and maintenance services, which include supply and laying of graded stone, cement treated base, milling and laying of asphalt premix;
- 3) Construction materials supply services, which include production of asphalt premix and recycled aggregates from construction and demolition waste, production of ready mix concrete and cement bricks.

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 few asphalt plant operators available in Singapore. Our 400 tons per hour asphalt plant is currently Singapore’s largest in term of production capacity. The built-in recycling feature and the offering of various asphalt premix formulations to meet customer requirements provide us with a competitive advantage.

Our customers include the Singapore government agencies such as Public Utilities Board, Land Transport Authority, SP PowerAssets Ltd, Housing and Development Board, Urban Redevelopment Authority, Building and Construction Authority (“BCA”), Jurong Town Corporation, as well as the reputable companies such as Changi Airport Group and PowerGas.

As a L6-registered contractor (the highest grade) with the BCA, Ley Choon is able to tender for Singapore’s public sector contracts of unlimited value in the categories of cable/pipe-laying and road reinstatement, pipes and other basic construction materials. The Group is also an A1-registered contractor in the category of civil engineering (CW02).

Leveraging on our expertise, the Group has been expanding overseas. The Group has set up its first plant in China, engaging in the construction waste recycling and the development, production and sale of eco-green construction materials. It is also currently undertaking a sewer pipe rehabilitation project in Sri Lanka.

Headquartered in Singapore with total staff strength of over 1,000, we build our technology capabilities by investing in people, and process and system optimisation, such as the application of Enterprise Resource Planning (ERP) 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 was awarded the "Enterprise 50 Award" in 2010.

Ley Choon was listed on the Main Board 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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