



LEY CHOON GROUP HOLDINGS LIMITED

(Formerly known as Ulro Technolgies Limited)
(Incorporated in Singapore on 6 February 1987)
(Company Registration Number: 198700318G)

FOR IMMEDIATE RELEASE

**LEY CHOON'S 1Q2013 REVENUE UP 29.3% TO S\$36.4 MILLION;
PROPOSES INTERIM DIVIDEND**

- **Healthy project pipeline for next two years, order book stood at S\$152 million**
- **Proposed an interim dividend of 0.25 Singapore cents per share**

FINANCIAL HIGHLIGHTS

S\$'000	1Q2013	1Q2012	% Change
Revenue	36,443	28,194	29.3
Gross Profit	9,379	7,620	23.1
Gross Profit Margin	25.7%	27.0%	(4.8)
Profit Before Tax	4,550	4,421	2.9
Profit After Tax	4,106	3,583	14.6
Earnings per share (cents)	0.79	0.71	11.3

Singapore, 9 May 2013 – Mainboard listed **Ley Choon Group Holdings Limited** (立堦集团控股有限公司) (“**Ley Choon**” or the “**Group**”), a leading home grown one-stop Underground Utilities Infrastructure construction and maintenance service provider, has reported a 14.6% rise in Group net profit after tax to S\$4.1 million on a Group revenue of S\$36.4 million, for the three months ended 31 March 2013 (“**1Q2013**”). The Board of Directors has proposed a one tier tax-exempt interim dividend of 0.25 Singapore cents per share.

The Group recorded a revenue of S\$36.4 million for 1Q2013, up 29.3% from a year ago, largely attributable to increase in the recognition of revenue from new contracts such as resurfacing of



airport taxiways, rehabilitation works to aircraft parking stands, supply and installation of power cables, auxiliary cables and accessories as well as drainage improvement and rehabilitation works for public sewer and pumping mains.

Group gross profit increased 23.1% to S\$9.4 million, while gross profit margin declined from 27.0% to 25.7%. The increase in gross profit was primarily due to higher recognition of revenue from new contracts. The increase in operating costs stemmed from higher direct materials costs and labour costs contributed to the lower margins.

Compared to first quarter 2012, net profit after tax rose 14.6% to S\$4.1 million and tax expense declined 47%.

The Group's net debt/equity ratio was 1.4 as at 31 March 2013 as compared to 1.2 as at 31 December 2012. The increase was due to bank borrowings taken up mainly to finance the purchase of land at Pasir Panjang Road for property development, construction expenditure paid for leasehold building at No. 3 Sungei Kadut Drive and also loans taken up for working capital and capital expenditure.

As at 31 March 2013, the Group's cash and cash equivalents stood at S\$2.7 million, compared to S\$15.1 million in the preceding year.

Group Executive Chairman and Chief Executive Officer, Mr Toh Choo Huat (卓沺機) commented, **"We are pleased to have achieved good profit growth this quarter. To reward our shareholders, the Board has proposed to distribute an interim dividend of 0.25 cents per share. We have started trial runs in our new asphalt premix plant, which will commence actual production in second half of 2013. We have also taken steps to strengthen our management team and are developing more productivity tools to integrate our operations and better manage our resources. Ley Choon has had good momentum so far, and in the months to come, we will continue to work towards securing new contracts from both the public and private sectors."**



HEALTHY ORDER BOOK AND POSITIVE OUTLOOK

As at date of this announcement, Ley Choon's order book stands at approximately S\$152.0 million, which will provide the Group with a sustainable flow of activities till 2015.

Since the start of 2013, the Group has secured a total of S\$35.7 million worth of public and private sectors projects. These projects include the Land Transport Authority contract of S\$16.2 million for sewer project works, five contracts worth a total of S\$14.6 million from Public Utilities Board for the supply and installation of water service connections and replacement of watermains and network enhancement projects, and a S\$4.9 million contract from Hyundai Engineering & Construction Co., Ltd for asphalt pavement works in the construction of PSA International Pte Ltd's container berths and stacking yards at Pasir Panjang Terminal.

Commenting on the Group's prospects, Mr Toh said, **"Despite facing headwinds in skilled labour shortages and rising business costs, we remain cautiously optimistic that the Group will be able to grow in tandem with the healthy construction sector."**

- End -

This press release should be read in conjunction with Ley Choon's financial announcement filings with the Singapore Exchange on 9 May 2013, which can be downloaded via www.sgx.com.

DMG & Partners Securities Pte Ltd was the financial adviser to the Group for the acquisition of the entire issued and paid-up share capital of Ley Choon Constructions and Engineering Pte Ltd (the **"Financial Adviser"**). The Financial Adviser assumes no responsibility for the contents of this press release.



About Ley Choon Group Holdings Limited

Ley Choon Group Holdings Ltd (“Ley Choon” or the “Group”), which commenced operations as Ley Choon Constructions and Engineering Pte Ltd in 1990, is an established one-stop Underground Utilities Infrastructure service provider based in Singapore. Underground Utilities Infrastructure works include water pipes, NEWater pipes, gas pipes, electricity cables, fibre optic cables, sewer pipeline, traffic light systems and telecommunication networks.

Its core businesses comprise i) Pipes and Roads Segment, consisting of Underground Utilities Infrastructure construction and maintenance, sewer pipeline rehabilitation, road and airfield construction and maintenance; and ii) Construction Materials Segment, comprising asphalt premix production and construction waste recycling.

The Group is one of only five asphalt premix plant operators in Singapore. The asphalt premix plant is able to produce different formulations of asphalt pre-mixes, an essential raw material required for the construction and maintenance of roads and airfield and road resurfacing. The plant, which commenced production in 2007, is one of the first in Singapore to operate on natural gas and is also one of the first plants with built-in recycling features for a cleaner, greener environment.

Ley Choon is a L6 registered contractor (the highest grade) in the categories of cable/pipe laying and road reinstatement, pipes, and other basic construction materials with the BCA, which allows it to tender for Singapore public sector contracts of unlimited value. It is also registered as an A2 contractor in the category of civil engineering (CW02). Its customers include government bodies such as PUB, LTA, Housing and Development Board, Urban Redevelopment Authority, BCA, Jurong Town Corporation and companies such as Singtel and PowerGas.

The Group has expanded overseas to Brunei for the undertaking of civil engineering projects and manufacturing of asphalt premix and to the PRC for the provision of recycling of construction waste, development of eco-green construction products and production and sale of eco-green construction materials.

Headquartered in Singapore with total staff strength of nearly 1,000, the Group is capable of carrying out all construction and maintenance works without being dependant on sub-contractors. Using off-site sky CCTV monitoring system, the Group is able to ensure better control of work quality and has been awarded ISO9001, ISO14001 and OHSAS 18001 certifications as well as Enterprise 50 Award in 2010 in recognition for its quality standards and business excellence.

For more information, please visit www.leychoon.com

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