

LEY CHOON GROUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198700318G)

RESPONSE TO SGX-ST'S QUERIES ON Q2FY17 FINANCIAL STATEMENTS

The Board of Directors of Ley Choon Group Holdings Limited (the "**Company**") wishes to announce the following in response to the SGX-ST's queries regarding the Company's Financial Statements and Related Announcement: Second Quarter Results dated 14 November 2016 (the "**Q2FY17 Results**"):

SGX-ST's Query 1

It was disclosed that the increase in revenue was "due mainly to addition of new projects during the period". Please elaborate and provide details on the "new projects" which resulted in the increase in revenue.

Company's response

The increase in the revenue for the second quarter ended 30 September 2016 (Q2FY17) was attributable to the projects related to the supply and laying of water pipes from Public Utilities Board, most of which were secured in the current year.

SGX-ST's Query 2

It was disclosed that gross profit had increased "due mainly to better direct cost management". Please elaborate on the "better direct cost management" which results in higher gross profit.

Company's response

The increase in the gross profit was mainly due to lower cost as a result of better usage and deployment of internal resources.

SGX-ST's Query 3

Please explain, under paragraph 9, any deviation from the commentary/discussion under Paragraph 10 of the Company's financial statements from the previous period. Where there is no deviation, please provide an explicit statement to that effect.

Company's response

There is no deviation from Paragraph 10 of the previous financial results announcement for the first quarter ended 30 June 2016.

BY ORDER OF THE BOARD

Toh Choo Huat
Executive Chairman and Chief Executive Officer

2 December 2016