



## **LEY CHOON GROUP HOLDINGS LIMITED**

(formerly known as Ultro Technologies Limited)

(Incorporated in the Republic of Singapore on 6 February 1987)

(Company Registration No. 198700318G)

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### Homegrown      Underground      Utilities      Infrastructure Construction Company Ley Choon Group Holdings Limited to tap Mainboard Listing for Regional Expansion

- *Successful completion of RTO of Ultro Technologies Limited & Compliance Placement*
- *Leverages on its 20 year track-record to spearhead its regional expansion into Brunei and the PRC*

SINGAPORE, FRIDAY, 3 AUGUST 2012 – Ley Choon Group Holdings Limited (“Ley Choon” or the “Company”), a leading homegrown one-stop Underground Utilities Infrastructure construction and maintenance service provider, will be making its trading debut on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) following the successful completion of its reverse takeover (“RTO”) of Ultro Technologies Limited.

To meet SGX-ST’s shareholding spread and distribution requirements, the Company also completed a Compliance Placement with the allotment and issuance of 81,000,000 Placement Shares comprising 57,625,000 New Shares and 23,375,000 Vendor shares at S\$0.22 per share, which raised net proceeds of approximately S\$10.8 million. DMG & Partners Securities Pte Ltd and RHB Bank Berhad, Singapore Branch, were the Joint Placement Agents. All Placement Shares were fully taken up. Trading of Ley Choon’s shares is expected to commence on Monday, 6 August 2012, 9am.

Mr Toh Choo Huat, CEO of Ley Choon, said “Ley Choon has achieved a significant milestone with our listing on the Mainboard of the SGX-ST. Since our establishment in 1990 as Ley Choon Constructions and Engineering Pte Ltd (“LCCE”), we have successfully grown our business from a small pipe-laying contractor to become a leading Underground Utilities Infrastructure construction and maintenance service provider with in-house asphalt pre-mix and construction waste recycling facilities. We are ready to embark on our next phase of growth by expanding further locally as well as into the regional markets as we set our sights on becoming a leading industry player in Asia.”

Ley Choon has already forayed into the overseas markets, entering into a joint venture in Brunei to undertake civil engineering construction and asphalt pre-mix manufacturing in 2011. To date, the Company has secured

five contracts worth a total of approximately S\$50.0 million and has also diversified its activities in Brunei to include the supply and installation of water treatment plants. The Company expects its Brunei's operations to contribute to its revenue in FY2012.

In addition, in 2011, the Company incorporated a wholly-owned subsidiary in Yantai, the People's Republic of China ("PRC"), to carry out construction waste recycling and development of eco-green construction products as well as the production and sale of eco-green construction materials such as asphalt concrete, ready-mix concrete, dry mortar, concrete blocks and sand.

#### Healthy Financials and Strong Order Book\*

Over the last three financial years, Ley Choon achieved healthy revenue and profit growth. For FY2011, the Group's revenue was S\$126.8 million, a 14.5% increase from S\$110.7 million in FY2010. Gross profit increased by 9.8% from S\$26.5 million in FY2010 to S\$29.1 million in FY2011.

For the three months ended 31 March 2012, revenue was S\$28.2 million, an increase of 24.8% from S\$22.6 million, while gross profit grew 90% to S\$7.6 million from S\$4 million. The Group's gross margin also improved from 17.5% to 27.0% over the same period.

The Group has a strong order book of S\$142.9 million as at 19 July 2012, to be fulfilled over the next two years. The project pipeline includes two contracts worth a total of S\$43.72 million awarded by Land Transport Authority ("LTA") for maintenance of roads, road-related facilities and road structures as well as two contracts worth a total of S\$34.91 million awarded by Public Utilities Board ("PUB") for the laying of 2200 mm Diameter NEWater pipes. Last month, the Group won another S\$5 million contract from LTA for expressway road resurfacing works. These projects are targeted for completion in 2013.

Mr Toh added, "Other significant projects in our pipeline include a S\$45 million contract won from Penta Ocean Construction Co, Ltd for the design and construction of a 6m Diameter segmental tunnel. For this project, the Group is engaged as a sub-contractor for laying of Twin 2200 mm and Twin 1200 mm Diameter Pipelines from Jurong Island to Gul Road/ Pioneer Road Junction. We were also awarded a S\$12.10 million contract from Changi Airport Group ("CAG") for the Resurfacing of Taxiways at Singapore Changi Airport. Both projects are targeted for completion in 2014."

\*The financial information contained in this section is based on the consolidated financial statements of LCCE and its subsidiaries (the "Group") for the financial year ended 31 December 2010, 31 December 2011 and the three-month financial period ended 31 March 2012.

#### Prospects and Growth Strategies

The Building Construction Authority ("BCA") estimated that public sector construction demand is likely to stay strong at between S\$12 billion and S\$15 billion a year in 2013 and 2014, with about 40% coming from civil engineering projects<sup>(1)</sup>. Other initiatives which the Directors believe will benefit the Group include LTA's plan to continue to build new road infrastructure to cater to the travel demands of new employment and residential centres over the next 15 years<sup>(2)</sup>. In addition, PUB intends to carry out rehabilitation programmes for public sewers and pumping mains<sup>(3)</sup>. As part of its on-going drainage improvement programme, PUB has also scheduled 10 major drainage projects which will progressively be completed between 2012 and 2015<sup>(3)</sup> and also intends to spend about S\$750 million to carry out 20 drainage improvement projects over the next five years<sup>(4)</sup>.

Mr Toh concluded, "The outlook for Ley Choon is expected to remain robust, fuelled by the growth in public sector construction demand in Singapore and the region. With Asia's rapid industrialisation and high population growth, there will be a corresponding increase in demand for construction and maintenance of public utilities infrastructure and sewer pipeline rehabilitation."

"Leveraging on our track record of over 20 years, we have established a scalable, low cost integrated business model which we can readily replicate in overseas markets and are well-positioned to capitalise on growth

opportunities regionally. We will also continue to expand our Construction Materials business segment, increase our capabilities by increasing our tendering limits and explore entering into suitable acquisitions, investments, strategic alliances or joint ventures going forward.”

(1) The above information was extracted from the media release entitled “Public Sector Projects to Sustain Construction Demands in 2012” issued by BCA and published on BCA’s website (<http://www.bca.gov.sg/index.html>).

(2) The above information was extracted from the “Land Transport Master Plan” issued by LTA and which was published on LTA’s website (<http://app.lta.gov.sg/ltmp/>).

(3) The above information was extracted from the press release entitled “PUB rolls out more drainage improvement projects in 2012” dated 23 December 2011 issued by PUB and published on PUB’s website (<http://www.pub.gov.sg>).

(4) The above information was extracted from the press release entitled “PUB revamps drainage approach to strength Singapore’s flood resilience” dated 30 January 2012 issued by PUB and published on PUB’s website (<http://www.pub.gov.sg>)

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This press release should be read in conjunction with the Circular to its shareholders dated 21 June 2012 and the Offer Information Statement lodged with the Monetary Authority of Singapore on 26 July 2012.

About Ley Choon Group Holdings Limited (Company Registration No. 198700318G)

Ley Choon Group Holdings Limited (“Ley Choon”, together with its subsidiaries, 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, and road and airfield construction and maintenance; and ii) Construction Materials Segment, comprising asphalt pre-mix production and construction waste recycling.

The Group is one of only five asphalt plant operators in Singapore. The asphalt 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 CAG, Singtel and PowerGas.

Recently, the Group expanded overseas to Brunei for the undertaking of civil engineering projects and manufacturing of asphalt pre-mix and to the People’s Republic of China 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 CCTV monitoring, 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](http://www.leychoon.com)

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