



**LEY CHOON GROUP HOLDINGS LIMITED**

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

**FOR IMMEDIATE RELEASE**

**Ley Choon Achieves Higher Revenue of S\$63 million for  
First Half Ended 30 June 2012**

- Sustained performance with profit attributable to shareholders up 8.3% to S\$5 million
- Order book stood at S\$146 million
- On track to transform into a regional Underground Utilities Infrastructure construction and maintenance service provider

**FINANCIAL HIGHLIGHTS**

S\$'000	2QFY12	2QFY11	1HFY12	1HFY11	Change
Revenue	34,758	32,267	62,952	54,881	14.7%
Gross Profit	5,745	7,411	13,365	11,369	17.6%
Gross Profit Margin	16.5%	22.9%	21.2%	20.7%	0.5ppt
Profit Before Tax	2,031	4,403	6,327	5,385	17.5%
Profit Attributable to Shareholders	1,606	3,564	5,003	4,621	8.3%

Singapore, 12 September 2012 – Mainboard listed **Ley Choon Group Holdings Limited** (立堦集团控股有限公司) (“Ley Choon” or the “Group”), a leading homegrown one-stop Underground Utilities Infrastructure construction and maintenance service provider, today announced its profit attributable to shareholders (“net profit”) of S\$5.0 million for its first half year ended 30 June 2012 (“1HFY12”). This represents an increase of 8.3% compared to net profit of S\$4.6 million achieved in the preceding corresponding half-year (“1HFY11”). On a year-on-year basis, the Group’s revenue improved 14.7% from S\$54.9 million in 1HFY11 to S\$63.0 million for the same reporting period.



The higher revenue recorded was due mainly to an increase in the recognition of revenue from new contracts and projects on pipe laying works such as NEWater Infrastructure Plan Extensive (NIPE) for supplying, delivering and laying of 2200mm diameter NEWater pipeline along Pioneer Road, proposed 1400mm diameter water pipeline from Seletar West Link to Sungei Punggol and resurfacing of taxiways at Singapore Changi Airport.

Commenting on the Group's performance, Mr Toh Choo Huat (卓沺機), Executive Chairman and Chief Executive Officer of Ley Choon, said, **"We achieved a set of credible results for our half year 2012, driven by robust organic growth in our core business segments. Our performance reflects the current strength and resilience of the construction demand from public sector, which made up about approximately 90.3% of our 1HFY12 revenue. This augurs well for Ley Choon as we are registered with BCA as an L6 contractor and are able to tender for Singapore public sector contracts of unlimited value, especially for cable/pipe laying and road reinstatement projects."**

The Group's gross profit increased by S\$2.0 million or 17.6% to S\$13.4 million in the first half of 2012, with gross profit margin expanded from 20.7% a year ago to 21.2%. The higher margin was due largely to enhanced operational synergies and cost savings through using recycled construction waste materials for reinstatement works.

Ley Choon is one of only five asphalt premix plant operators in Singapore and has its own construction waste recycling plant, this enable the Group to reduce disposal and transportation costs for construction waste generated in its daily operations and dependency on aggregates as backfilling materials.

The Group also ended the six-month period with a stronger balance sheet. Cash and cash equivalents stood at S\$9.5 million as at 30 June 2012, representing an improvement of S\$4.7 million.



### **STRONG ORDER BOOK AND POSITIVE OUTLOOK**

In the six months, Ley Choon has secured five contracts worth a total of approximately S\$50.0 million from its joint venture in Brunei, these include civil engineering projects as well as supply and installation of water treatment plants. As at today, the Group has a strong order book of S\$146.0 million, to be fulfilled over the next two years. The project pipeline includes a S\$45.0 million contract won from Penta Ocean Construction Co, Ltd. for the design and construction of a 6m diameter segmental tunnel with laying of twin 2200mm and twin 1200mm diameter pipelines from Jurong Island to Gul Road/Pioneer Road Junction, two contracts worth a total of S\$43.7 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\$34.9 million awarded by Public Utilities Board (“PUB”) for the laying of 2200mm diameter NEWater pipes. In July, the Group won another S\$5.0 million contract from LTA for expressway road resurfacing works.

Despite the global economic uncertainty and a slowdown in the Singapore economy, the Building and Construction Authority (“BCA”) has projected that the overall construction demand to remain strong at between S\$21 billion and S\$27 billion for 2012. The public sector is expected to be the key demand driver, contributing about 60% of the total construction demand, which is approximately \$13 billion to \$15 billion worth of construction orders.

Mr Toh expects the outlook for the construction industry to remain healthy and competitive for the rest of the financial year. He highlighted that the industry is facing strong headwind in labour shortages arising from government policies to reduce reliance on foreign workers, in addition to escalating cost due to surge in construction volume.

He concluded, **“We remain positive on the business prospects for Ley Choon, fuelled by the growth in public sector construction demand in Singapore and the region. The Group will continue to focus on its core business of Underground Utilities Infrastructure construction and maintenance, sewer pipeline rehabilitation, road and airfield construction and maintenance and leverage on its established track record to expand and diversify into overseas markets.”** In this regard, the Group has 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 and to produce and sell construction materials. This is in addition to its joint venture in Brunei to undertake civil engineering construction and asphalt premix manufacturing.

Moving forward, Ley Choon will continue to focus on a three-pronged strategy to grow its business:

- **Staying focused on core competencies:** Underground Utilities Infrastructure construction and maintenance, sewer pipeline rehabilitation, road and airfield construction and maintenance projects will continue to dominate prominently as these are Ley Choon's areas of expertise where it has built up its competitive strengths over the years.
- **Expanding into supplying and/or trading of construction materials:** The Group has plans to upgrade and expand its existing asphalt premix plant and build a back-up asphalt premix plant to meet growing demand in Singapore. Regionally, the Group plans to set up a construction waste recycling plant in Yantai, the 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.
- **Exploring overseas opportunities:** While the Group will continue to expand its business operations in Singapore, it will tap exciting growth opportunities in the region to replicate its low cost integrated business model.

– End –

This press release should be read in conjunction with Ley Choon's financial announcement filings with the Singapore Exchange on 12 September 2012, which can be downloaded via [www.sgx.com](http://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 CAG, Singtel and PowerGas.

Recently, the Group 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 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)

#### **For media enquiries, please contact:**

**Ms Ann Chan**

29 Communications LLP

Mobile: (65) 9669 4816

Email: [ann@29communications.com.sg](mailto:ann@29communications.com.sg)

**Ms Lim Siew Yin**

29 Communications LLP

Mobile: (65) 9858 4673

Email: [siewyin@29communications.com.sg](mailto:siewyin@29communications.com.sg)