



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 records S\$148 million revenue for full year 2012

- **Second asphalt premix plant on track for trial runs in March 2013**
- **Healthy project pipeline for next two years, order book stands at S\$156 million**
- **Barring any unforeseen circumstances, an interim dividend may be declared for the first quarter of financial year 2013**

FINANCIAL HIGHLIGHTS

S\$'000	FY2012	FY2011	Change	4QFY12	4QFY11	Change
Revenue	148,450	126,843	17.0%	42,166	36,664	15.0%
Gross Profit	27,388	29,060	(5.8%)	5,012	8,969	(44.1%)
Gross Profit Margin	18.4%	22.9%	(4.5ppt)	11.9%	24.5%	(12.6ppt)
Profit After Tax	(3,157)	15,016	(121.0%)	(286)	5,335	(105.4%)
Net (Loss)/Profit Attributable to Shareholders	(3,511)	14,856	(123.6%)	(463)	5,274	(108.8%)

Singapore, 1 March 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 homegrown one-stop Underground Utilities Infrastructure construction and maintenance service provider, today reported a net loss attributable to shareholders of S\$3.5 million for the full-year ended 31 December 2012 (“**FY2012**”) due to the impairment of goodwill on consolidation in relation to the reverse acquisition of Ultron Technologies Limited and Ranoda (M) Sdn Bhd (now known as Ley Choon (M) Sdn Bhd) which was completed on 25 July 2012. Without the one-off goodwill impairment of



S\$11.3 million, the net profit attributable to shareholders would have been S\$7.8 million for FY2012.

Group revenue increased by 15.0% on a year-on-year (“yoy”) basis in the fourth quarter of 2012 (“4QFY12”) to S\$42.2 million as compared to S\$36.7 million in the corresponding period last year (“4QFY11”). This brought the Group’s revenue for FY2012 to S\$148.5 million, an improvement of 17.0% over the preceding year, largely attributable to increase in the recognition of revenue on the higher order book compared against 2011.

Gross profit fell 5.8% yoy to S\$27.4 million while gross profit margin declined from 22.9% to 18.4%. This was on the back of a higher operating cost environment as a result of rising direct materials and labour cost as well as hiring additional machinery to cater to project requirements.

The Group continues to maintain a strong balance sheet and healthy cash position. As at 31 December 2012, the Group’s cash and cash equivalents stood at S\$17.1 million, compared to S\$23.7 million in the preceding year.

During the year, net cash of S\$16.9 million was used in operating activities, compared to net cash of S\$8.5 million generated from operating activities previously. This was mainly due to an increase in income tax paid of S\$1.6 million and a higher net working capital outflow of S\$35.8 million mainly as a result of increase in inventories, contract work-in-progress and trade and other receivables.

Net Cash of S\$18.7 million was used in investing activities compared to S\$7.1 million previously. Notable investments included S\$19.6 million in new property, plant and equipment, including purchase of leasehold building and land at No. 3 Sungei Kadut Drive and purchase of land at Yantai, China for the building of a construction waste recycling plant. This was partially offset by proceeds from the disposal of plant and equipment.

In FY2012, net cash of S\$29.3 million was used in financing activities, compared to S\$7.6 million in the preceding year. A total of S\$24.5 million was used in the repayment of bank borrowings and



finance lease liabilities, deposits pledged with bank and dividend payments to shareholders, and this was partially offset by S\$57.4 million from additional bank borrowings for project financing purposes and cash proceeds from share placement exercise.

Commenting on the Group's performance, Mr Toh Choo Huat (卓沐機), Executive Chairman and Chief Executive Officer of Ley Choon, said, **"FY2012 was a significant year for us, we were successfully listed on the main board of the Singapore Exchange and our overseas expansion into Brunei and China has yielded positive results. Despite rising costs of labour, building equipment and materials, we are able to stay competitive and continue to secure new contract wins from both the public and private sectors. Our newly awarded projects include a S\$16.2 million contract for the design and construction of sewer diversion works along Woodland Avenue 2 as well as a S\$15.3 million contract for rehabilitation works to aircraft parking stand."**

DIVIDEND ¹

For financial year 2013, the Directors intend to recommend and distribute dividends of not less than 30% of the Group's net profit attributable to shareholders and barring any unforeseen circumstances, an interim dividend may be declared for the first quarter ending 31 March 2013.

HEALTHY ORDER BOOK AND PROJECT PIPELINE

As at date of this announcement, the Group's order book stands at approximately S\$156.0 million, to be fulfilled over the next two years.

The project pipeline includes an approximately 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, three contracts worth a total of approximately S\$48.7 million for maintenance of roads, road-related facilities and road structures, two contracts worth a total of approximately S\$34.9 million for the laying of 2200mm diameter NEWater pipes and another two contracts worth a total of approximately S\$9.0 million for watermain repairs and other contract

¹ Investors should note that the foregoing statement is merely a statement of the Directors' present intention and shall not constitute legally binding statements in respect of the Group's future plans, profitability or ability to pay dividends in any of the periods discussed.



work. The Group also won approximately S\$15.3 million contract for rehabilitation works to aircraft parking stand. In January 2013, the Group was awarded a S\$16.2 million contract for the design and construction of sewer diversion works along Woodland Avenue 2.

POSITIVE OUTLOOK AND PROSPECTS

Based on the Economic Survey of Singapore 2012 from the Ministry of Trade and Industry (“MTI”) released on 22 February 2013², the Singapore economy grew by 1.3% in 2012, compared to 5.2% in 2011. The construction sector grew by 8.2% on a year-on-year basis, compared to 6.3% in 2011. It remains the strongest performing sector among all the economic sectors in Singapore.

MTI has forecast that the Singapore economy will grow by around 1.0% to 3.0% in 2013 given the global economic outlook is still clouded with uncertainties¹. The Building and Construction Authority (“BCA”) has projected the average construction demand in 2013 and 2014 to remain strong at between \$19 billion and \$27 billion respectively, which is comparable to the scale projected for 2012 at between \$22 billion and \$28 billion. The public sector demand is expected to strengthen and contribute about 53% of the industry demand, or between \$14 billion and \$17 billion, supported by stronger public housing and infrastructure construction works².

The government has announced that at least S\$55 billion worth of transport infrastructure will be built by 2021 which included the Thomson MRT Line, the Downtown MRT Line and the North-South Expressway. Some major public sector road-related projects likely to be awarded in 2013 include various construction contracts for the Thomson MRT Line and expansion of Kallang Paya Lebar Expressway (KPE) / Tampines Expressway (TPE) Interchange.

Commenting on the Group’s prospects, Mr Toh said, **“We believe the healthy construction demand in the public sector will enable the Group to sustain its growth momentum in the next 12 months. The completion of our second asphalt premix plant will give us added capacity and advantage in bidding for pipe and road-related projects. Our new venture into property**

¹ The above information was extracted from the press release entitled “MTI Maintains its 2013 GDP Growth Forecast at 1.0 to 3.0 Per Cent” issued by MTI and published on MTI’s website (http://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-2012/PR_4Q2012.pdf)

² The above information was extracted from the press release entitled “Public Sector Projects to Sustain Construction Demands in 2013” issued by BCA and published on BCA’s website (http://www.bca.gov.sg/Newsroom/pr16012013_CP.html)



development will expand our revenue streams. Going forward, the Group will continue to actively participate in the tendering for new projects, grow our business overseas as well as explore strategic partnerships and alliances to seek out new opportunities and ventures.”

- End -

This press release should be read in conjunction with Ley Choon’s financial announcement filings with the Singapore Exchange on 1 March 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 and companies such as, 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



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