



LEY CHOON GROUP HOLDINGS LIMITED

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

FOR IMMEDIATE RELEASE

LEY CHOON POSTS NET PROFIT OF S\$19 MILLION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

- Strong project pipeline, order book stood at S\$201.8 million
- Group recognised S\$11 million one-off gain on disposal of property

FINANCIAL HIGHLIGHTS

S\$'000	3QFY13	3QFY12	% Change	9MFY13	9MFY12	% Change
Revenue	35,283	43,332	(18.6)	109,818	106,284	3.3
Gross Profit	6,790	9,011	(24.6)	24,384	22,376	9.0
Gross Profit Margin	19.2%	20.8%	(7.7)	22.2%	21.1%	5.2
Profit Before Tax	13,134	(7,284)	n/m	20,703	(697)	n/m
Profit After Tax	12,766	(8,196)	n/m	18,975	(2,870)	n/m
Earnings per share (cents)	2.36	(1.80)	n/m	3.66	(0.73)	n/m

Singapore, 13 November 2013 – Mainboard listed **Ley Choon Group Holdings Limited** (立椿集团控股有限公司) (“**Ley Choon**” or the “**Group**”), a leading homegrown one-stop Underground Utilities Infrastructure construction and maintenance service provider, registered revenue of S\$35.3 million for the quarter ended 30 September 2013 (“**3QFY13**”). The revenue for the corresponding quarter of the previous year (“**3QFY12**”) was S\$43.3 million. The decrease in revenue was mainly attributable to the lower revenue recognition of certain projects nearing completion during the period.

The Group continued to face higher labour costs due to foreign workers’ levy and salary adjustments. As a result, the Group’s gross profit declined 24.6% year-on-year (“**yoy**”) to S\$6.8 million for 3QFY13 while margin slipped to 19.2% from 20.8% in the previous year.



Other income increased by 928.4% to S\$12.3 million for 3QFY13 due primarily to gains on disposal of property at 61 Senoko Drive. Other expenses for 3QFY13 decreased by approximately S\$12.1 million or 99.2% compared to 3QFY12, due to the absence of one-off impairment of goodwill on consolidation in relation to the reverse acquisition in FY12. Consequently, net profit after tax for the quarter was S\$12.8 million compared to a net loss after tax of S\$8.2 million for 3QFY12.

For the nine months ended 30 September 2013 ("9MFY13"), the Group recorded a 3.3% increase in revenue to S\$109.8 million as a result of a higher percentage of revenue being recognised from newly-awarded projects. Net profit after tax of the Group was S\$19.0 million.

Shareholders' equity increased from S\$78.0 million to S\$111.4 million as at 30 September 2013. The increase was due to profit contributed for the current period as well as funds raised through private placement of 98.7 million new shares amounted to S\$15.6 million.

Commenting on the Group's performance, Mr Toh Choo Huat (卓沐機), Ley Choon's Executive Chairman and Chief Executive Officer said, **"Despite operating in a challenging environment, our ability to win new contracts from both public and private sectors reflect the Group's strength and resilience. Our current order book based on secured contracts stands at approximately S\$201.8 million and with various forthcoming tender opportunities for roads and pipelines projects, we remain positive on our business prospects."**

OUTLOOK AND PROJECTS UPDATE

Since the start of 2013, Ley Choon has secured new contracts totaling approximately S\$168.4 million, mainly from the Land Transport Authority, PowerGas, Public Utilities Board and our road construction projects in Brunei. These contracts include the maintenance of roads and expressways, road related facilities and road structures worth S\$80.2 million, laying and commissioning of high pressure gas transmission pipelines worth S\$23.6 million, supply and installation of water service connections and replacement of watermains and network enhancement projects worth S\$21.9 million and construction of a flyover bridge and supply and installation of sewerage systems in Brunei worth S\$29.6 million.



Moving forward, the Group remains focused on strengthening its core competency in the Pipes and Roads segment which mainly involves public infrastructure construction and maintenance as government projects will continue to be a fundamental and important part of our business. Over a longer term, the Group expects to see a revenue contribution from the Construction Materials segment as they are now able to undertake large-scale road-related projects of higher value with two asphalt premix plants.

- End -

This press release should be read in conjunction with Ley Choon's financial announcement filings with the Singapore Exchange on 13 November 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 Limited ("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.

Our 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. Our 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.

We are a BCA L6 registered contractor (the highest grade) which allows us to tender for Singapore public sector contracts of unlimited value in the categories of cable/pipe-laying and road reinstatement, pipes, and other basic construction materials and we are also an A2 registered contractor in the category of civil engineering (CW02). As one of only three asphalt premix plant operators in Singapore, we own two asphalt premix plants, one of which is currently the largest in Singapore in terms of production capacity, capable of producing up to 400 tons of asphalt premix per hour.

In 2011, the Group ventured overseas to undertake civil engineering projects and to carry out asphalt premix manufacturing in Brunei. The Group also expanded to Yantai, the People's Republic of China, to engage in construction waste recycling and the development, production and sale of eco-green construction materials.

Headquartered in Singapore with total staff strength of over 1,000, we build our capabilities by investing in our people and equipment and upgrading our systems and processes to be more efficient, productive and competitive. We have invested in productivity tools such as Enterprise Resource Planning system and off-site sky CCTV monitoring system to integrate our operations and better manage our resources. To this end, we



have been awarded ISO9001, ISO14001 and OHSAS 18001 certifications as well as Enterprise 50 Award in 2010 in recognition for achieving quality standards and business excellence.

For more information, please visit www.leychoon.com

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