

LEY CHOON GROUP HOLDINGS LIMITED

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

I. PROPOSED PLACEMENT OF AN AGGREGATE OF UP TO 81,000,000 ORDINARY SHARES IN THE CAPITAL OF THE COMPANY CONSISTING OF UP TO:

- (A) 57,625,000 NEW SHARES (the “NEW SHARES”); AND
(B) 23,375,000 VENDOR SHARES (the “VENDOR SHARES”)

(COLLECTIVELY, THE “PLACEMENT SHARES”)

II. CHANGE OF TRADING COUNTER NAME ON THE SGX-ST

DMG & Partners Securities Pte Ltd was the financial adviser to the Company in relation to the acquisition of the entire issued share capital of Ley Choon Constructions and Engineering Pte Ltd (the “Financial Adviser”). The Financial Adviser assumes no responsibility for the contents of this announcement.

Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the Offer Information Statement dated 26 July 2012 (the “Offer Information Statement”).

I. Placement of the Placement Shares

1. The Placement

The Company has today lodged with the Monetary Authority of Singapore (the “**Authority**”) the Offer Information Statement issued pursuant to section 277 of the Securities and Futures Act and in accordance with the Sixteenth Schedule of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005. A copy of the Offer Information Statement is attached.

The Company also wishes to announce that the Company and Mr Koh Tiam Teng, Mr Tan Teck Wei, Mr Liang Say Juan, Zheng Choon Holding Pte. Ltd. and Intersino Investments Limited (collectively, the “**Vendors**”) have entered into a Placement Agreement with DMG & Partners Securities Pte Ltd and RHB Bank Berhad, Singapore Branch (the “**Joint Placement Agents**”) on 26 July 2012 (the “**Placement Agreement**”) where, subject to and upon the terms and conditions of the Placement Agreement, the Joint Placement Agents have agreed, on a best effort basis, to procure subscribers for the Placement Shares at a price to be determined by the Company and the Vendors, in consultation with the Joint Placement Agents.

2. Approvals

The New Shares are to be allotted and issued pursuant to the mandate granted to the Directors of the Company to allot and issue up to 57,625,000 New Shares for the purposes of the Placement, passed by the shareholders of the Company by way of ordinary resolution at the extraordinary general meeting of the Company held on 13 July 2012.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in, and for the listing of and quotation of the Placement Shares on the Official List of the STX-ST. The approval in-principle granted by the SGX-ST to the Company for the listing of and quotation for the

Placement Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Placement and the Placement Shares.

3. **Details of the Placement**

The New Shares, when allotted, issued and fully paid and the Vendor Shares when sold by the Vendors, shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, but excluding the right to receive any dividend, right, allotment or other distributions, the record date for which falls on or before the Completion Date of the Placement.

Subsequent to the Placement Agreement, the Placement Price has been fixed at \$0.22 per Placement Share (the "**Final Placement Price**").

4. **Conditions of the Placement**

The completion of the Placement is conditional upon, *inter alia*,

- (a) the exemption under Section 277 of the Securities and Futures Act being applicable to the Placement Agreement and the Offer Information Statement being lodged with and accepted by the Authority;
- (b) in-principle approval from the SGX-ST for the listing and quotation of the Placement Shares on the SGX-ST being valid and not revoked or amended as at the Completion Date of the Placement and, where such approval is subject to conditions that are not normally imposed by the SGX-ST for a transaction of a similar nature ("**Non-Standard Conditions**"), then provided such Non-Standard Conditions only being acceptable to each of the Joint Placement Agents (all other conditions being deemed acceptable to each of the Joint Placement Agents) and, to the extent that any conditions for such approval are required to be fulfilled on or before the Completion Date of the Placement, they are so fulfilled unless otherwise waived by the SGX-ST;
- (c) receipt of confirmation from the SGX-ST that the Company has been removed from the SGX-ST's Watch-List and the suspension of dealing in the Shares on the SGX-ST will be or has been lifted;
- (d) the allotment, issue, subscription, transfer and/or purchase (as the case may be) of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company and/or the Vendors or each of the Joint Placement Agents;
- (e) the completion of the Acquisition and the Share Consolidation;
- (f) the agreement in writing by the Company, the Vendors and the Joint Placement Agents on the Placement Price;
- (g) on the Completion Date of the Placement, the representations and warranties of each of the Vendors and/or the Company in the Placement Agreement being true, accurate and correct in all material respects as if made on the Completion Date of the Placement, with reference to the then existing circumstances and each of the Vendors and/or the Company having performed in all material respects all of their obligations pursuant to the Placement Agreement to be performed on or before the Completion Date of the Placement; and

- (h) the delivery of the Completion Certificate by each of the Vendors and the Company to each of the Joint Placement Agents on Completion Date of the Placement.

5. **Financial Effects of the Placement**

As at the date of this Announcement, the issued and paid-up capital of the Company is \$169,318,320 comprising 436,047,996 Shares. When completed, based on the Final Placement Price and the Maximum Placement Size, the Placement will increase the existing issued and paid up share capital of the Company to approximately \$181,995,820 comprising 493,672,996 Shares.

The Placement Shares will represent approximately 16.4% of the enlarged issued share capital of the Company immediately after the completion of the Placement assuming the Placement is fully subscribed. Based on the Unaudited Proforma Consolidated Financial Information of the Enlarged Group set out in Appendix B of the Offer Information Statement, the Enlarged Group's NAV per Share as at 31 December 2011 would increase from 13.0 cents to 14.1 cents. The Enlarged Group's EPS for 31 December 2011 would decrease from 3.3 cents to 3.0 cents.

It should be noted that such financial effects are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Enlarged Group after completion of the Placement. The illustrated financial effects of the Placement have been prepared based on the Unaudited Proforma Financial Information of the Enlarged Group set out in Appendix B of the Offer Information Statement. Please refer to the Offer Information Statement for information on, *inter alia*, the basis of presentation and preparation of such financial statements. A copy of the Offer Information Statement can be found on the website of the SGX-ST, <http://www.sgx.com>.

6. **Use of Proceeds**

Based on the Final Placement Price and the Maximum Placement Size, the Company expects to receive net proceeds of approximately S\$10.8 million (after deducting Commission and estimated expenses) ("**Net Proceeds**") from the New Shares Placement. The Company intends to use to Net Proceeds from the New Shares Placement as follows:

- (a) approximately \$6.0 million will be used for the Company's funding capital expenditures in Singapore;
- (b) approximately \$2.0 million will be used for the Company's funding capital expenditures in Brunei and PRC; and
- (c) approximately \$2.8 million will be used for the Company's general working capital purposes.

Pending the deployment of the Net Proceeds from the New Shares Placement for the purposes set out above, such proceeds may be placed as deposits with banks and financial institutions or invested in short term money markets or debt instruments or use for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit from time to time.

7. **Suspension of Trading**

Trading of Shares in the Company is expected to be suspended on 30 July 2012. Trading is expected to resume upon completion of the Placement and confirmation that the Company has met the shareholding spread and distribution requirements under

Rule 210(1)(a) of the Listing Manual which may be longer than 31 July 2012 as stated in the announcement no 59 "Completion of Acquisition and Changes to the Board" released on 25 July 2012. The Company will make further announcements on the resumption of trading in due course.

8. **General**

Other than the Vendors in respect of the sale of Vendor Shares, none of the Directors or substantial shareholders of the Company or their associates has any interest, direct or indirect, in the Placement (other than through their shareholdings in the Company).

II. **Change of Trading Counter Name**

Further to our announcement dated 24 July 2012 on the change of name of the Company, the Company wishes to announce that with effect from 30 July 2012, the Company's trading counter name for:

(a) the Company's Shares on the SGX-ST will change to "Ley Choon^"; and

(b) the Company's Warrants on the SGX-ST will change to "Ley Choon W130613^".

BY ORDER OF THE BOARD

Toh Choo Huat
Executive Chairman and Chief Executive Officer
26 July 2012