

LEY CHOON GROUP HOLDINGS LIMITED

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

SALE OF 61 SENOKO DRIVE SINGAPORE 758238

1. INTRODUCTION

The Board of Directors of the Company (the "**Board**") wishes to announce that the Company's wholly owned subsidiary, Ley Choon Constructions and Engineering Pte Ltd (the "**Vendor**"), had on 28 January 2013 entered into a conditional option to purchase ("**Option**") with Teng Hong Holdings Pte Ltd and/or its nominees (the "**Purchaser**"), for the sale of the whole of 61 Senoko Drive, Singapore 758238 (the "**Property**") (the "**Sale**"), at a purchase price of S\$14,180,000.00 (the "**Sale Price**").

The Board is pleased to announce that the Purchaser had on even date exercised the Option in accordance with the terms and conditions provided therein.

2. INFORMATION ON THE PURCHASER

The Purchaser is a private limited company incorporated in and under the laws of the Republic of Singapore with its registered office at 1, Senang Crescent, #04-01, Singapore 416575.

3. THE PROPERTY

The Property is a leasehold property from Jurong Town Corporation ("**JTC**") with a leasehold tenure of 30 years that commenced from 16 February 1984 (the "**Current Term**") and which, subject to certain terms and conditions, may be further extended by the Vendor for a further term of 30 years from the expiry of the Current Term. The Property covers a land area of approximately 10,427 square metres.

4. THE PURCHASE PRICE

The Sale Price, which is exclusive of goods and services tax was arrived at, following arms' length negotiation between the Vendor and the Purchaser, on a willing-buyer-willing-seller basis, after taking into account various commercial factors including the current market prices of properties in the surrounding area, the location of the Property and the terms and conditions of the Sale as set out in the Option.

5. MATERIAL CONDITIONS OF THE SALE

Some of the salient terms of the Option are as follows:

- (a) the Sale is subject to, *inter alia*:
 - (i) the rules under Law Society of Singapore's Conditions of Sale 1999, in so far as they are applicable to a sale of private treaty and are not varied by or inconsistent with the Special Conditions (as defined in the Option);
 - (ii) the Conveyancing & Law of Property (Conveyancing) Rules 2011 as promulgated under the Conveyancing & Law of Property Act, in so far as they are applicable;

- (iii) the Singapore Academy of Law (Conveyancing Money) Rules 2011 as promulgated under the Singapore Academy of Law (Cap 294A), in so far as they are applicable;
 - (iv) the receipt of the approval from JTC for the Sale once JTC is satisfied that all its terms and conditions for approval of the Sale have been fulfilled or (if applicable) after the Purchaser has undertaken with JTC to fulfil such terms and conditions (hereinafter called the “**Written Consent**”); and
 - (v) the receipt of the following preliminary clearances (where applicable):
 - (aa) National Environmental Agency/Pollution Control Department;
 - (bb) Central Building Plan Unit; and
 - (cc) Public Utilities Board,
 (hereinafter collectively called “**Preliminary Clearances**”).
- (b) The Sale shall be completed on the later of the following dates (“**Completion**”):
- (i) within sixteen (16) weeks from the date of the exercise of the Option by the Purchaser (the “**Exercise Date**”);
 - (i) within two (2) weeks of the date of Written Consent.
- (c) If the relevant Preliminary Clearances are not received eight (8) weeks from the Exercise Date and/or the Written Consent is not received within twelve (12) weeks from the Exercise Date then, subject to the terms provided in the Option, the Option shall be regarded as null and void in accordance with the Option.
- (d) The title of the Property shall be properly deduced and free from encumbrances on Completion and the Purchaser shall not ask for whatever documents/certificate (whether original or otherwise) and any other item (howsoever described) not in the Vendor’s possession irrespective of reason/circumstance.
- (e) The Property is sold under its present usage and the Purchase shall take the Property on an “as is where is” basis on the date of Completion (“**Completion Date**”).
- (f) The Purchaser shall, subject to the terms and conditions set out in the Option, allow the Vendor to fully and/or completely occupy and/or use the Property up till and including 31 October 2013, free of rental, land rent, property tax, service charge (if applicable) and all other outgoings with effect from the Completion Date.

6. RATIONALE FOR THE SALE

The Board believes that the Sale will provide the Company and its subsidiaries (the “**Group**”) with greater financial flexibility to pursue other possible acquisition opportunities and allow the Group to consolidate its operations. The Board, after careful consideration, is of the view that the Sale Price is fair and reasonable and that the Sale is in the best interests of the Company and its Shareholders.

7. VALUATION

The Vendor had commissioned a valuation of the Property by an independent valuer, Asian Appraisal Company Pte Ltd for the purposes of the Sale. The fair market value of the Property was determined to be S\$11,100,000.00 based on the valuation report dated 25 September 2012 (the “**Valuation Report**”).

The net proceeds will be used by the Group for its general working capital requirements and

to pursue other possible acquisition opportunities (as and when such opportunities arise).

8. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE SGX-ST LISTING MANUAL

For the purpose of Chapter 10 of the SGX-ST Listing Manual (“**Listing Manual**”), the relative figures for the Sale, based on the latest announced consolidated financial statements of the Company for the year ended 30 September 2012, computed using the applicable bases of comparison set out in Rule 1006 of the Listing Manual, are as follows:

Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	3.6%
Rule 1006(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits	Not Applicable
Rule 1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	13.7
Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable.

Since the relative figures computed on the basis set out above exceed 5% but does not exceed 20%, the Sale constitutes a discloseable transaction pursuant to Rule 1010 of the Listing Manual.

9. FINANCIAL IMPACT ON THE COMPANY

The financial effects of the Sale are for illustration purposes only and do not reflect the future financial position of the Company after Completion. Based on the audited financial statements of the Group for the financial year ended 31 December 2011 (as set out in Appendix E to the Circular to the shareholders dated 21 June 2012), the financial effects of the Sale are set out below:

Net Tangible Assets per Share¹ (“NTA”)

Assuming the Sale had been completed on 31 December 2011, the financial effects of the Sale on the Group's consolidated NTA per share are as follows:

	Before the Sale	After the Sale
NTA (cents)	11.9	14.2

Earnings per Share¹ (“EPS”)

Assuming the Sale had been completed on 1 January 2011, the effects of the Sale on the EPS of the Group are as follows:

	Before the Sale	After the Sale
EPS (cents)	3.0	5.3

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Note:

- (1) The number of Shares is calculated based on the issued share capital of the Company as at 15 February 2013.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The Purchaser is not related to the Company or any of its subsidiaries and none of the Company's directors, substantial shareholders and/or their respective associates has any interests (direct or indirect) in the Sale and no service contracts in relation thereto will be entered into by the Company.

11. INSPECTION OF DOCUMENTS

The following documents will be made available for inspection during normal business hours at the registered office of the Company for a period of 3 months from the date of this announcement:

- (i) a copy of the Option; and
- (ii) a copy of the Valuation Report.

BY ORDER OF THE BOARD

Toh Choo Huat
Executive Chairman and Chief Executive Officer
18 February 2013

DMG & Partners Securities Pte Ltd was the financial adviser to the Company 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 announcement.