


 Ley Choon Group



LEY CHOON GROUP HOLDINGS LIMITED
Corporate Presentation and FY2012 Results Update
4 April 2013

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 Ley Choon Group

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Business Overview





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Group Overview

Ley Choon Group Holdings Limited is one of the largest one-stop Underground Utilities Infrastructure companies based in Singapore.

Established in 1990, our customers include Public Utilities Board (PUB), Land Transport Authority (LTA), Housing and Development Board (HDB), Urban Redevelopment Authority (URA), Building and Construction Authority of Singapore (BCA), JTC Corporation (JTC), Changi Airport Group (CAG), Singtel and PowerGas.

In 2011, we expanded overseas to Brunei for the undertaking of civil engineering projects and planned to set up asphalt pre-mix production business. We have also expanded into the People's Republic of China ("PRC") and planned to set up a construction waste recycling plant, to develop eco-green construction products and to produce and sell construction materials.

In August 2012, we completed a S\$110 million reverse takeover of Ultron Technologies Limited and was successfully listed on the Mainboard of the Singapore Exchange

Our Core Business Segments

<p>Pipes and Roads Segment</p> <ul style="list-style-type: none"> ✓ Underground Utilities Infrastructure construction and maintenance ✓ Sewer pipeline rehabilitation ✓ Road and airfield construction and maintenance 	<p>Construction Materials Segment</p> <ul style="list-style-type: none"> ✓ Asphalt pre-mix production ✓ Construction waste recycling
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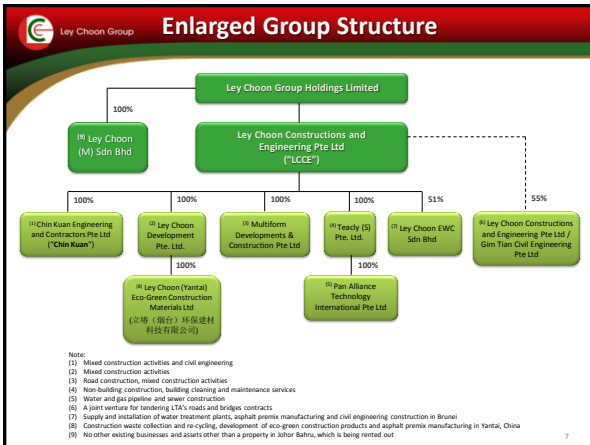
History and Milestones

1990	1994	2001 - 2002	2004 - 2006	2007 - 2008	2009 - 2010	2011	2012
<ul style="list-style-type: none"> • Commenced operations in pipe laying business as a sub-contractor for pipe laying • Operating in small container office with a staff strength of 15 	<ul style="list-style-type: none"> • Secured contracts from PUB as a main contractor for pipe laying 	<ul style="list-style-type: none"> • Relocated head office to 61 Senoko Drive • Secured 1st NWater contract from PUB 	<ul style="list-style-type: none"> • Ventured into cable laying business via acquisition of 100% stake of Teady (S) Pte Ltd ("Teady") • Acquired 100% of Chin Kuan to speed up pipe laying expansion business 	<ul style="list-style-type: none"> • Teady changed business to sewer rehabilitation using trenchless technology • Teady completes rehabilitation of approx. 300km of sewer pipeline network • Built new asphalt premix plant • Awarded 1st two top 100 Water Infrastructure Plan projects 	<ul style="list-style-type: none"> • Diversified to airfield maintenance and construction • Secured first contract for resurfacing of taxiways from CAG • Built construction waste recycling plant • Ranked 9th among Enterprise 50 (ES50) Awards • Secured S\$31.4m contract from CAG to construct an airfield at Seletar Airport • S\$45.7m expressways and roads maintenance contracts with LTA 	<ul style="list-style-type: none"> • Diversified to supply and installation of water treatment plants • Ventured into the PRC and Brunei • Secured five contracts in Brunei worth S\$50m • Secured S\$45m contract from Penta Ozean to design and construct 6m-diameter segmental tunnel with twin 2200mm and twin 1200mm diameter pipelines 	<ul style="list-style-type: none"> • Relocated to 4 Sungei Kadut Street 2 • Successful completion of a S\$10m reverse takeover of Ultron Technologies Limited • Listed on the Mainboard of the Singapore Exchange • Construction of second asphalt premix plant • Venture into property development, with the purchase of land site in Pinar Panyang

BCA's L6 contractor (the highest grade), able to tender for Singapore public sector contracts of unlimited value, in the categories of:

- cable/pipe laying and road reinstatement (CR07)
- pipes (SY12)
- electrical & electronic materials, products & components (Y105)
- essential construction materials (Y101A)
- other basic construction materials (Y101C)

BCA's A2 contractor, in the category of civil engineering, able to tender for Singapore public sector contracts if up to S\$5 million



Pipes and Roads Segment

We provide the full-range of Underground Utilities Infrastructure construction services for water pipes, NWater pipes, gas pipes, electricity cables, fibre optic cables, sewer pipeline, traffic light systems and telecommunications networks



Underground tunnel pipe laying



High tension cable laying



NEWater Infrastructure Plan Contract 02A - Laying of 2,200 mm diameter NWater Pipeline from Pan Island Expressway to Jalan Buruh



Gas pipes laying

Pipes and Roads Segment

We rehabilitate sewer pipes with diameters ranging from 110 mm to 3,000 mm using trenchless technology

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Pipes and Roads Segment

We construct and provide maintenance services for roads and airfield taxiways and aprons

Milling and patching of roads at Tuas South Ave 7

Improvement and resurfacing works to parallel and runway entry taxiways at Singapore Changi Airport

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Pipes and Roads Segment

Construction of east (south) aircraft parking apron associated taxiways and ancillary works at Seletar Airport

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Construction Materials Segment

Our asphalt plant commenced commercial productions of asphalt pre-mix in October 2007:

- ✓ one of the first in Singapore operating on natural gas
- ✓ one of the first plants with built-in recycling features

Able to produce different formulations of asphalt pre-mixes in accordance with our customer product specifications

The plant produces asphalt to support our own road constructions and demand from third party customers

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Construction Materials Segment

We built our own construction waste recycling plant in 2009, which commenced trial runs production since March 2010 and commercial production in January 2012

The plant allows us to reduce our disposal costs for construction waste generated in our business and our dependency on aggregates as backfilling materials




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Our Facilities



Headquarter
4 Sungei Kadut Street 2



Offsite CCTV monitoring



Construction Waste Recycling Plant
Sarimbun Recycle Park Lim Chu Kang Road



Asphalt Plant
55 Kranji Crescent

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Major Projects

Some of the major projects which have been/will be completed by Ley Choon:

Project Description	Customer	Approximate Contract Sum (\$5m)	Year of Completion / Expected Completion
Construction of East (South) Aircraft Parking Apron Associated Taxiways and Ancillary Works at Seletar Airport	CAG	31.44	2012
Planned Maintenance of Roads, Road Related Facilities and Road Structures in West Sector	LTA	24.46	2013
Planned Maintenance of Expressways, Road Related Facilities and Road Structures	LTA	19.26	2013
NEWater Infrastructure Plan Extensive (NIPE) - NIPE Contract C6 - Supply, Delivery and Laying of 2200 mm Diameter NEWater Pipeline along Pioneer Road from Shipyard Road to Sungei Lanchar Drainage Reserve	PUB	18.63	2013
NEWater Infrastructure Plan Extensive (NIPE) - NIPE Contract C5 - Supply, Delivery and Laying of 2200 mm Diameter NEWater Pipeline along Pioneer Road from Gul Road to Shipyard Road	PUB	16.28	2013

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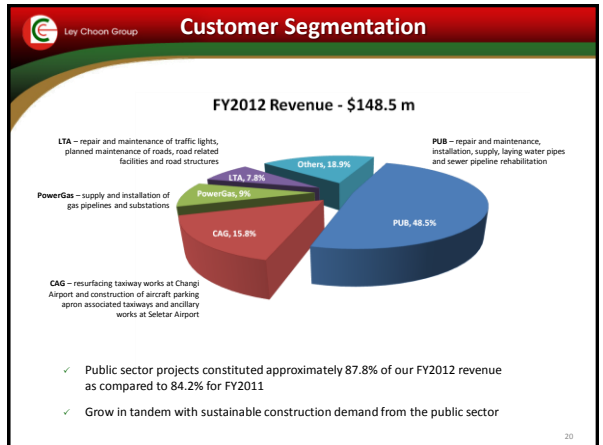
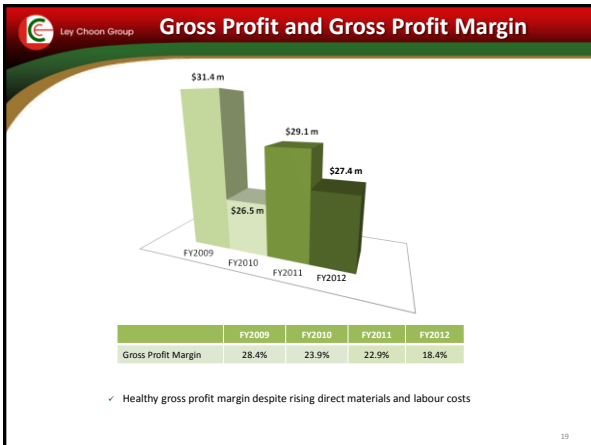
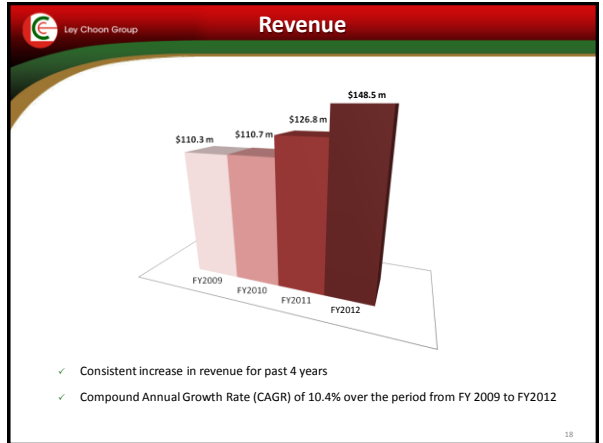
Major Projects

Some of the major projects in the pipeline:

Project Description	Customer	Approximate Contract Sum (\$5m)	Year of Completion / Expected Completion
NIPE Contract C4 - Design and Construction of 6M Diameter Segmental Tunnel with Twin 2200 mm and Twin 1200 mm Diameter Pipelines from Jurong Island to Gul Road/ Pioneer Road Junction	Penta Ocean Construction Co, Ltd.	45.00	2014
Resurfacing of Taxiways at Singapore Changi Airport	CAG	12.10	2014
Rehabilitation works to aircraft parking stands at Singapore Changi Airport	CAG	15.30	2014
Watermain repairs and other contract work for Network Services (East) Division	PUB	9.0	2014
Sewer diversion works	LTA	16.2	2014

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Financial Highlights



Key Financials

\$\$ '000	FY2009	FY2010	FY2011	FY2012	Change
Revenue	110,330	110,714	126,843	148,450	17.0%
Gross profit	31,378	26,512	29,060	27,388	(5.8%)
Gross profit margin	28.4%	23.9%	22.9%	18.4%	(4.5ppt)
Profit before tax	25,384	15,839	15,863	(835)	(105.3%)
Net profit after tax	19,923	13,478	15,016	(3,157)*	(121.0%)

* Due to the goodwill on consolidation in relation to the reverse acquisition of Ultra Technologies Limited and Rasuda (R) Sdn Bhd (now known as Lay Choon (M) Sdn Bhd) which was completed on 25 July 2012. Without the one-off goodwill impairment of \$211.3 million, the net profit would have been \$28.1 million for FY2012.

Balance Sheet (\$\$ '000)	As at 31 Dec 2011	As at 31 Dec 2012
Total assets	147,875	214,823
Contracts work-in-progress	51,534	84,037
Cash and cash equivalents	28,168	23,891
Total liabilities	89,044	136,820
Long term loans and borrowings	24,424	38,692
Short terms loans and borrowings	34,159	54,389
Total equity	58,831	78,003



Competitive Strengths

✓ Established track record

✓ Qualified to tender for public sector contracts of unlimited value for cable/pipe laying and road reinstatement services in Singapore

✓ Enhanced operational synergies and cost efficiencies

✓ One-stop service provider

✓ Highly experienced management with complementary skills

Established Track Record

- ✓ We have more than 20 years of experience in the industries of Underground Utilities Infrastructure, road construction and maintenance
- ✓ As a testimonial of our track record, we have been awarded many public sector projects by government agencies and government-related bodies, such as PUB, Singapore Power, JTC, LTA, HDB, CAG, BCA, URA and Singtel
- ✓ We are registered with BCA as L6⁽¹⁾ contractors and are allowed to tender for public sector contracts of unlimited value in Singapore in the following category⁽²⁾:
 - cable/pipe laying and road reinstatement (CR07)
 - pipes (SY12)
 - electrical & electronic materials, products & components (SY05)
 - essential construction materials (SY01A)
 - other basic construction materials (SY01C)
- ✓ We are also awarded with an A2 grading by BCA and are allowed to tender for public sector contracts of up to \$85 million in Singapore for civil engineering (CW02)

(1) BCA grades contractors from L1 to L6 based on their performance track record, profile of contracts undertaken as well as financial strength. The different grading determines the value of public sector contracts that these contractors can bid for.

(2) As at 13 June 2012 (Source: BCA: <http://dir.bca.gov.sg/index.php>)

Enhanced Operational Synergies

Asphalt Plant

- ✓ *One of only five asphalt plant operators in Singapore*
- ✓ Produce own asphalt premixes to enjoy cost savings and efficiencies
- ✓ Additional revenue stream supplying asphalt premixes to other civil engineering contractors

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Enhanced Operational Synergies

Construction Waste Recycling Plant

- ✓ Reduce disposal and transportation costs and dependency on aggregates
- ✓ Promote a clean and green Singapore through waste minimisation and recycling

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One-stop Services Provider

- ✓ Able to provide the full-range of construction, commission and maintenance services, including reinstatement of roads above underground cables and pipes
- ✓ Capable of carrying out all construction and maintenance works without being dependant on sub-contractors, resulting in better control of work quality

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Dedicated Management Team

- ✓ Led by a highly experienced and dynamic management team who provide regular supervision and participate actively in day-to-day operations
- ✓ Established good working relationship with various customers, suppliers and sub-contractors

Mr. Toh Choo Huat	Executive Chairman and CEO
Mr. Toh Swee Kim	Executive Director
Mr. Toh Chew Leong	Executive Director
Mr. Koh Tiam Teng	Executive Director
Mr. Tan Teck Wei	Executive Director
Mr. Lim Fan	Chief Financial Officer

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