


 Ley Choon Group



**LEY CHOON GROUP HOLDINGS LIMITED**  
**Corporate Presentation and Results Update**  
**13 September 2012**

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 Ley Choon Group

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## Business Overview





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## Group Overview

Ley Choon Group Holdings Limited and its subsidiaries ("Ley Choon" or the "Group") 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.

**Our Core Business Segments:**

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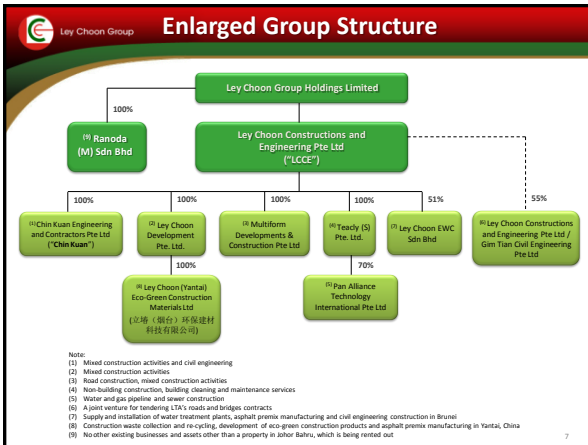
## History and Milestones

1990	1994	2001-2002	2004-2006	2007-2008	2009	2010	2011-2012
Commenced operations in pipe-laying business as a sub-contractor	Secured contracts from PUB as a main contractor for pipe laying	Relocated head office to 61 Senoko Drive	Ventured into cable laying business via acquisition of 100% stake of Teasy (S) Pte Ltd ("Teasy")	Teasy changed business to sewer rehabilitation using trenchless technology	Diversified to airfield maintenance	Diversified to airfield construction	Diversified to supply and installation of water treatment plants
Operating in small container office with a staff strength of 15		Secured 1 <sup>st</sup> NEWater contract from PUB	Acquired 100% of Chin Kuan to spend on pipe laying expansion business	Teasy completes rehabilitation of approx. 100km of sewer pipeline network	Secures first contract for resurfacing of taxiways from CAG	Secured S\$1.4m contract from CAG to construct an airfield at Seletar Airport	Ventured into the PRC and Brunei
				Built new asphalt plant	Built construction waste recycling plant		Around 1,000 full-time employees
				Awarded 3 <sup>rd</sup> two NP/NEWater Infrastructure (Plan) projects			Secured five contracts in Brunei worth S\$50 m

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)
- electronic & electronic materials, products & components (SY03)
- essential construction materials (SY03A)
- other basic construction materials (SY01C)

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, NEWater 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 NEWater 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

**DANGER!**  
STAY AWAY FROM THE WATER!  
PUBLIC NOT ALLOWED!

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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



**Logistics Hub**  
61 Senoko Drive

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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 (\$Sm)	Year of Completion / Expected Completion
Proposed Improvement and Resurfacing Works to Parallel and Runway Entry Taxiways at Singapore Changi Airport	CAG	15.74	2010
Proposed Water Pipelines from Punggol – Serangoon Pumping Station to Seletar Expressway	PUB	11.56	2010
NEWater Infrastructure Plan Contract 04 - Laying of a 2200 mm Diameter NEWater Pipeline from Kranji Expressway to Ulu Pandan NEWater Factory	PUB	33.58	2011
NEWater Infrastructure Plan Contract 02A - Laying of a 2200 mm Diameter NEWater Pipeline from Pan Island Expressway to Jalan Buroh	PUB	15.53	2011
Term Contract for High Pressure Gas Pipeline Project Work	PowerGas	10.00	2011
Construction of East (South) Aircraft Parking Apron Associated Taxiways and Ancillary Works at Seletar Airport	CAG	31.44	2012

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## Major Projects

Some of the major projects which will be completed by Ley Choon in the next two years:

Project Description	Customer	Approximate Contract Sum (\$Sm)	Year of Completion / Expected Completion
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
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

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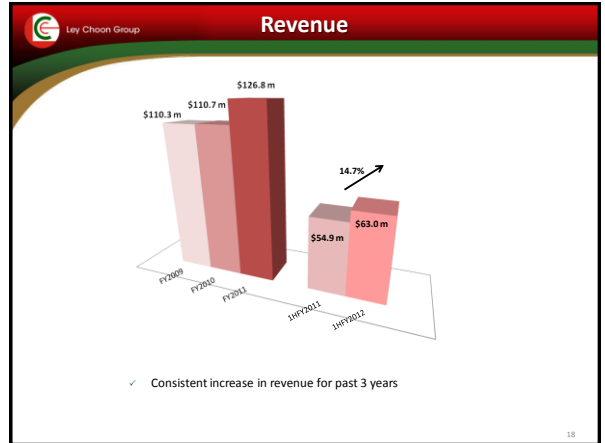
## Financial Highlights\*



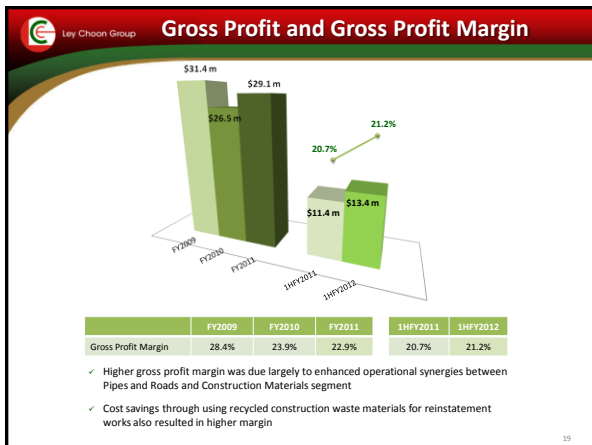
\* for the period ended 30 June 2012, the information are based on unaudited proforma consolidated financial information of the Enlarged Group  
 \* financial information for FY2009, FY2010 and FY2011 are based on LCCE and its subsidiaries



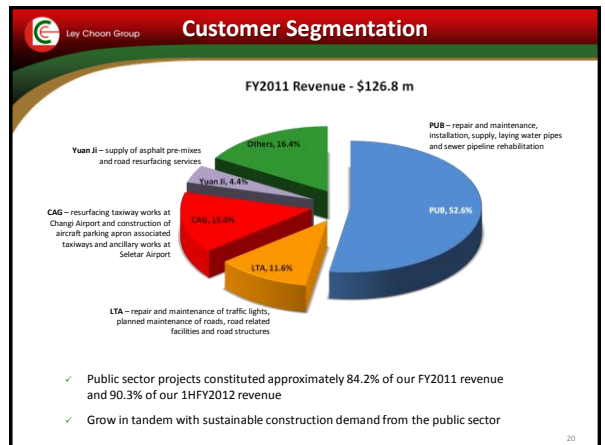
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**Key Financials**

S\$ '000	FY2009	FY2010	FY2011	1HFY2011	1HFY2012	Change
Revenue	110,330	110,714	126,843	54,881	62,952	+ 14.7%
Gross profit	31,378	26,512	29,060	11,369	13,365	+ 17.6%
Gross profit margin	28.4%	23.9%	22.9%	20.7%	21.2%	+ 2.4%
Profit before tax	25,384	15,839	15,863	5,385	6,327	+ 17.5%
Profit attributable to Shareholders	20,038	13,360	14,856	4,621	5,003	+ 8.3%

Balance Sheet as at 30 June 2012		S\$ '000
Total assets		168,140
Contracts work-in-progress		63,486
Cash and cash equivalents		18,847
Total liabilities		104,403
Long term loans and borrowings		31,146
Short terms loans and borrowings		41,818
Total equity		63,737



**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<sup>(1)</sup> contractors and are allowed to tender for public sector contracts of unlimited value in Singapore in the following category<sup>(2)</sup>:
  - 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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# Prospects & Future Plans




## Sustainable Construction Demand from Public Sector

Agency	Project Description	Time
PUB	• rehabilitation programmes for about 1,130 km of public sewers and 50 km of pumping mains <sup>(1)</sup>	2009 – 2014
	• intends to spend about \$750 million to carry out 20 drainage improvement projects <sup>(2)</sup>	2012 – 2016
	• 46 forthcoming tenders from 1 September 2012 to 30 September 2013 <sup>(3)</sup>	

Source:  
 (1) Information extracted from the press release entitled "PUB rolls out more drainage improvement projects in 2012" dated 23 December 2011 issued by PUB and published on <http://www.pub.gov.sg>  
 (2) Information extracted from the press release entitled "PUB revamps drainage approach to strengthen Singapore's flood resilience" dated 30 January 2012 issued by PUB and published on <http://www.pub.gov.sg>  
 (3) Information extracted from PUB website: <http://www.pub.gov.sg/tenders/forthcoming/Projects/09to12>

## Sustainable Construction Demand from Public Sector

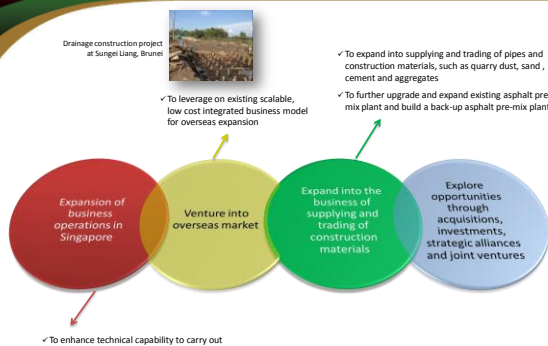
Agency	Project Description	Time
LTA	<ul style="list-style-type: none"> <li>• expansion of road network and construction of new road infrastructure to improve connectivity and serve new development areas such as Marina Bay, Tuas and Changi Industrial Areas</li> <li>• to build the 21-km North-South Expressway (NSE) at an estimated cost of \$7 billion to \$8 billion</li> <li>• to collaborate with NEA, SPRING and industry players to recycle municipal, road and building waste material for use in road resurfacing and road pavement construction</li> </ul>	15-year plan  2020

Source: Information extracted from the "Land Transport Master Plan" issued by LTA, <http://www.lta.gov.sg/files/Files.asp>

✓ Ley Choon is well-positioned to benefit from healthy pipeline of public infrastructure projects

✓ As at 12 September 2012, our order book stood at approximately \$146 million

## Future Plans



Drainage construction project at Sungai Ujung, Brunei

- ✓ To leverage on existing scalable, low cost integrated business model for overseas expansion
- ✓ To expand into supplying and trading of pipes and construction materials, such as quarry dust, sand, cement and aggregates
- ✓ To further upgrade and expand existing asphalt pre-mix plant and build a back-up asphalt pre-mix plant
- ✓ To enhance technical capability to carry out larger scale and more complex projects

