



**YONGNAM HOLDINGS LIMITED**  
**Corporate Presentation (FY2015)**  
February 29, 2016

An aerial photograph of a city at sunset. In the foreground, a large, modern stadium with a distinctive, curved, metallic roof structure is visible. The stadium is surrounded by other buildings and green spaces. In the background, a dense urban landscape stretches towards the horizon, with a river or canal winding through it. The sky is filled with soft, golden light from the setting sun, creating a warm and atmospheric scene.

# Business Overview



# Yongnam Holdings Limited

Excels in adding value to steel construction

## Multi-disciplinary Engineering and Construction Group

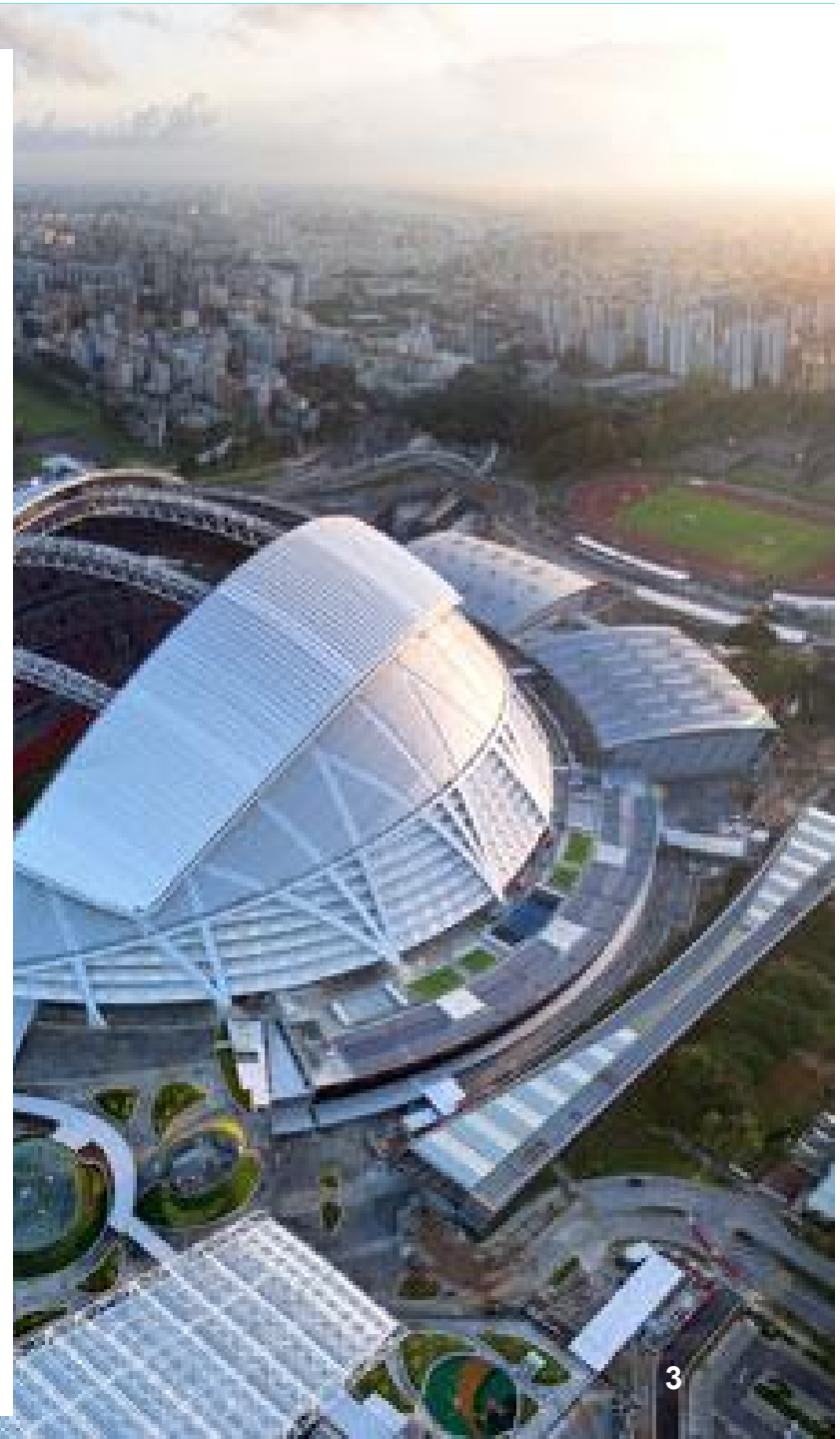
Structural  
Steelwork

Specialist Civil  
Engineering

Design & Build

Mechanical  
Engineering

- Well-established structural steel contractor and specialist civil engineering solutions provider with more than 40 years of experience
- Two production facilities in Singapore and Nusajaya, Johor, Malaysia with a total annual production capacity of 84,000 tons of steel fabrication



# Yongnam Holdings Limited

Excels in adding value to steel construction

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## Long established relationships with major reputable contractors

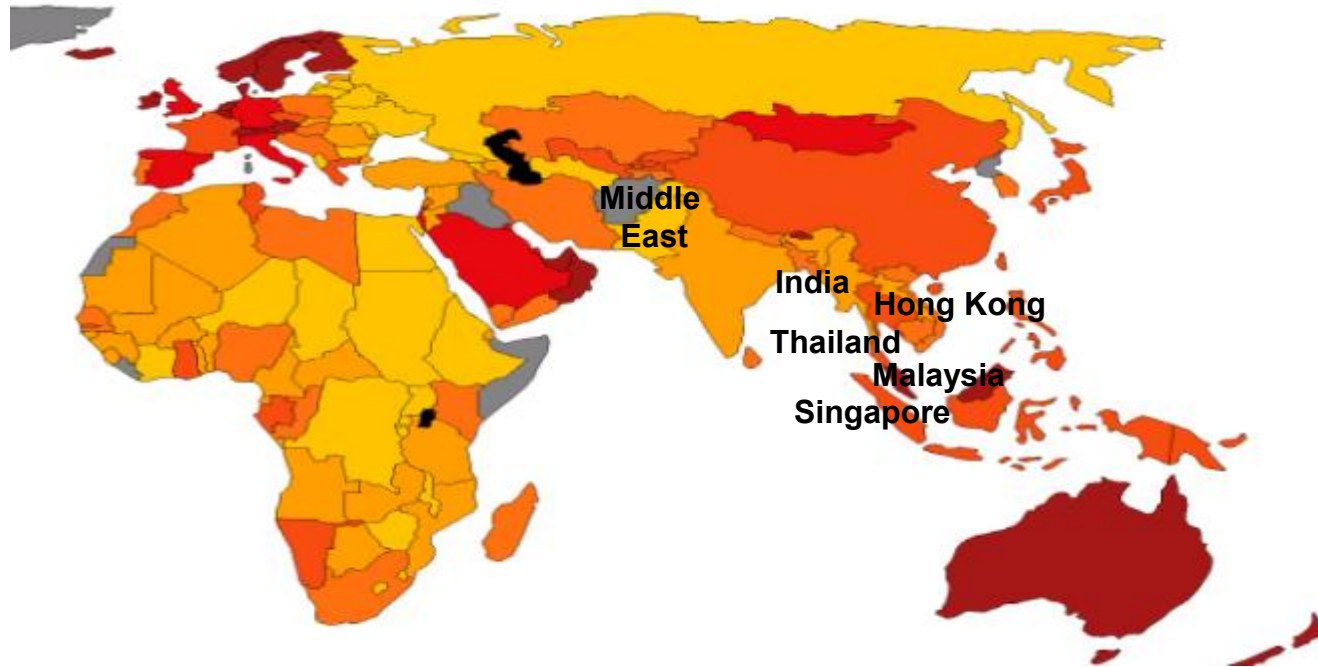
- Takenaka Corporation
- Taisei Corporation
- Obayashi Corporation
- Penta Ocean
- Shimizu Corporation
- Dragages Singapore
- Sembcorp Design & Construction Pte Ltd
- Samsung Corporation
- Ssangyong E&C Co. Ltd
- Hyundai E&C Ltd
- Daelim Industrial Co. Ltd
- Woh Hup Pte Ltd
- Larsen & Toubro Ltd



# Wide Geographical Footprint

Regional Presence, Global Reach

## Wide network of subsidiaries and project offices in the region



### Projects Undertaken Across the Region

- Singapore
- Malaysia
- Middle East
- China
- Norway
- Brunei
- Philippines
- Thailand
- Japan
- Korea
- Hong Kong
- Pakistan
- India



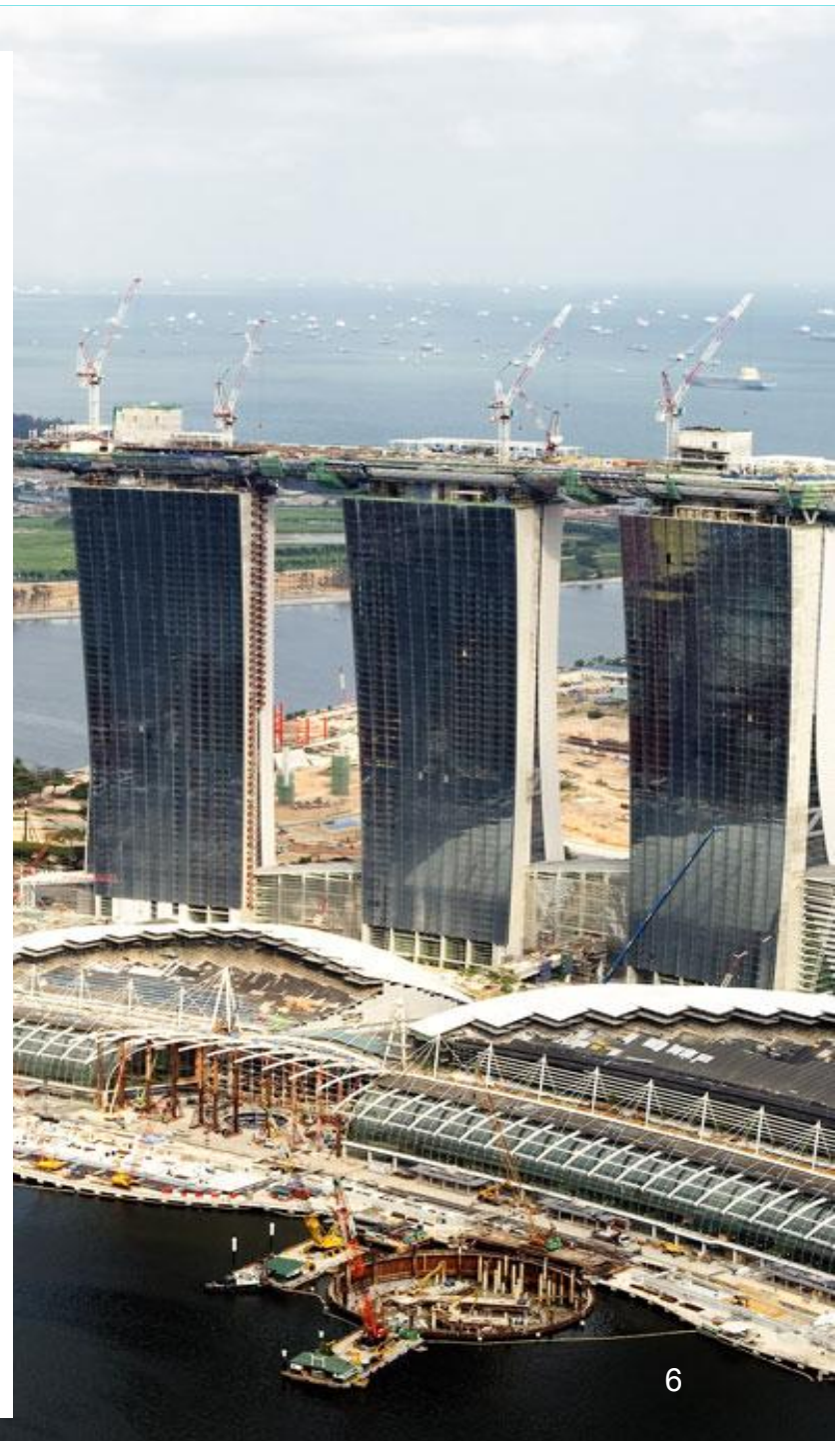
# Structural Steelworks

Adding structural and aesthetic value to buildings

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## Leading steel specialist contractor with unparalleled track record of iconic projects

- One of the largest steel fabrication facilities in Southeast Asia
- On-time delivery and with quality
- A1 Grade in General Building from BCA Singapore
- S1 category accreditation from Singapore Structural Steel Society

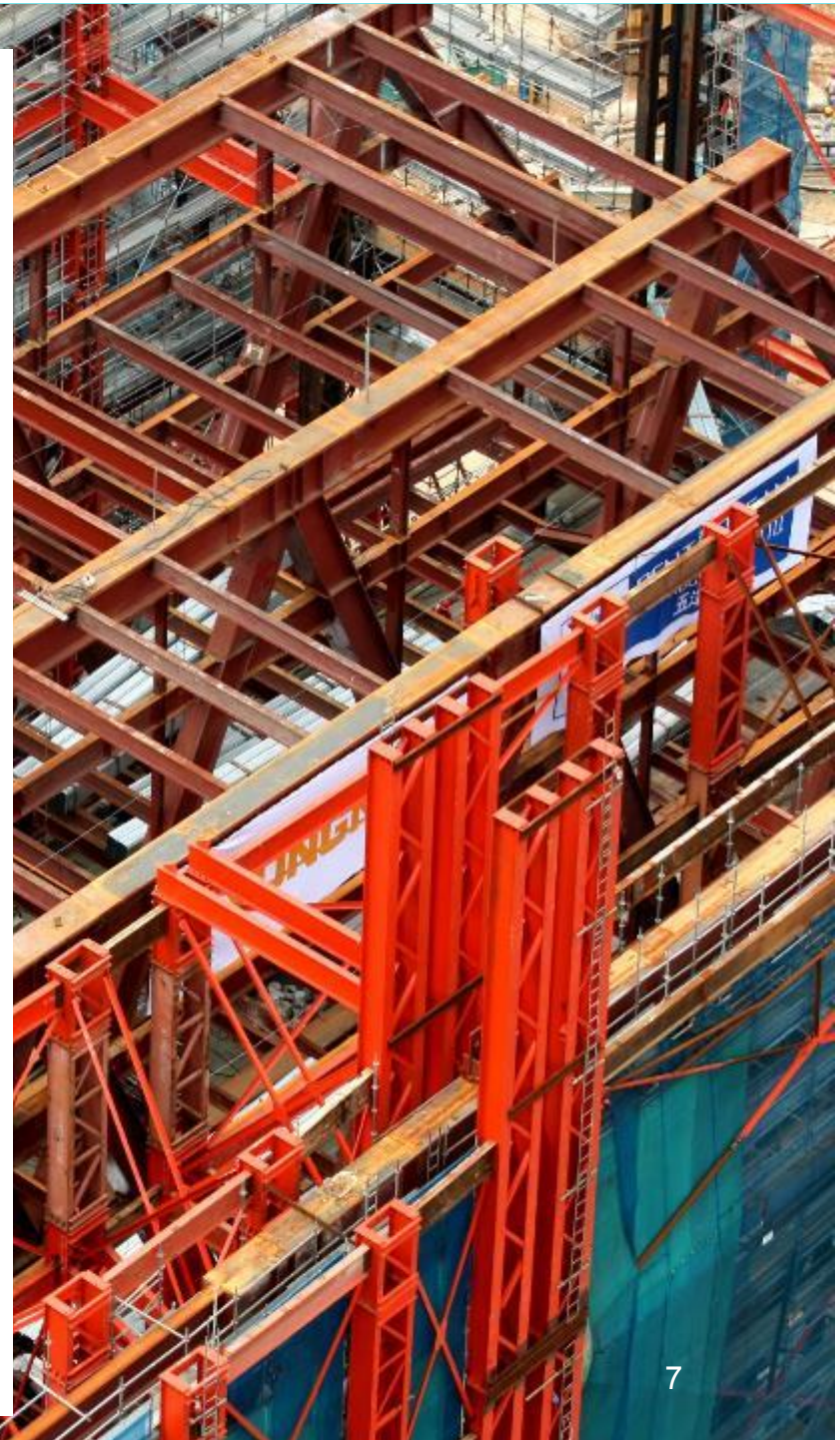


# Specialist Civil Engineering

A frontrunner of the times

## Design, fabrication, supply and erection of steel temporary support for deep basement and tunnel excavations

- Yongnam's modular strutting system meets increasingly stringent design and project requirements
- Owns approximately 200,000 tonnes of strutting assets and pipe piles
- Strong track record and high replacement cost of struts creates a significant barrier to entry
- A1 Grade in Civil Engineering from BCA Singapore



# Mechanical Engineering

Strong expertise of over forty years

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## Three key activity areas:

- a. Installation of mechanical equipment and plant
  - b. Supply, fabrication and installation of mechanical components; and
  - c. Plant maintenance
- Able to undertake more complex mechanical and plant installation projects
  - Projects and involvement include: Power stations, chemical plants, refineries, shipyard facilities, incineration plants and other infrastructure-related projects





# Design & Build

Emerging as a new growth driver

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**Yongnam aims to be a one-stop solutions provider of conceptual design, construction, project management and final delivery**

- Leverages Yongnam's experience in project and construction management
- Focused on pursuing opportunities in industrial and commercial projects



# Production Capabilities

Well-equipped, state-of-art facilities

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## Singapore

**Mega complex in Tuas occupying a land area of 76,000 sq m**

Covered workshop measuring 20,250 sq m with production capacity of 3,000 tonnes per month

## Malaysia

**Facility in Nusajaya, Johor, sited on a land area of 109, 103 sq m**

Operational since 2009, with a covered workshop measuring 38,600 sq m and production capacity of 4,000 tonnes per month



# Our Experience

## Unparalleled Track Record

### Airports

- **Brunei**, Royal Pavilion Hangars
- **Malaysia**, Kuala Lumpur International Airport
- **Singapore**, Changi International Airport
- **Thailand**, Suvarnabhumi International Airport
- **India**, Indira Gandhi International Airport
- **India**, Chhatrapati Shivaji International Airport

### Sports & Recreation Complex

- Kranji Race Course
- Bishan Sports Stadium
- Singapore Sports Hub

### Transport Infrastructure

- **Singapore**, Mass Rapid Transit
- **Singapore**, MRT Circle Line
- **Singapore**, MRT Downtown Line
- **Singapore**, MRT North-south Line Extension
- **Hong Kong**, Mass Transit Rail
- **Hong Kong**, Express Rail Link
- **India**, Dubai Metro

### High Rise Buildings & Iconic Structures

- Marina Bay Sands Integrated Resort
- Suntec City Exhibition & Convention Centre
- Singapore Post Centre
- Capital Tower
- Singapore MRT Expo Station
- National Library Board
- Fusionopolis
- One Raffles Quay
- Ion Orchard
- Integrated Civic, Cultural, Retail and Entertainment Hub
- Gardens by the Bay
- NUH Medical Centre

### Power Plants & Mechanical Installations

- **Singapore**, Senoko Power Station
- **Singapore**, Seraya Power Station (Stage II development)
- **Singapore**, Mandai Quarry Plant
- **Singapore**, Senoko Incineration Plant
- **Singapore**, Tuas Incineration Plant
- **Singapore**, Wind Tunnel
- **Malaysia**, Kenyir Power Station (Hydroelectric power plant)
- **Malaysia**, Paka/Pasir Gudang YTL Power Station
- **Malaysia**, Panglima Power Station
- **Malaysia**, Tanjung Bin Power Plant
- **Malaysia**, Naphtha Cracker Plant – Cracking Furnace



# Our Experience

Showcase – Marina Bays Integrated Resort, Gardens by the Bay, CCRC and Sports Hub

**Yongnam was involved in the development of multiple iconic structures at the iconic Marina Bay Sands Integrated Resort:**



Skypark



ArtScience Museum



Crystal Pavilions



Gardens by the Bay



CCRC



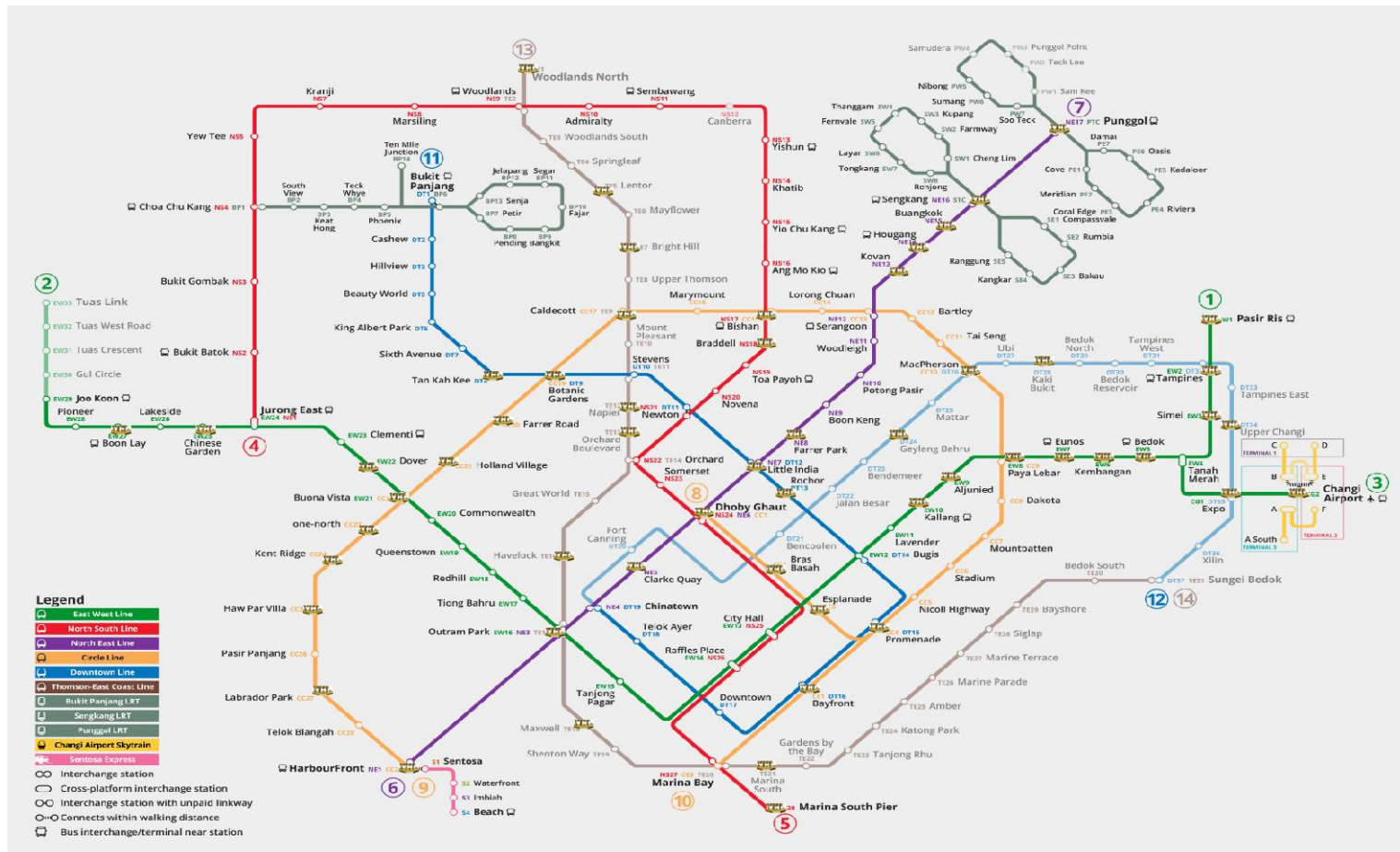
Sports Hub



# Our Experience

## Mass Rapid Transit Rail Infrastructure (Singapore)

Since the mid 1980s, Yongnam has been extensively involved in the development of Singapore's railway network



# Current Portfolio

## Key On-Going Projects

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### Marina One

**Project Value:** S\$172 million

**Date of Award:** December 2013

**Completion Date:** Expected 3Q2016

**Scope of Work:** Supply and erect structural steelworks for 2 blocks of 30-Storey Office, 2 blocks of 34 Storey Residential Building, 3-Storey Commercial Podium and 4-Level Basement Carparks with Underground Pedestrian/Shopping Mall



# Current Portfolio

## Key On-Going Projects

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### Changi Airport Terminal 4

**Project Value:** S\$63 million

**Date of Award:** March 2014

**Completion Date:** Expected 2Q2016

**Scope of Work:** Supply, fabricate and erect structural steelworks for roof structure, internal floors, link bridges, canopies and other appendages



# Current Portfolio

## Key On-Going Projects

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### Jewel at Changi Airport

**Project Value:** S\$82 million

**Date of Award:** November 2014

**Completion Date:** Expected 4Q2016

**Scope of Work:** Supply, fabricate and erect structural framing system of main buildings, associated structures and pedestrian bridges to Terminals 2 and 3





# Current Portfolio

## Key On-Going Projects

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### Senoko Food Hub

**Project Value:** S\$159 million

**Date of Award:** March 2015, JV project

**Completion Date:** Expected 1Q2017

**Scope of Work:** Construction of a new 7-storey ramp-up development comprising 50 modular factory units in Senoko Food Zone



# Current Portfolio

## Key On-Going Projects

### MRT Downtown Line 3

**Project Value:** S\$121 million (7 contracts)

#### Project Description

**C929 & C932A (Completed):** Installation and removal of steel struts, sheetpile and decking for Kaki Bukit and Kallang Bahru Stations

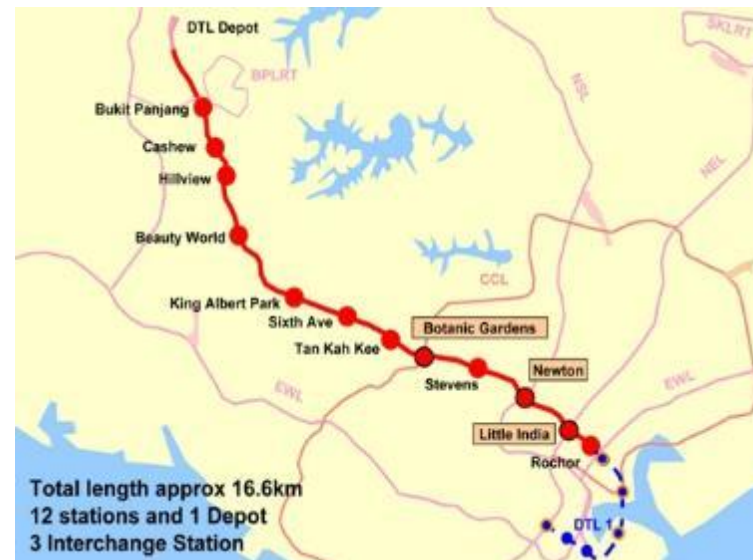
**C933 (Completed):** Installation and removal of steel struts and walers and construction decking for Jalan Besar Station

**C923 (3Q2016):** Deep basement excavation, installation and removal of steel struts and construction decking for Upper Changi Station

**C922 (1Q2016):** Installation and removal of steel struts, decking and king posts for Expo Station and overrun tunnels

**C931 (2Q2016):** Installation and removal of steel struts and decking for Macpherson Station. Expected completion 4Q 2015

**C936 (2Q2016):** Installation and removal of steel struts and decking for Bencoolen Station



# Current Portfolio

## Key On-Going Projects

### MRT Thomson Line

**Project Value:** S\$108.5 million (5 contracts)

#### Key Projects Description

**C217 (3Q2018):** Installation and removal of steel struts for Napier Station

**C227 (4Q2018):** Installation and removal of pipe pile cofferdam, steel struts and decking for Marina South Station



# Current Portfolio

## Key On-Going Projects

### HK MTR Extension, Express Rail Link and Wan Chai Bypass Tunnel

**Project Value:** HK\$336 million (5 contracts)

**Completion Date:** 2016 to 2018

**Project Description:**

- MTR Extension : Shatin-Central Link
- Express Rail Link : Part of 26-km long HK section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link running from West Kowloon to Shenzhen
- Wan Chai Bypass Tunnel : 4 km Trunk Road Tunnel

**Scope of work:**

- Design, supply, installation and removal of strut and walers
- Cofferdam excavation of cut and cover tunnels
- Construction of steel temporary bridge





# Financial Performance (FY2015)



# Key Financial Highlights

## FY2015 Financial Performance

	FY2015	FY2014	Change (%)
Revenue (S\$'m)	280.6	212.1	32.3
Gross Profit/(Loss) (S\$'m)	30.7	(32.6)	n.m.
Gross Margin (%)	10.9	-	n.m.
Profit after Tax (S\$'m)	6.4	(8.5)	n.m.
EPS (Basic) (Singapore cents) <sup>(1)</sup>	2.03	(2.68)	n.m.
NAV per Share (Singapore cents) <sup>(2)</sup>	96.77	94.73	2.2
ROE (%) (Annualized)	2.3	(6.2)	n.m.

<sup>(1)</sup> EPS per share was computed based on the weighted average number of shares of 316,735,383 for FY2015 (FY2014: 316,735,383)

<sup>(2)</sup> NAV per share as at December 31, 2015 and December 31, 2014 respectively



# Key Financial Highlights

## FY2015 Financial Performance

	FY2015	FY2014	Change (%)
Net Work-In-Progress (S\$m)	123.8	97.8	26.6
Debtors (S\$m)	31.0	27.7	11.9
Cash (S\$m)	8.1	6.0	35.0
Borrowings (S\$m)	142.4	178.9	(20.4)
Net Borrowings (S\$m)	134.3	172.9	(22.3)
Gearing (times)	0.44	0.58	(24.1)
Shareholders' Funds (S\$m)	306.5	300.1	2.1

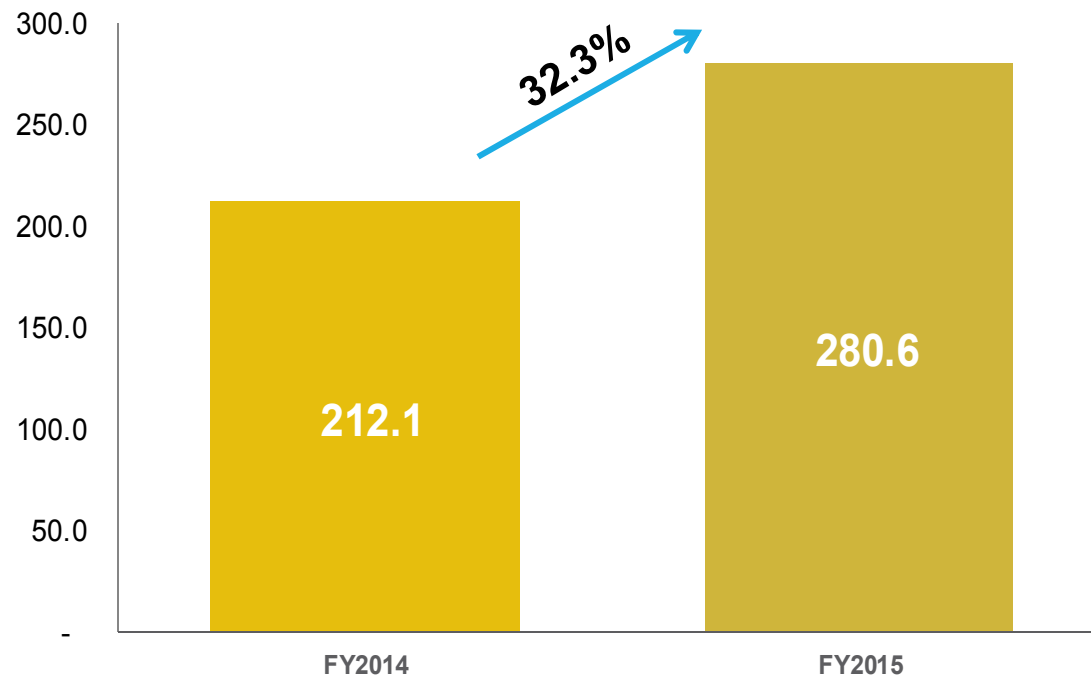


# Key Financial Highlights

FY2015 Financial Performance – Revenue Analysis

**FY2015 Revenue up 32.3% mainly due to higher contribution from Structural Steelwork projects**

Revenue (S\$m)



## Structural Steelworks

- Revenue contributions increased from S\$117.6 million in FY2014 to S\$188.1 million in FY2015
- **Key contributing projects include:** Marina One, Changi Airport Terminal 4, Senoko Food Hub, Jewel Changi Airport

## Specialist Civil Engineering

- Revenue contributions decreased from S\$94.5 million in FY2014 to S\$86.0 million in FY2015
- **Key contributing projects include:** MRT Downtown Line 3, MRT Thomson Line, Hong Kong projects



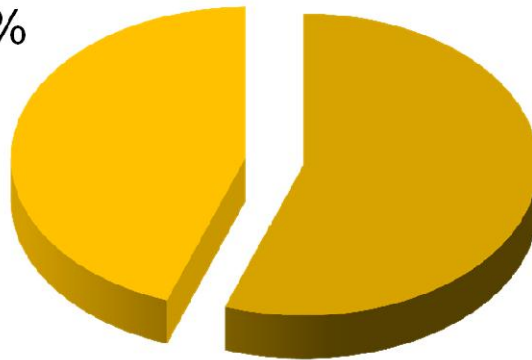


# Key Financial Highlights

FY2015 Financial Performance – Breakdown by Business Segment

## FY2014

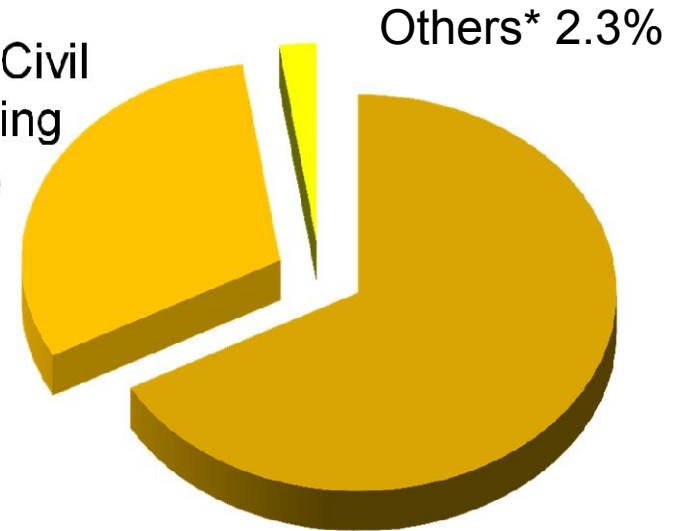
Specialist Civil  
Engineering  
40.7%



Structural Steelworks  
59.3%

## FY2015

Specialist Civil  
Engineering  
30.7%



Structural Steelworks  
67.0%

\*Others – Design & Build and Mechanical Engineering

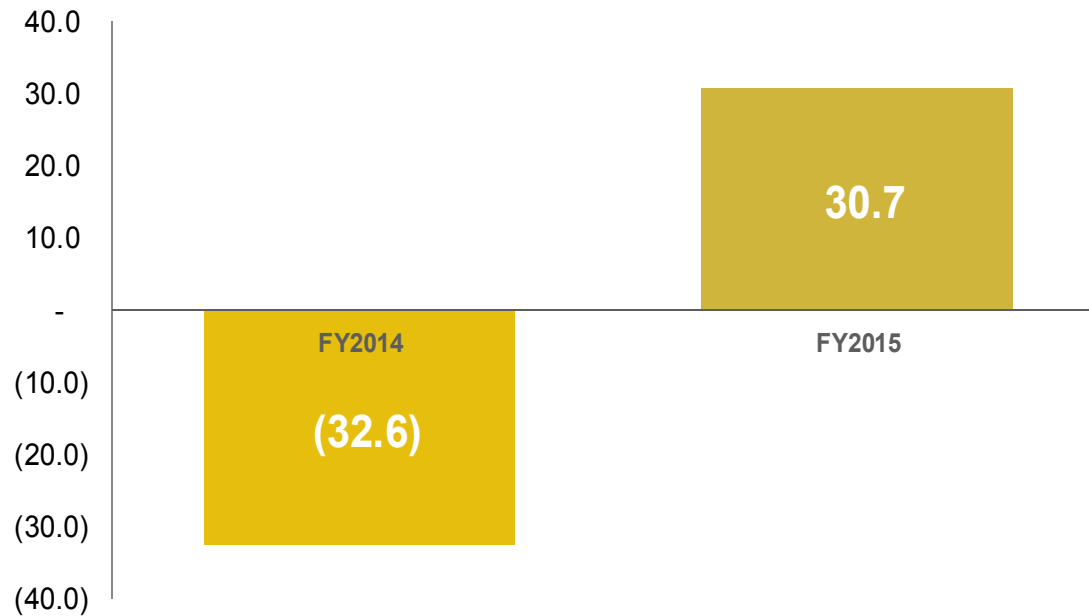


# Key Financial Highlights

FY2015 Financial Performance – Gross Profit

**Reversal from a gross loss to gross profit of S\$30.7 million for FY2015**

## Gross Profit / (Loss) (S\$m)



### Gross Profit/(Loss)

Reversal from a gross loss to gross profit of S\$30.7 million for FY2015 due to:

- Better margins from on-going projects
- Provisions made for certain project projects which lowered margins in FY2014

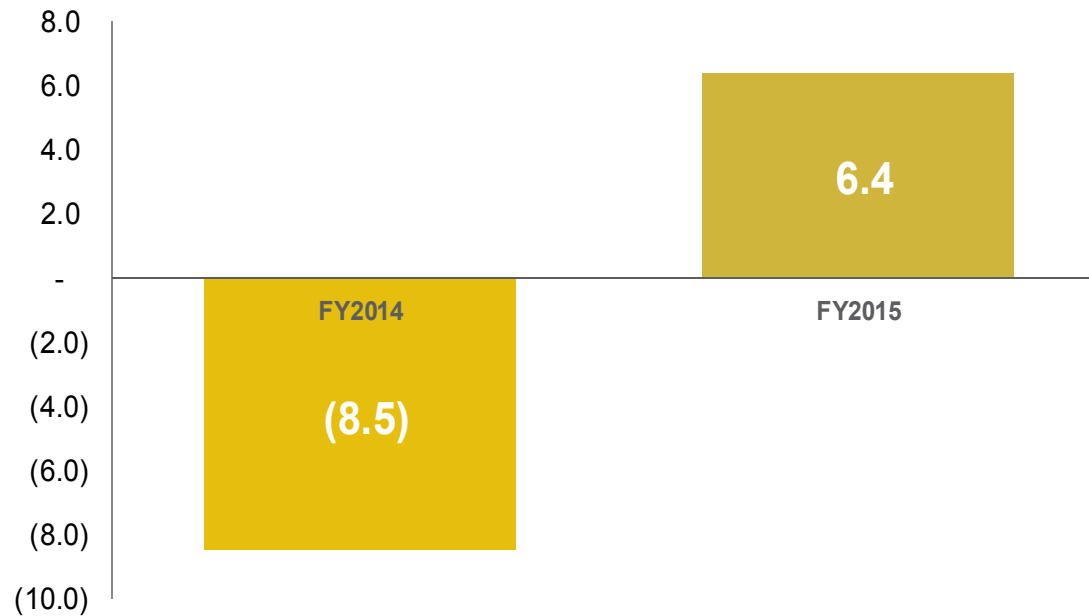


# Key Financial Highlights

FY2015 Financial Performance – Profit after Tax

**Turnaround with a FY2015 Profit after Tax of S\$6.4 million for FY2015**

**Profit / (Loss) after Tax (S\$m)**



### Profit/(Loss) after Tax

Profit after tax of S\$6.4m for FY2015 backed by:

- Higher revenue contributions and better profit margins from the Structural Steelwork segment

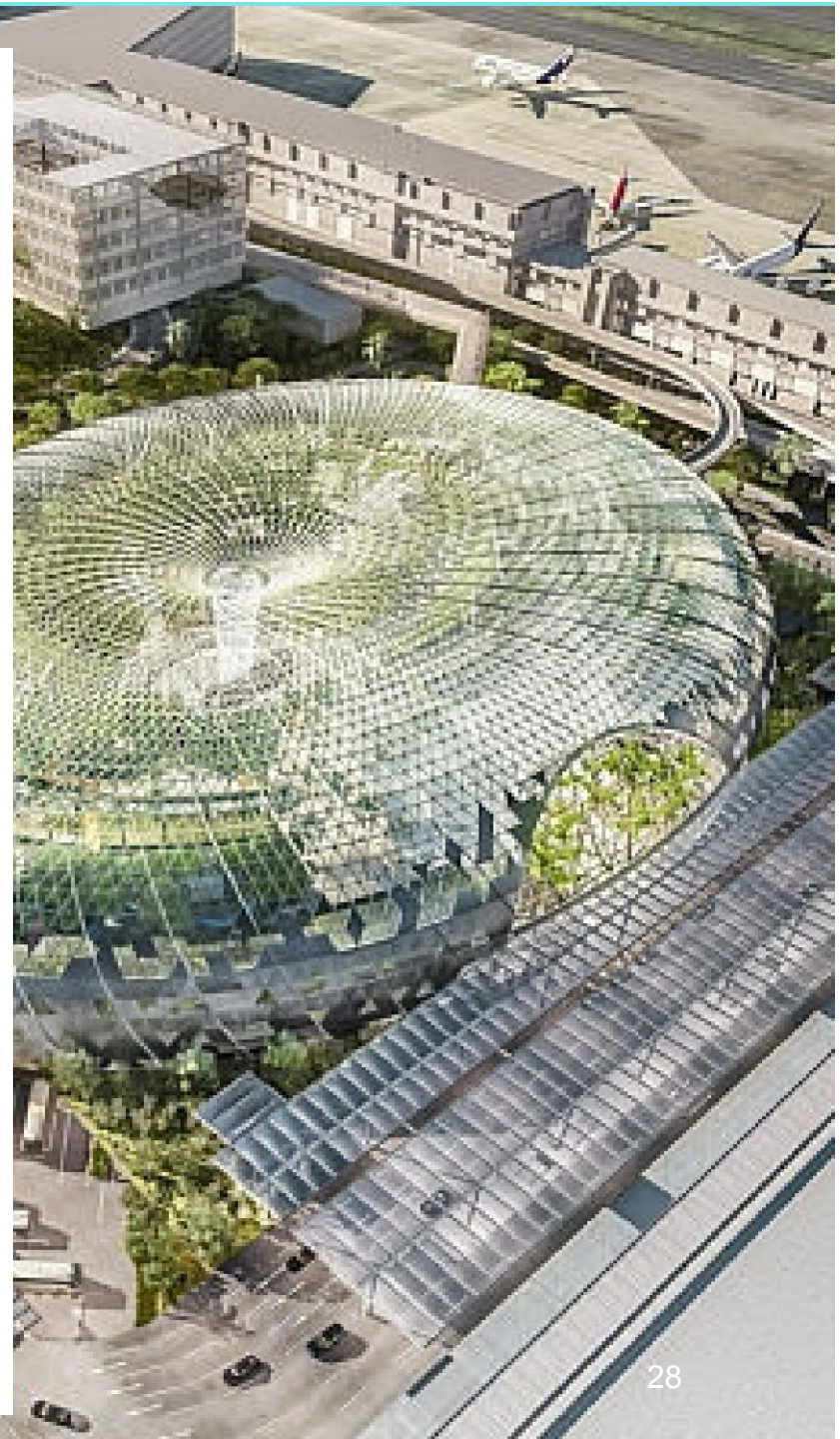


# Key Financial Highlights

Order Book

**As of 31 December 2015, the Group's order book stands at approximately S\$375 million**

- Structural Steelworks: 67.7%
- Specialist Civil Engineering: 22.6%
- Others (M&E, Building): 9.7%
- Approximately 80% of the Group's order book is slated for completion within FY2016





# Prospects and Market Outlook



# Market Prospects

## Singapore

### Construction sector remains buoyant<sup>(1)</sup>:

- Construction demand and outlook for 2016 expected to be between \$27-34 billion, anchored by public sector projects
- Fuelled by a higher volume of institutional and civil engineering construction contracts. Private sector construction demand is anticipated to moderate but likely to be cushioned by a rise in civil engineering projects

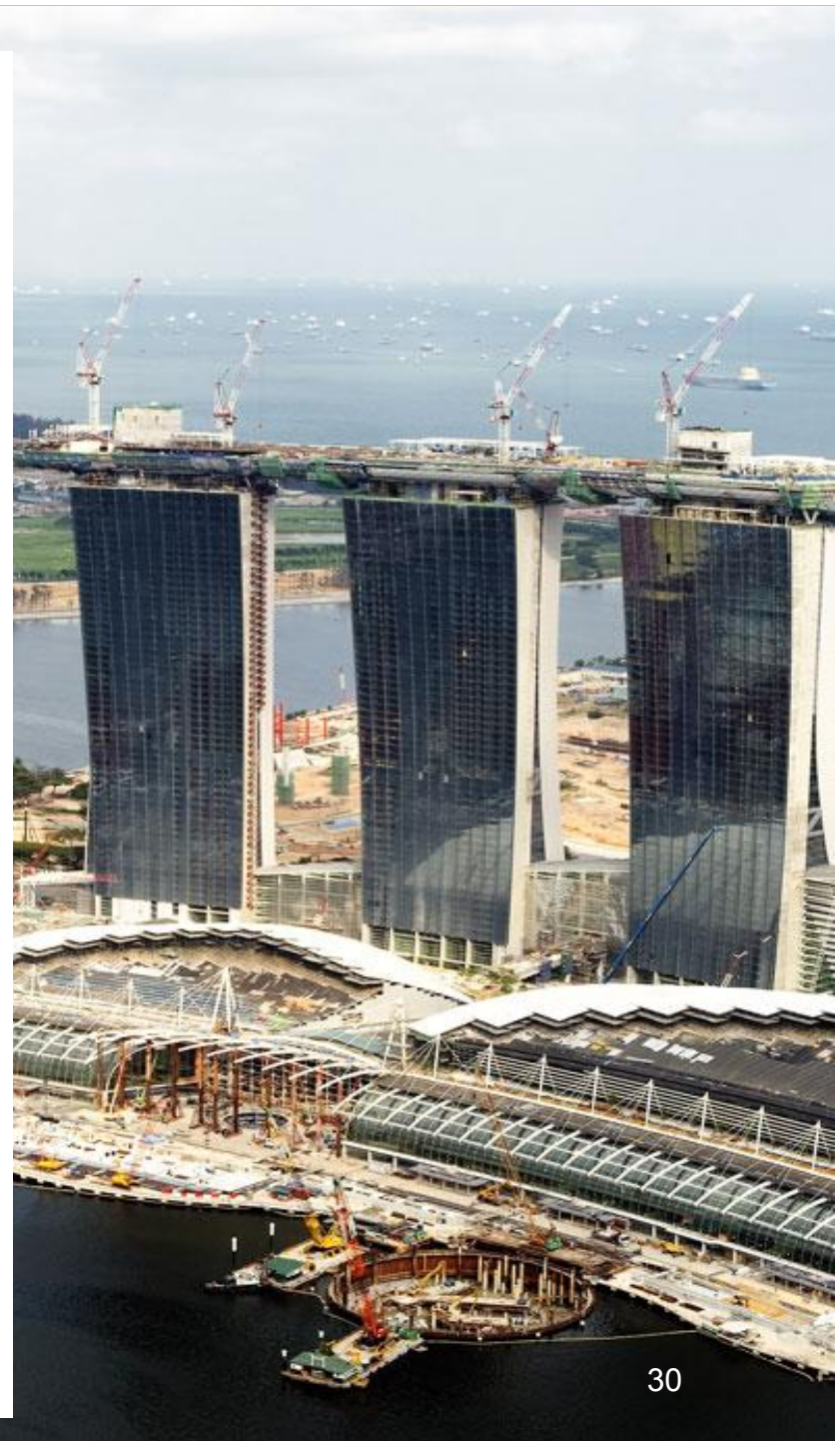
### Expected growth in construction demand from 2017 to 2020<sup>(1)</sup>:

- For 2017 and 2020, the average construction demand is projected to be a robust \$26-35 billion per annum
- Public sector construction demand to be between \$16 billion and \$20 billion annually from 2017 to 2020, with about 60% of the total demand coming from building projects and the remaining from civil engineering projects
- Supported by mega public sector infrastructure projects required to meet the long-term needs of Singapore's population and maintain the competitive advantage of Singapore's economy



Source:

(1) BCA estimates S\$27 billion to S\$34 billion worth of construction contracts to be awarded this year – Building Construction Authority, 15 January 2016



# Market Prospects

Singapore

## Opportunities abound<sup>(1)</sup>:

- Spending on infrastructure to be increased by S\$30 billion or 50% by the end of 2020
- Government's plans to embark on many infrastructure projects, including Changi Airport's new Terminal 5
- Public projects by the Land Transport Authority including:
  - Cross Island Line, Eastern Region Line, Jurong Region Line, Circle Line Stage 6, Downtown Line Extension, North East Line Extension
  - North South Expressway



Source:

(1) *Budget 2015: Boost in funding for Singapore's infrastructure development – Channel NewsAsia / Singapore Budget 2015, 23 February 2015*



# Market Prospects

## Regional

### Hong Kong / Macau<sup>(1)</sup>:

- Capital expenditure for Hong Kong between 2015 – 2016 estimated at S\$86.5 billion, including HK\$70 billion on capital works
- Hong Kong Government expects capital works expenditure to maintain at relatively high levels in the next few years, as a number of projects are entering their construction peaks
- Forecasted growth for Hong Kong's construction sector to reach 6.7% in 2015<sup>(2)</sup>
- China's 12<sup>th</sup> 5-Year Plan for National Economic and Social Development supports Macao's development into a world tourism and leisure centre, and development of convention and exhibition business, amongst others



Sources:

- (1) Hong Kong 2015 – 16 Budget – [http://www.budget.gov.hk/2015/eng/pdf/e\\_budgetspeech2015-16.pdf](http://www.budget.gov.hk/2015/eng/pdf/e_budgetspeech2015-16.pdf), 25 February 2015
- (2) Industry Trend Analysis - 2015 Construction Outlook Driven By Delays , infrastructure Insight, November 2014





# Market Prospects

## Regional

### Hong Kong / Macau:

- Major infrastructure projects could include:
  - Proposal to build an artificial island in central waters between Hong Kong and Lantau Island
  - HK\$100 billion project expansion of HKIA to a three-runway system
  - Central-Wan Chai Bypass and Island Eastern Corridor Link (HK\$28.1 billion)
  - Third runway at Chek Lap Kok airport in 2016 (HK\$141.5 billion)<sup>(1)</sup>
  - Environmentally Friendly Linkage System: Rail link connecting Kai Tak with Kowloon Bay, Kwun Tong and Sha Tin to Central Link (HK\$12 billion)<sup>(2)</sup>
  - HK\$25 billion Kai Tak Sports Hub project<sup>(3)</sup>

#### Sources:

- (1) Approval of third runway at Chek Lap Kok airport does not answer questions about airspace. *South China Morning Post*, 28 April 2015
- (2) Civil Engineering and Development Department, Kai Tak Outline Zoning Plan, <http://www.ktd.gov.hk/efls/en/overview.htm>
- (3) Legco finally approves first tranche of funding for Kai Tak Sports Hub, *South China Morning Post*, 6 May 2015



# Market Prospects

## Regional

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### India<sup>(1)</sup>:

- Major infrastructure projects could include:
  - Creation of a 'National Investment in infrastructure Fund' to unlock infrastructure investments into India
  - Additional allocation of \$11 billion to fund infrastructure investments (Roads, railways, ports and other projects)
  - India's goal of \$1 trillion in spending on roads, ports, power and other infrastructure from 2012 to 2017<sup>(2)</sup>
  - Seven roads in Haryana will be developed as National Highways
  - Endorsement of foreign investment for the railway sector and revival of 34 projects worth more than \$4.1 billion
  - Singapore's interest in partnering with India for the development of 100 new smart cities, developing infrastructure for 500 towns and cities, development of heritage cities and urban housing programme

Sources:

- (1) *India's 2015-2016 Budget: A kick-start for infrastructure*, KPMG, March 2015
- (2) *A \$750 billion gap in India's push for top infrastructure*, Bloomberg, 14 May, 2015



# Market Prospects

## Regional

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### Middle East<sup>(1,2)</sup>:

- Spending on infrastructure in key Middle East countries to remain elevated notwithstanding a low oil price environment
  - Qatar: \$200 billion worth of infrastructure development projects for a new port, a metro system in Doha and stadiums<sup>(3)</sup>
  - Kuwait: \$155 billion allocated over the next five years for 523 infrastructure projects
- A report by EC Harris has outlined that the Middle East is expected to see unprecedented levels of construction planned over the next 20 years, with the construction peak forecast from 2014 to 2019
  - Identified 117 major construction programmes that are planned for completion by 2030 e.g.
    - Gulf Cooperation Council (GCC) expected to continue spending on energy and construction projects during the coming years, allocating a total of \$985 billion for infrastructure development during 2010 – 2015
    - Qatar: Up to \$135 billion in infrastructure projects between now and World Cup 2022, including urban public transport, bridges, highways, railways, airports and ports, and sports stadiums/facilities
    - Dubai: \$7.8 billion airport and airspace expansion program will boost capacity at Dubai International airport from 60 million to 90 million passengers per year by 2018

#### Sources:

- (1) *Qatar Construction Industry - The World Cup 2022 and Beyond*, PR Newswire, 10 February 2015
- (2) *ICAEW Economic Insight: Middle East*, ICAEW, 27 February 2015
- (3) *Qatar Prime Minister Says Country is Committed to Infrastructure Projects*, The Wall Street Journal, 15 March 2015



# Market Prospects

## Regional

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### Myanmar<sup>(1)</sup>:

- Projected GDP of 8.2% for 2016 on investment stimulated by structural reform and strong domestic demand
- Growth will be underpinned by large projects funded by foreign investors in a number of industries as infrastructure projects proliferate on the back of private-sector investment and aid inflows
- The increased presence of international organisations such as the World Bank, IMF and ADB in Myanmar is also expected to contribute significantly to the country's development, as technical expertise and fresh loans are introduced to put in place the necessary infrastructure to support economic growth

*Sources:*

- (1) *Asian Development Outlook Update, Asian Development Bank, September 2015*
- (2) *Myanmar projects economic growth of 9.3 pct for 2015-16, Reuters, 24 April 2015*



# Market Prospects

## Potential Projects

### Structural Steel:

- State Court
- Dubai Metro Route 2020
- Outram Community Hospital
- Other commercial developments
- Industrial plants

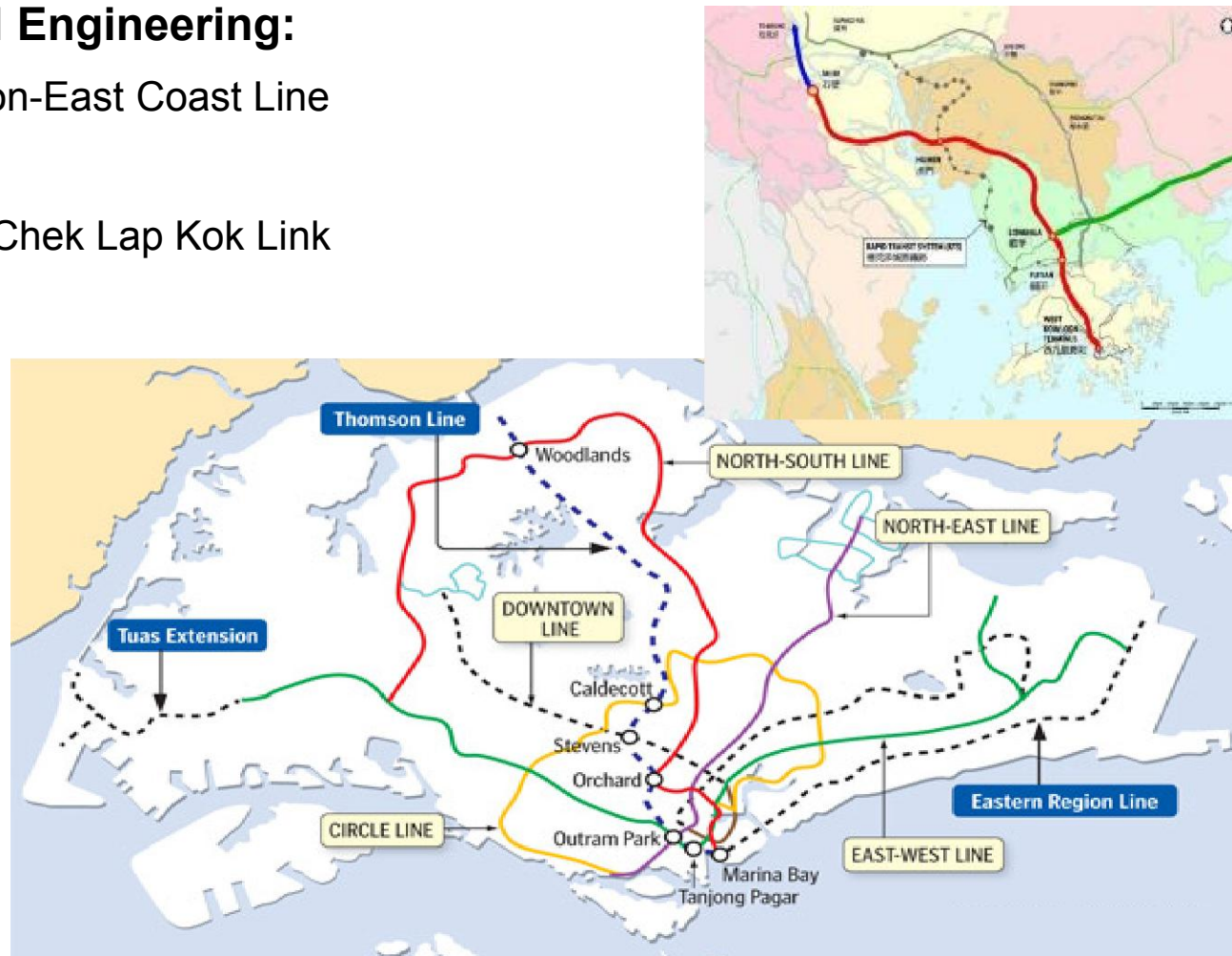


# Market Prospects

## Potential Projects

### Specialist Civil Engineering:

- MRT Thomson-East Coast Line
- HK MTR
- Tuen Mun – Chek Lap Kok Link



# Market Prospects

## Potential Projects

	Expected Commencement	Government S\$'mil	Non-Government S\$'mil	Total S\$'mil
<b>Structural Steelwork</b>				
Singapore	2016	220.9	22.8	243.7
	2017	-	-	-
Overseas	2016	125.2	137.1	262.3
	2017	-	-	-
Total		346.1	159.9	506.0
<b>Specialist Civil Engineering</b>				
Singapore	2016	664.5	-	664.5
	2017	-	-	-
Overseas	2016	99.9	-	99.9
	2017	-	-	-
Total		764.4	-	764.4
<b>Mechanical Engineering, Design &amp; Build</b>				
Singapore	2016	-	53.8	53.8
	2017	-	-	-
Overseas	2016	-	32.7	32.7
	2017	-	-	-
Total		-	86.5	86.5

**Projects announced by Government (not included above):**

Qatar – Infrastructure      North-south Expressway



# Growth Strategies and Plans

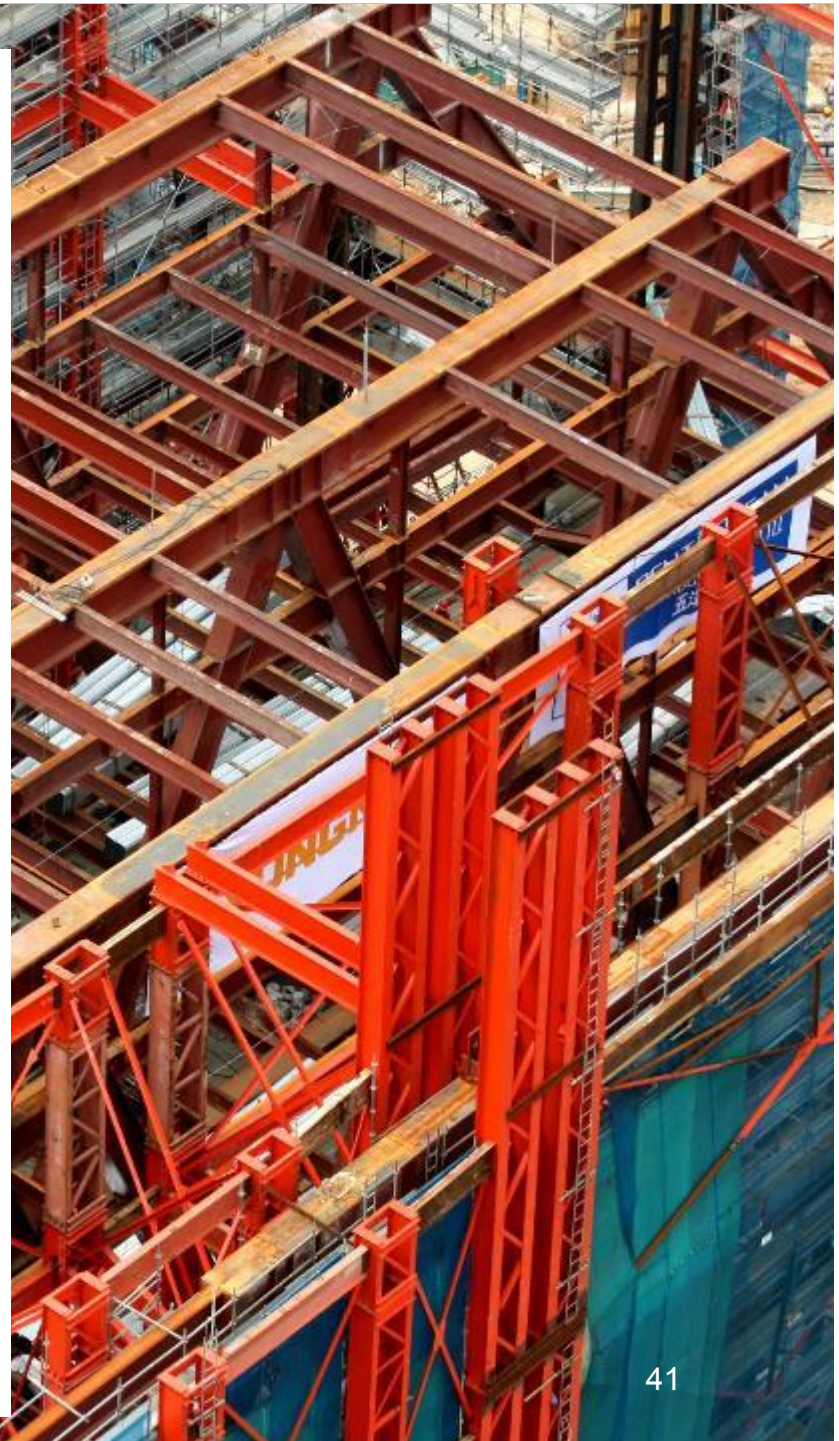




# Strategies and Plans

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- Remain focused on the two core businesses – Structural Steel and Specialist Civil Engineering
- Leverage on established brand name and strong foothold in the Singapore market
- Continue to explore projects in Hong Kong, Malaysia, Indonesia, Myanmar, India and GCC countries
- Selectively pursue Civil and Building projects as main contractor on JV basis
- Newly established Design & Build Division to pursue industrial and commercial projects





**Thank You!**

