



YONGNAM HOLDINGS LIMITED
FY2013 Full Year Results Presentation
27 February 2014

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- FY2013 Financial Performance
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Our Business

A well-established Structural Steel Contractor and Specialist Civil Engineering Solutions Provider



Structural Steelworks:

- One of the largest steel fabrication facilities in Southeast Asia
- Leading steel specialist contractor with unparalleled track record of iconic projects
- On-time delivery and with quality
- S1 category accreditation from Singapore Structural Steel Society

Specialist Civil Engineering

- Modular Strutting System meets increasingly stringent design and project requirements
- Approximately 185,000 tonnes of strutting assets and pipe piles
- Strong track record and high replacement cost of struts are major barriers to entry

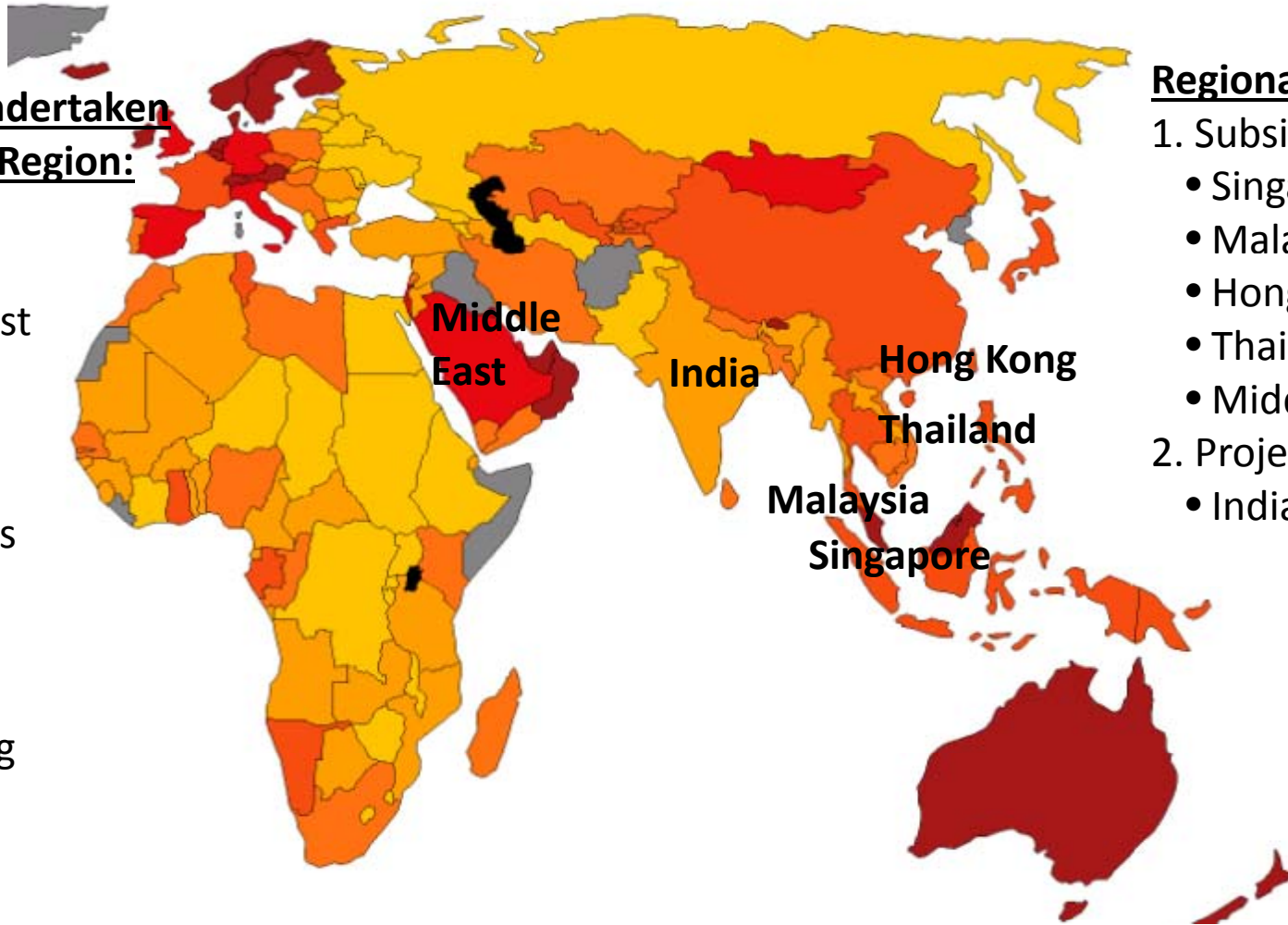
Our Business

- More than 40 years of experience in steel fabrication and provision of engineering solutions
- Long established relationships with major reputable contractors:
 - Takenaka Corporation
 - Taisei Corporation
 - Obayashi Corporation
 - Penta Ocean
 - Shimizu Corporation
 - Dragages Singapore
 - Sembawang E&C Pte Ltd
 - Samsung Corporation
 - Ssangyong E&C Co. Ltd
 - Hyundai E&C Ltd
 - Daelim Industrial Co. Ltd
 - Woh Hup Pte Ltd
 - Larsen & Toubro Ltd

Our Footprint

Projects Undertaken Across the Region:

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



Regional Presence:

1. Subsidiaries
 - Singapore
 - Malaysia
 - Hong Kong
 - Thailand
 - Middle East
2. Project Office
 - India

Our Facilities

- **Singapore**

Total Land Area

Approximately 76,000 m²

Workshop Covered Area

20,250 m²

Capacity (Normal Steel Structure)

3,000 Tonnes per month

- **Malaysia (Nusajaya, Johor)**

Total Land Area

Approximately 109,103 m²

Workshop Covered Area

38,600 m²

Capacity (Normal Steel Structure)

4,000 Tonnes per month

- **Total Staff Strength**

Approximately 2,000



Structural Steel – Track Record

- Singapore:
 - Terminal 1, Changi International Airport
 - Suntec City
 - Capital Tower
 - National Library Building
 - One Raffles Quay
 - ION Orchard
 - Marina Bay Sands Integrated Resort
 - Gardens by The Bay
 - Civic, Cultural & Retail Complex @ One-North
- Overseas:
 - Brunei (Hangars)
 - KLIA
 - Suvarnabhumi International Airport, Bangkok
 - Dubai Metro Rail
 - New Delhi International Airport
 - Mumbai International Airport

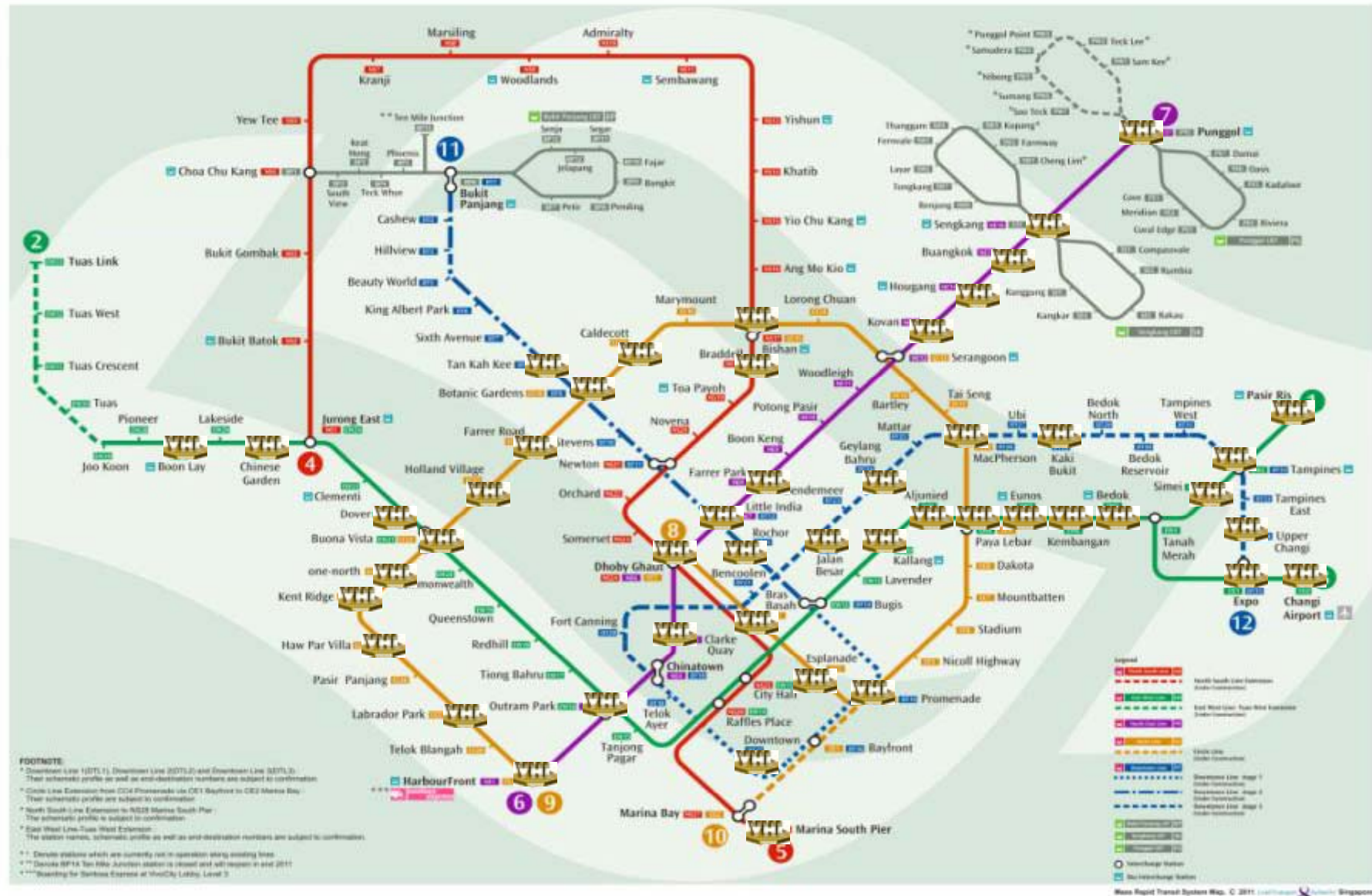


Specialist Civil Engineering – Track Record

- Singapore:
 - Singapore Post Centre
 - Central Expressway
 - MRT North-south Line
 - MRT East-west Line
 - MRT North-east Line
 - Kallang-Paya Lebar Expressway
 - MRT Circle Line
 - MRT Downtown Line Phase 1
 - Marina Bay Sands Integrated Resort
 - Marina Coastal Expressway
- Overseas:
 - Dubai Metro Rail
 - Hong Kong MTR



MRT - Yongnam's Track Record



On-Going Projects

National Art Gallery

- Contract worth S\$38.8 million
- Supply and erect structural steelworks for new floor structure and skybridges, plus underpinning, shoring and strengthening works
- 60,000 sqm NAG will be largest visual arts venue in Singapore
- Expected completion in 2Q 2014



On-Going Projects

Singapore Sports Hub

- Contract and V.O. worth S\$110 million
- Supply and erect structural steelworks for dome shaped roof structure and tertiary works
- Stadium roof is the key architectural element with a fixed and movable component
- Roof structure has diameter of 312m and apex about 82m high
- Moving Tiers, Aquatic Centre & Multi-purpose Hall
- Expected completion in 1Q2014



On-Going Projects

Market Street Development

- Contract worth S\$36 million
- Supply and erect structural steelworks and installation of precast columns and beams
- Expected completion in 3Q2014



On-Going Projects

South Beach Development

- Contract worth S\$21 million
- Supply and erect structural steelworks for façade and canopies
- Expected completion in Sep 2014



On-Going Projects

Marina One

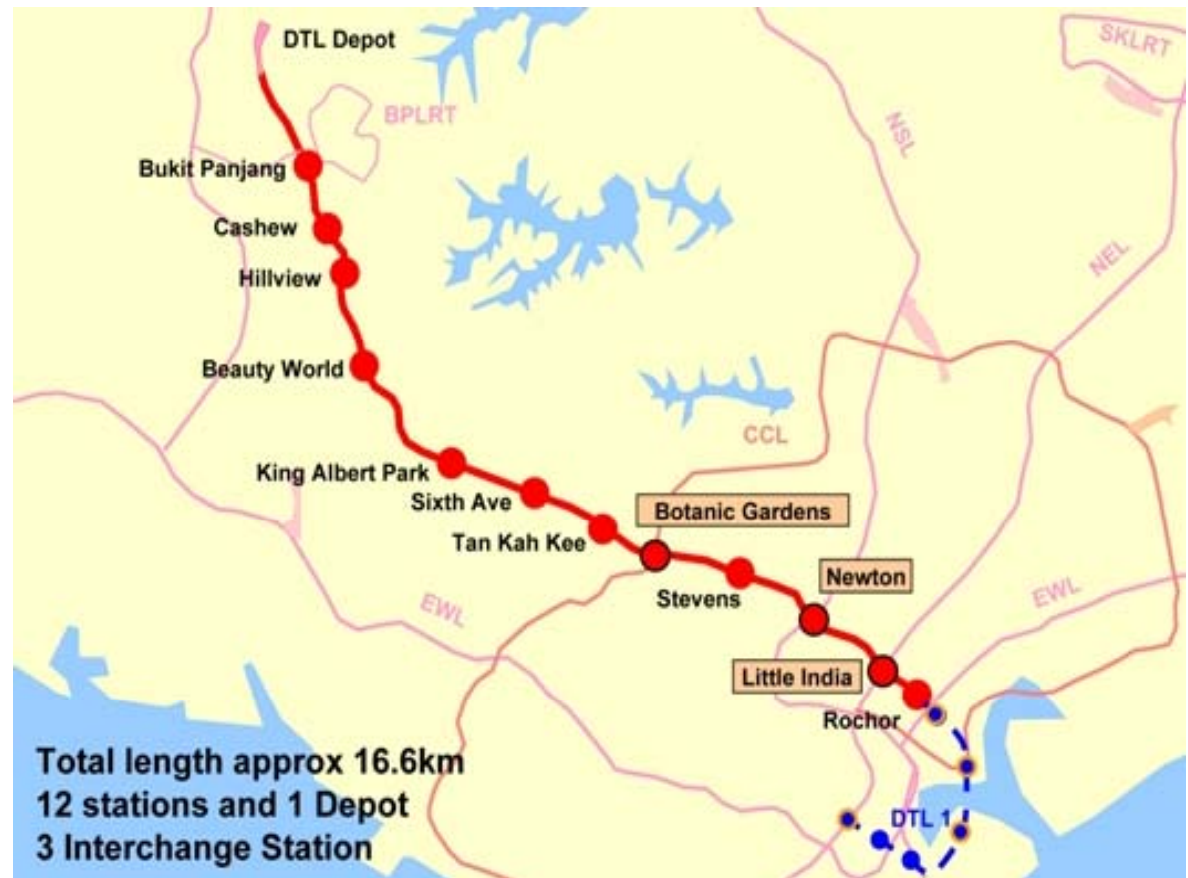
- Secured in Dec 2013
- Contract worth S\$168 million
- Supply and erect structural steelworks for 2 blocks of 30-Storey Office, 2 blocks of 34 Storey Residential Building, 3-Storey Commercial Podium and 4-Level Basement Carparks with Underground Pedestrian/Shopping Mall
- Expected completion in 2016



On-Going Projects

MRT Downtown Line 2 – 4 contracts worth total of S\$112 million

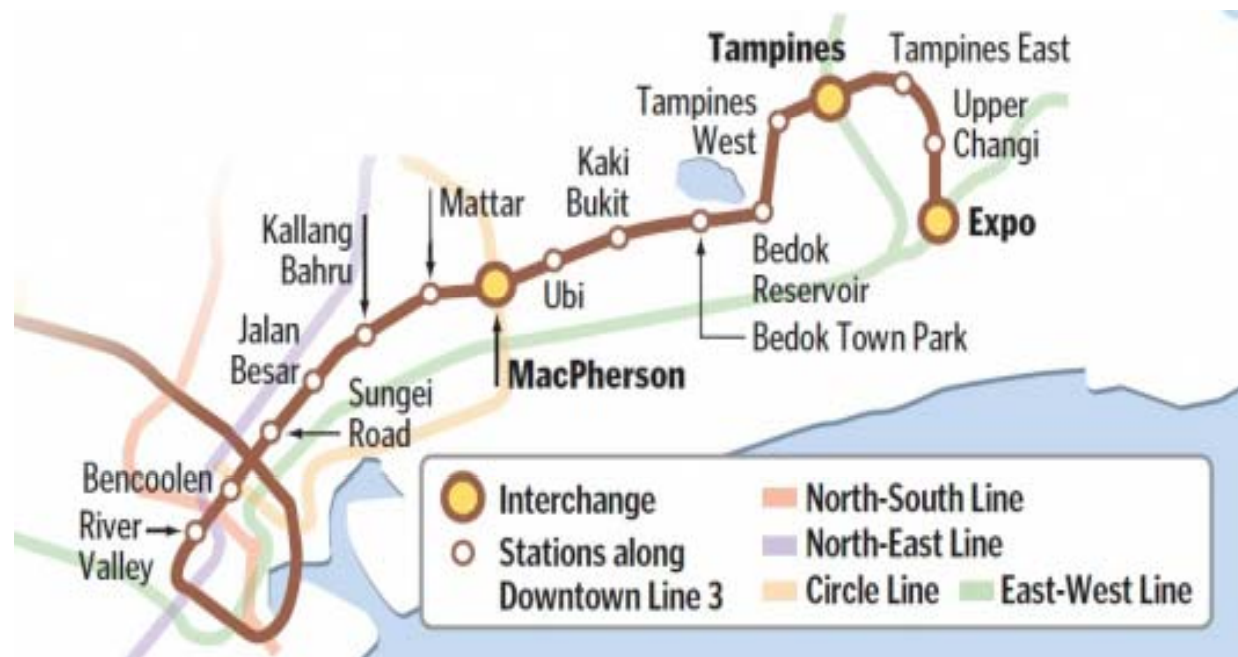
- C921 (3 contracts)
Installation and removal of steel struts and walers, sheet piles, soldier piles, king posts and RC decking for Little India Station, Rochor Station and tunnel between the two stations. Expected completion Jan 2015
- C918 - Installation and removal of steel struts and walers for Tan Kah Kee Station and Cut & Cover Tunnel. Expected completion Jun 2014.



On-Going Projects

MRT Downtown Line 3 – 6 contracts worth total of S\$109 million

- C929 & C932A – Installation and removal of steel struts, sheetpile and decking for Kaki Bukit and Kallang Bahru Stations. Expected completion 1Q2015
- C933 – Installation and removal of steel struts and walers and construction decking for Jalan Besar Station. Expected completion June 2015
- C923 – Deep basement excavation, installation and removal of steel struts and construction decking for Upper Changi Station. Expected completion in Aug 2015



On-Going Projects

MRT Downtown Line 3 – 6 contracts worth total of S\$109 million

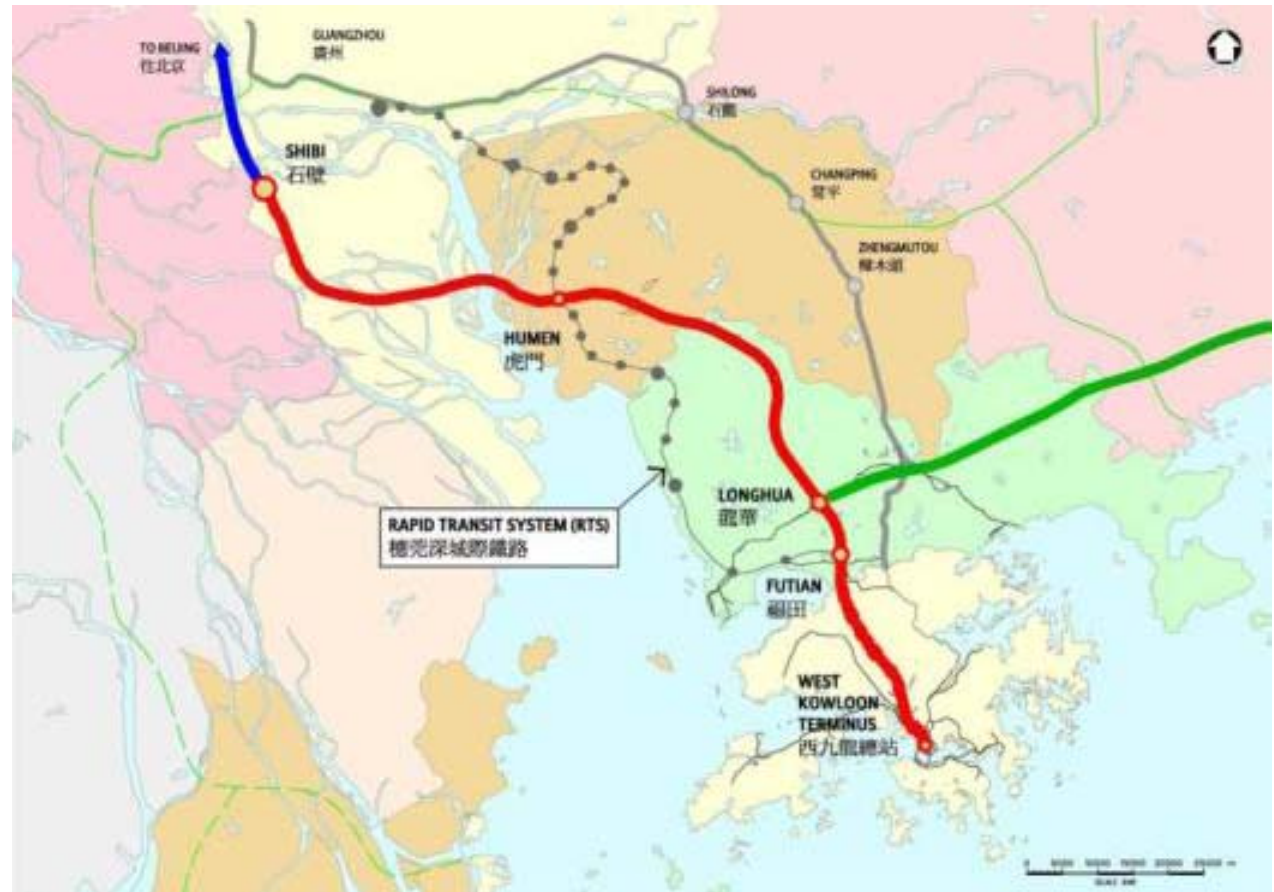
- C922 – Installation and removal of steel struts, decking and king posts for Expo Station and overrun tunnels. Expected completion May 2015
- C931 – Installation and removal of steel struts and decking for Macpherson Station. Expected completion Dec 2014



On-Going Projects

HK MTR Extension – 8 contracts worth total of HK\$766.6 million

- Part of 26-km long HK section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link running from West Kowloon to Shenzhen
- Design, supply, installation and removal of strut and walers
- Cofferdam excavation of cut and cover tunnels and emergency rescue sidings
- Construction of temporary bridge
- Expected completion between 2014 to 2016



FY2013 Financial Performance

FY2013 Financial Performance

	FY2013	FY2012	Change (%)
Revenue (S\$'m)	361.6	301.6	19.9
Gross Profit (S\$'m)	38.1	75.9	(49.7)
Gross Profit Margin (%)	10.5	25.2	(58.3)
Profit after Tax (S\$'m)	5.5	43.5	(87.3)
EPS (Basic) (Singapore cents) ⁽¹⁾	0.44	3.45	(87.2)
NAV per Share (Singapore cents) ⁽²⁾	24.98	25.60	(2.4)
ROE (%)	1.3	15.9	(91.8)
<p>⁽¹⁾ EPS per share was computed based on the weighted average number of shares of 1,265,446,253 for FY2013 (FY2012: 1,260,076,369)</p> <p>⁽²⁾ NAV per share as at December 31, 2013 and December 31, 2012 respectively</p>			

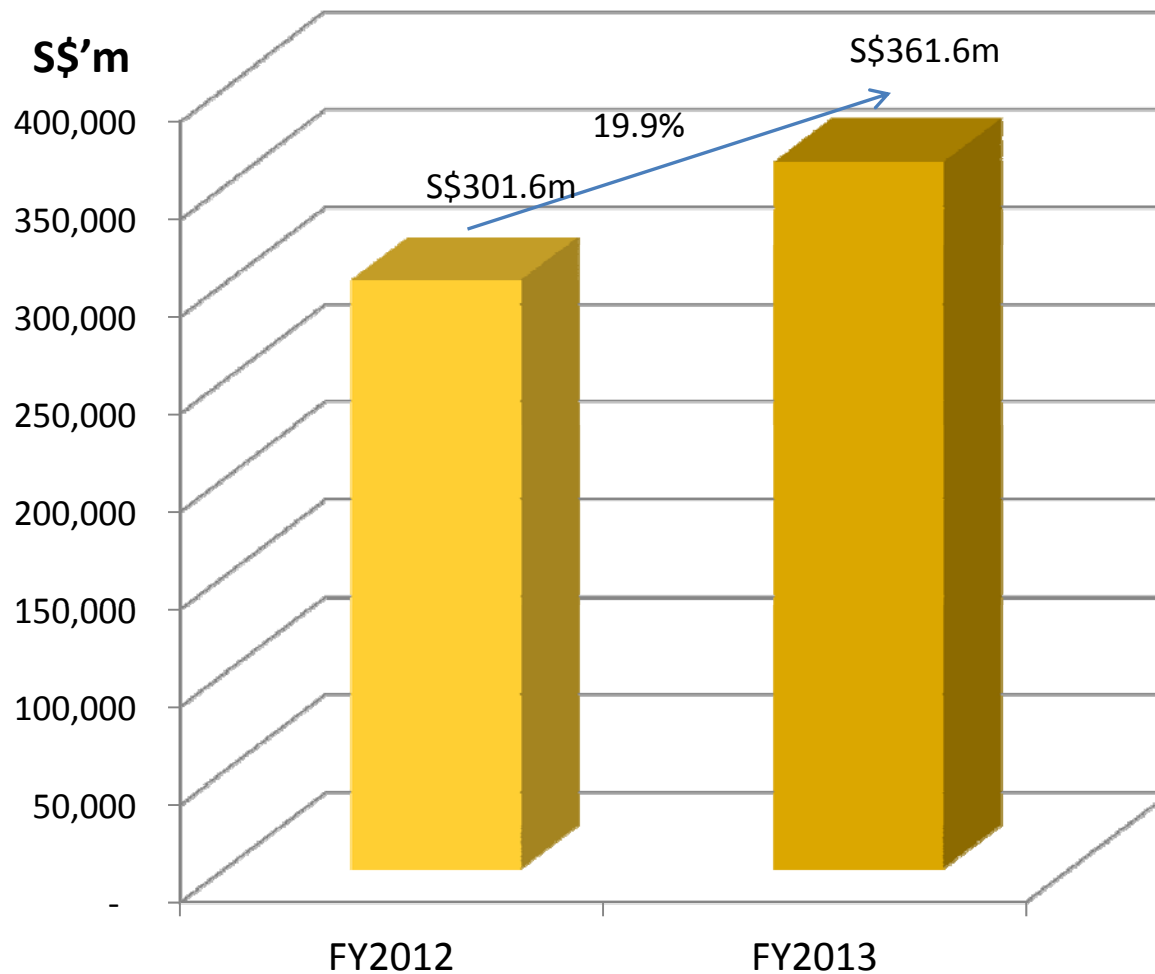
Year ended December 31

FY2013 Financial Performance

	Dec 31 2013	Dec 31 2012	Change (%)
Net Work-In-Progress (S\$'m)	116.3	75.7	53.6
Debtors (S\$'m)	36.7	44.6	(17.8)
Cash (S\$'m)	14.9	11.2	33.0
Borrowings (S\$'m)	182.6	119.4	52.9
Net Borrowings (S\$'m)	167.7	108.2	55.0
Gearing (times)	0.53	0.33	60.6
Shareholders' Funds (S\$'m)	316.4	323.1	(2.1)

Year ended December 31

FY2013 Financial Performance



Revenue

FY2013 Revenue increased 19.9%

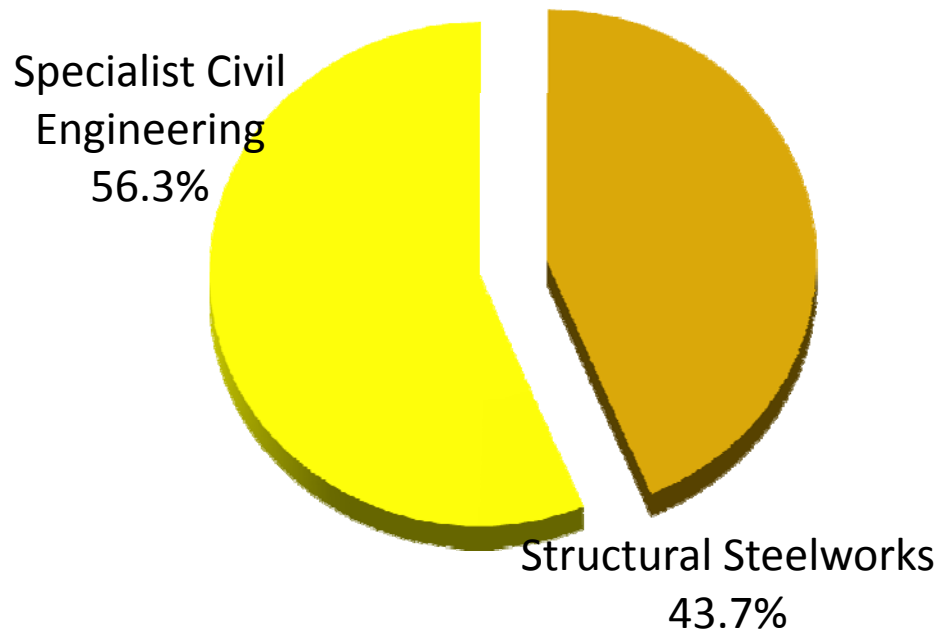
- Structural Steelworks increased from S\$131.7 million in FY2012 to S\$214.5 million in FY2013 mainly due to:
 - Singapore Sports Hub
 - National Art Gallery
 - Market Street Redevelopment
 - South Beach Development
 - Belt Conveyor Structure (Malaysia)
- Specialist Civil Engineering decreased from S\$169.7 million in FY2012 to S\$147.0 million in FY2013 mainly due to:
 - Substantial completion of contracts for Marina Coastal Expressway in FY2012

Year ended December 31

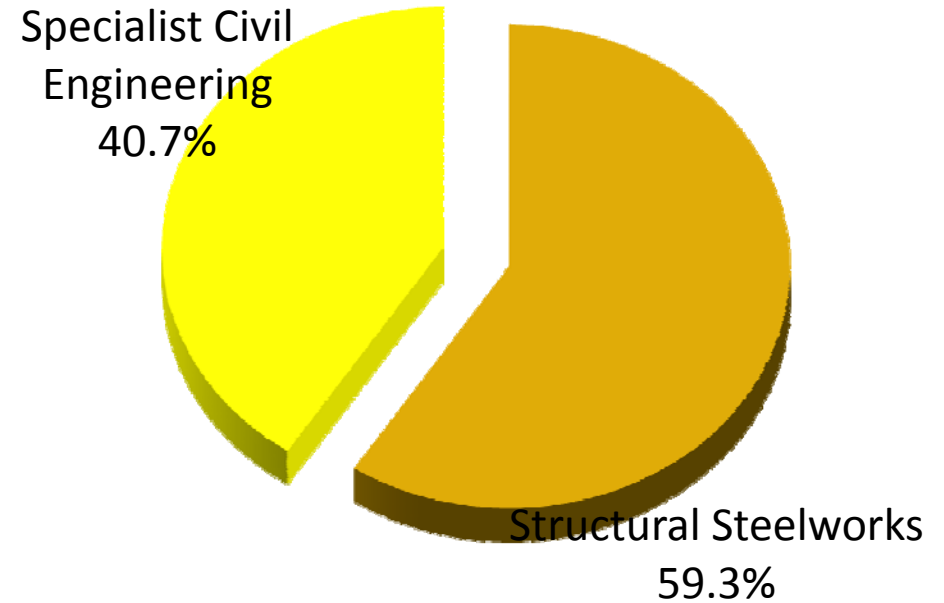
FY2013 Financial Performance

Revenue by Business Segment

FY2012

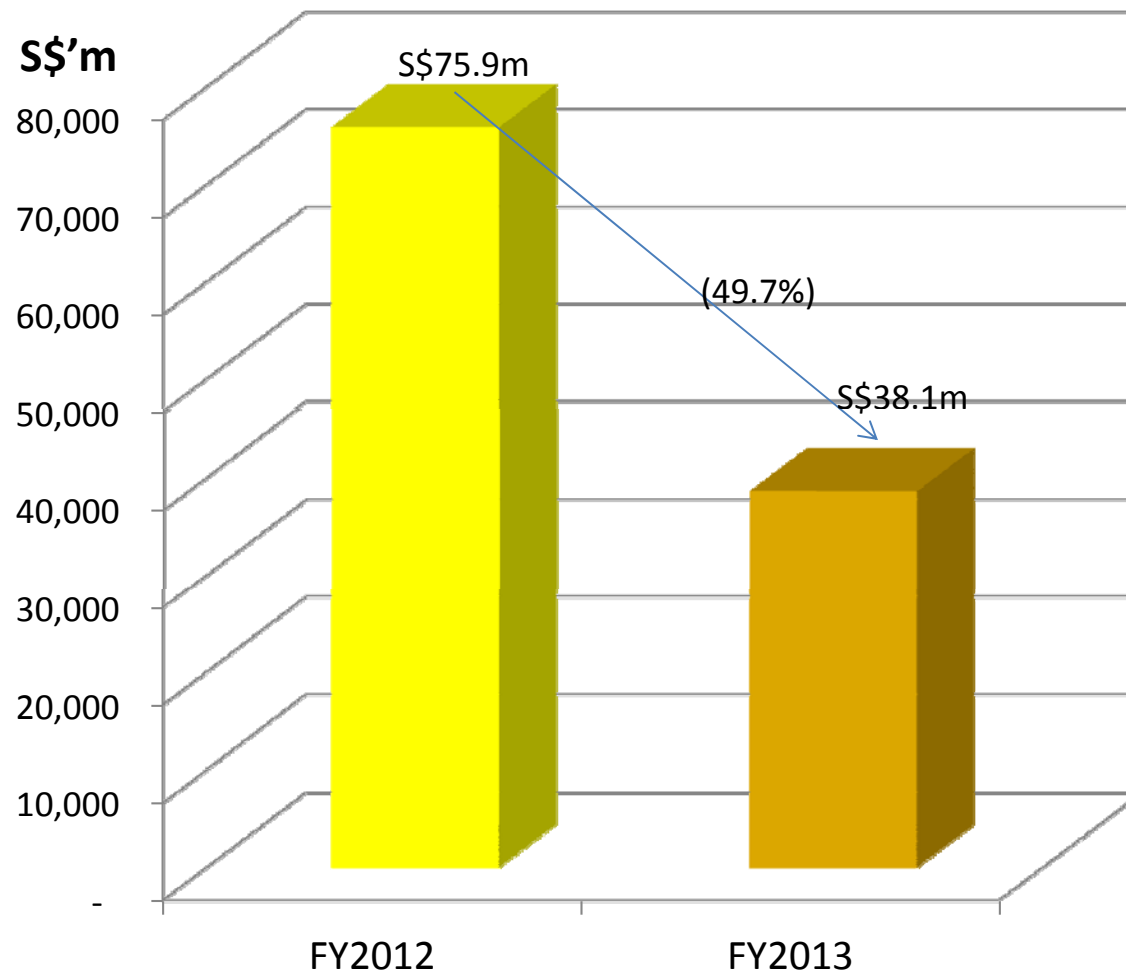


FY2013



Year ended December 31

FY2013 Financial Performance



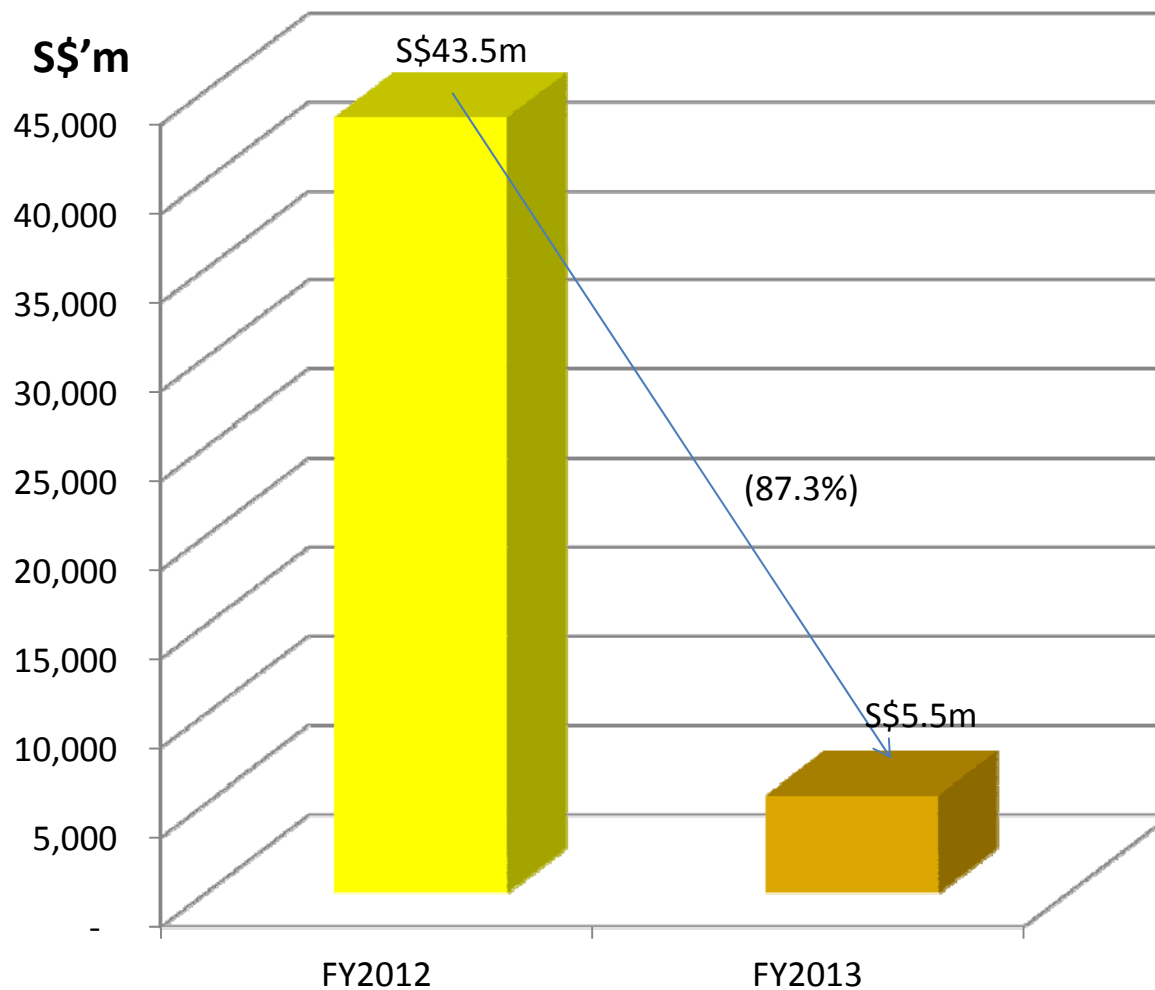
Gross Profit

FY2013 Gross Profit decreased 49.7%, due mainly to:

- lower revenue mix from higher margin Specialist Civil Engineering projects;
- projects have lower margins compared to previous years; and
- cost overruns for 3 Structural Steelwork projects

Year ended December 31

FY2013 Financial Performance



Profit after Tax

Profit after Tax decreased by 87.3% in FY2013 due to:

- erosion of Gross Profit;
- non-recurring loss on disposal of fixed assets of S\$8.1 million; and
- provision on exposure to Alpine Bau GmbH (main contractor for MRT Downtown Line 2 project)

Year ended December 31

FY2013 Financial Performance

Order Book

Order book of S\$340 million as at December 31, 2013

- Structural Steelworks Vs Specialist Civil Engineering – 69:31
- 54% expected to complete in FY2014

Prospects and Market Outlook

Market Prospects: Singapore

Robust performance in 2013 to continue in 2014⁽¹⁾ :

- The construction sector grew by 4.7% year-on-year for the fourth quarter of 2013 and expanded by about 5.5% in 2013;
- A strong construction demand of between \$31-38 billion is projected for 2014, anchored by public sector projects.

2015 and 2016 to see robust performance⁽¹⁾⁽²⁾:

- For 2015 and 2016, the average construction demand is projected to be a robust \$29-37 billion per annum
- Forecast down slightly from 2014 due to an expected slowdown in new housing projects to be announced in the year
- Spending however, is expected to remain relatively buoyant on the back of planned infrastructural projects as the Government strives to meet the needs of the population.

Major public sector projects in 2014 and beyond⁽³⁾ :

- Land Transport Authority's various construction contracts for the Thomson MRT Line and Tuas West Extension;
- Land Transport Authority's planned projects include Cross Island Line, Eastern Region Line, Jurong Region Line, Circle Line Stage 6, Downtown Line Extension and North East Line Extension.
- Land Transport Authority's planned expansion of the Kallang Paya Lebar Expressway and Tampines Expressway interchange

Sources:

(1) *Construction sector set for positive performance - The Business Times, 10 January 2014*

(2) *Business expectations of the construction sector - Building and Construction Authority, 27 Dec 2013*

(3) *Land Transport Authority of Singapore website, Public Transport Projects On The Horizon, <http://www.lta.gov.sg/content/ltaweb/en/public-transport.html>*

Market Prospects: Regional

- **Hong Kong / Macau:**

- Billions more expected to be spent on infrastructure as the city brings major projects on stream in the next few years – beyond the 10 major projects (HK\$250 billion) that were pushed through in the wake of the global financial crisis in 2008
- Major infrastructure projects:
 - Central-Wan Chai Bypass and Island Eastern Corridor Link (HK\$28.1 billion)
 - Third runway at Chek Lap Kok airport in 2014 (HK\$136.2 billion)
 - EFLS: rail link connecting Kai Tak with Kowloon Bay, Kwun Tong and Sha Tin to Central Link (HK\$12 billion)
- China's 12th 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.

- **India:**

- Plan for Rs 41 lakh cr. (US\$1 trillion) investment in infrastructure for India's 12th Five-Year Plan (2012 – 17)
- Targeted fields include power generation, national highways, railways, roads, ports, airports and telecommunications
- Delhi-Mumbai Industrial Corridor will involve a 1, 500km railroad network and the construction of 16 new industrial complexes
- India needs to modernize 39 airports and build 10 new ones

- **Middle East:**

- 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

- **Myanmar:**

- According to the McKinsey data, Myanmar could more than quadruple the size of its economy to over US\$200 billion by 2030, if it builds up basic infrastructure and diversifies its economy, estimating that Myanmar will need total infrastructure investment of US\$320 billion between 2010 and 2030

Potential Projects

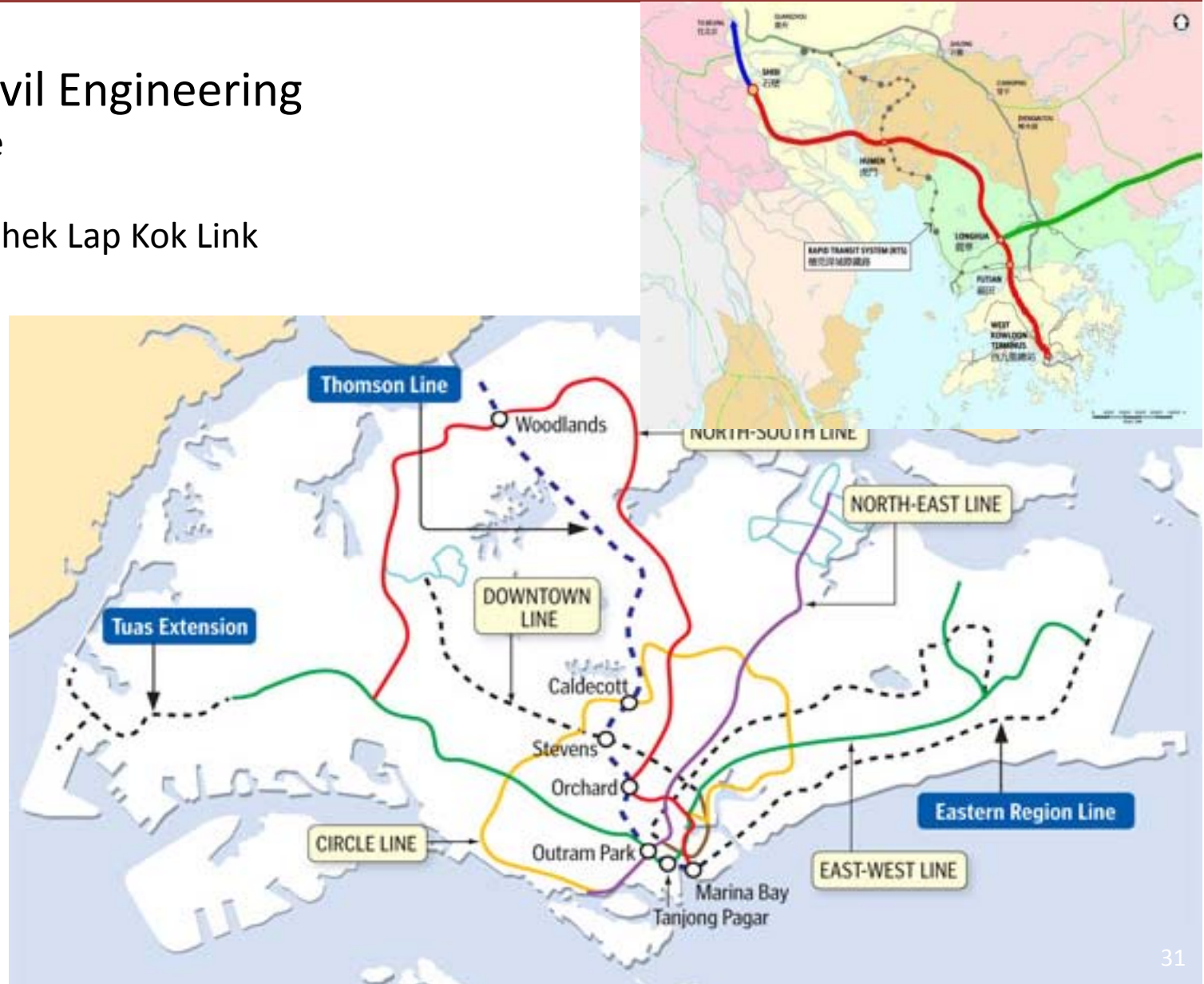
- Structural Steel

- Changi Airport Terminal 4
- Project Jewel, Changi Airport
- Commercial Developments
- Keels City Development
- Industrial Plants



Potential Projects

- Specialist Civil Engineering
 - Thomson Line
 - HK MTR
 - Tuen Mun – Chek Lap Kok Link



Potential Projects

• Structural Steelworks

Location	Expected Commencement	Government S\$'mil	Non-Government S\$'mil	Total S\$'mil
Singapore	2014	136.0	78.1	214.1
	2015	8.2	-	8.2
Overseas	2014	115.0	317.2	432.2
	2015	-	-	-
Total		259.2	395.3	654.5

• Specialist Civil Engineering

Location	Expected Commencement	Government S\$'mil	Non-Government S\$'mil	Total S\$'mil
Singapore	2014	168.5	-	168.5
	2015	316.3	-	316.3
Overseas	2014	21.0	-	21.0
	2015	70.0	-	70.0
Total		575.8	-	575.8

Projects announced by Government (not included above):

Qatar – Infrastructure

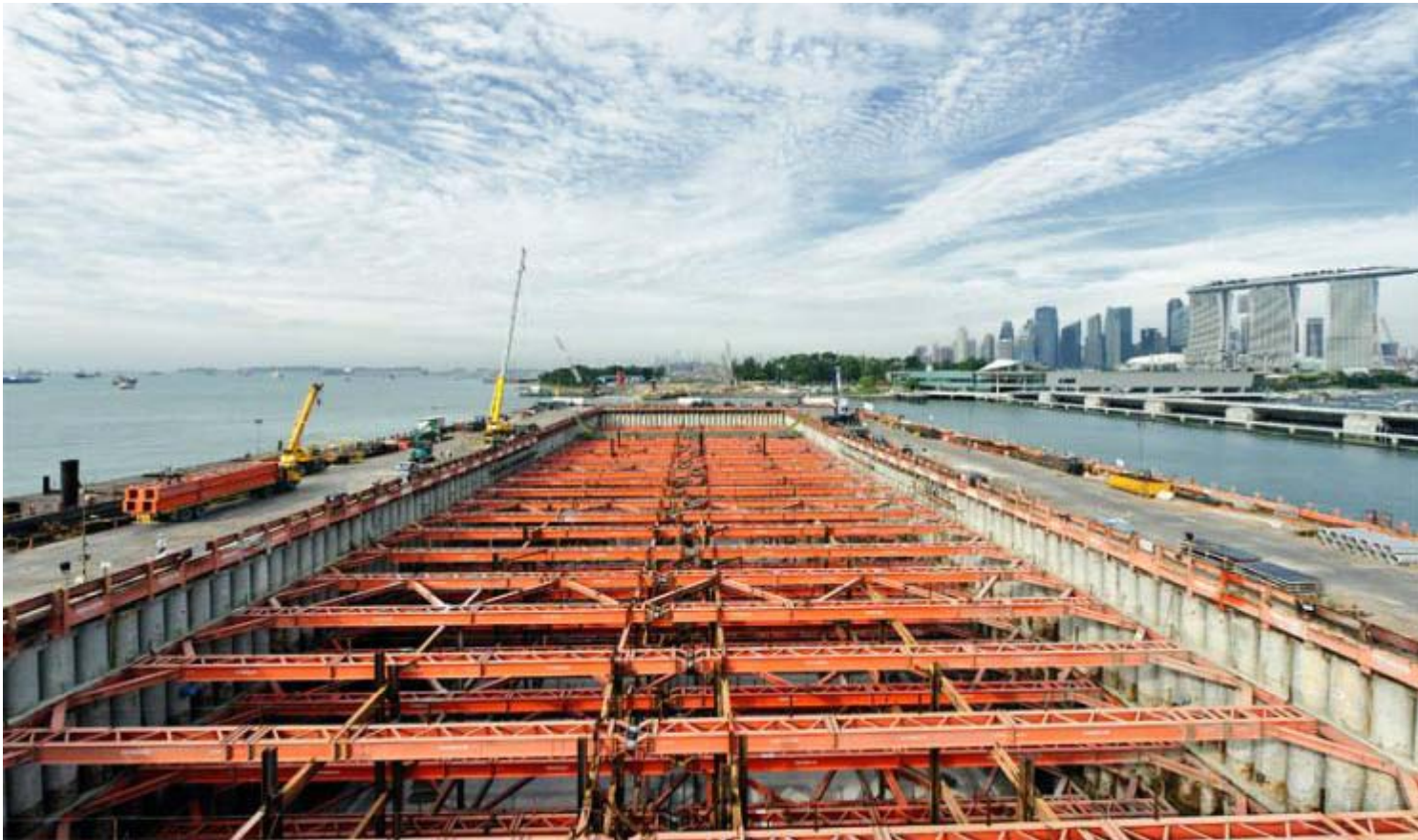
North-south Expressway

MRT Eastern Region Line

Growth Strategies and Plans

Growth Strategies and Plans

- Remain focused on the two core businesses – Structural Steel and Specialist Civil Engineering
- Pursue offshore structure projects and investment opportunities in infrastructure developments that complement our Structural Steel and Specialist Civil Engineering capabilities
- Leverage on established brand name and strong foothold in the Singapore market
- Continue to explore projects in Hong Kong, Malaysia, Indonesia, India, GCC countries and Europe



Thank You