



# **YONGNAM HOLDINGS LIMITED**

## **Corporate Presentation (1H 2020)**

**August 14, 2020**



# 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
- ISO 9001; ISO 14001; ISO 45001; EN 1090 certified



# Yongnam Holdings Limited

Excels in adding value to steel construction

## Long established relationships with major reputable contractors

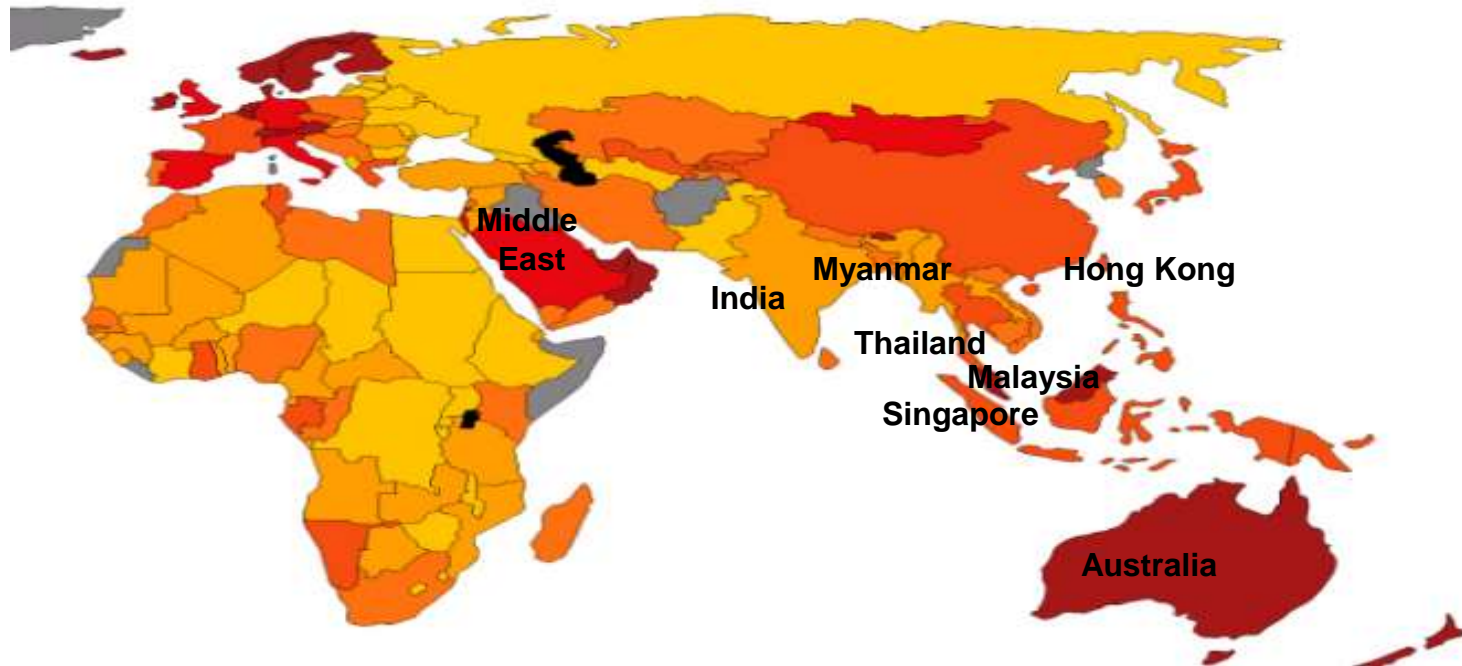
- Takenaka Corporation
- Taisei Corporation
- Obayashi Corporation
- Penta-Ocean Construction Co. Ltd
- Shimizu Corporation
- Kajima Asia Pacific Holdings Pte Ltd
- Dragages Singapore Pte Ltd
- Sembcorp Design & Construction Pte Ltd
- Samsung C&T Corporation
- Ssangyong E&C Co. Ltd
- Hyundai E&C Ltd
- GS E&C Corporation
- Daelim Industrial Co. Ltd
- Larsen & Toubro Ltd
- Leighton Contractors (Asia) Ltd (Singapore Branch)
- Daewoo E&C Co. Ltd
- Woh Hup (Private) Limited



# 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
- Egypt
- Australia



# Structural Steelworks

Adding structural and aesthetic value to buildings

## 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

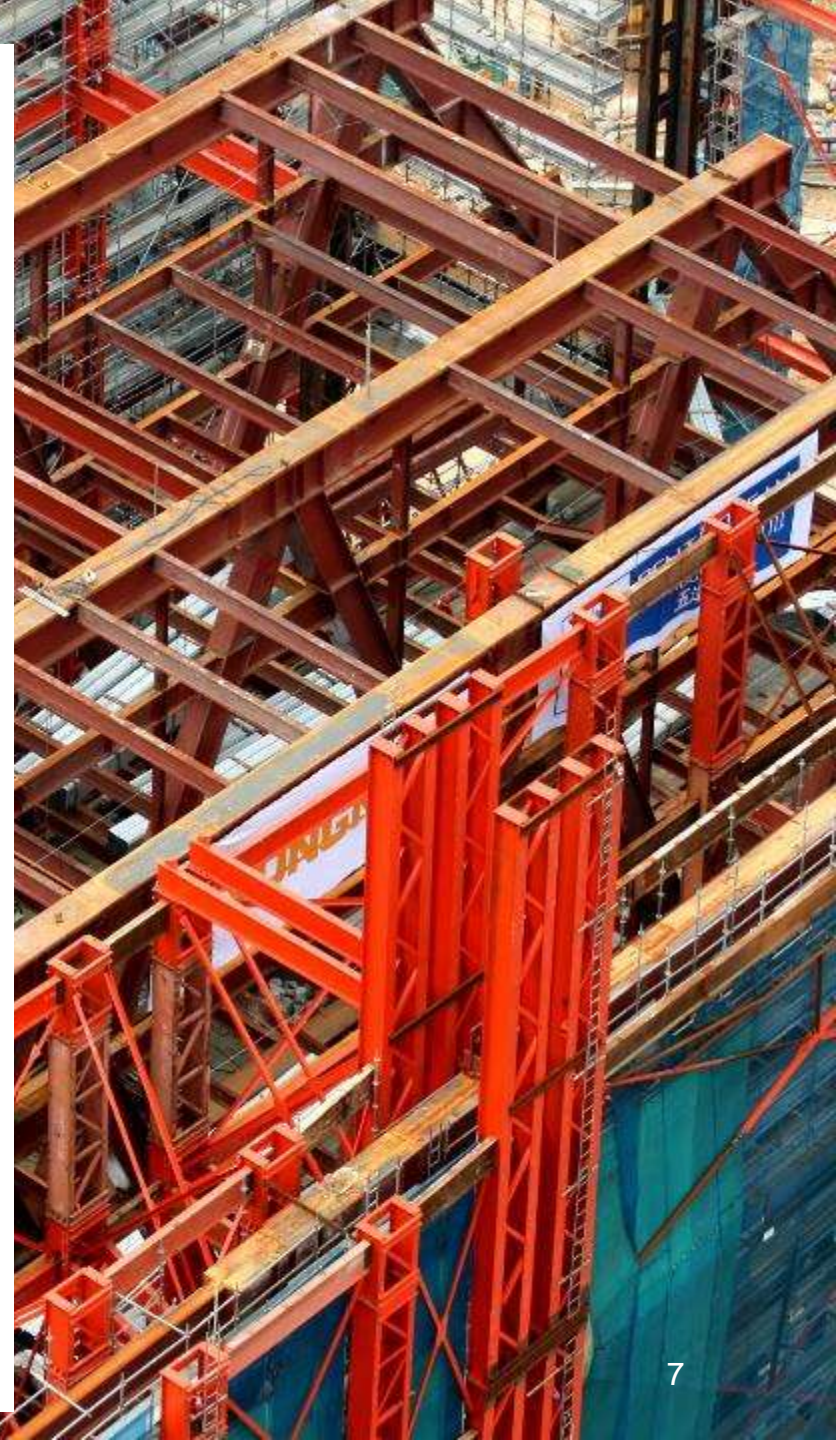


# Specialist Civil Engineering

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 178,000 tonnes of strutting assets and pipe piles
- Strong track record and high replacement cost of struts creates a significant barrier to entry
- A2 Grade in Civil Engineering from BCA Singapore



# Mechanical Engineering

Strong expertise of over forty years

## 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

## 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**, Kallang-Paya Lebar Expressway
- **Singapore**, Marina Coastal Expressway
- **Singapore**, MRT Thomson-East Coast Line
- **Singapore**, MRT Downtown Line
- **Singapore**, MRT Circle Line
- **Singapore**, MRT Northeast Line
- **Singapore**, MRT East-west Line
- **Singapore**, MRT North-south Line
- **Singapore**, MRT North-south Line Extension
- **Hong Kong**, Mass Transit Rail
- **Hong Kong**, Express Rail Link
- **Middle-east**, Dubai Metro

### High Rise Buildings & Iconic Structures

- Jewel Changi Airport
- Marina One
- 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
- National Gallery
- Capita Green

### 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

## Project Showcase

**Yongnam was involved in the development of Marina One, Marina Bay Sands Integrated Resort, Gardens by the Bay, CCRC, Singapore Sports Hub and Jewel Changi Airport:**



Marina One



Skypark



Gardens by the Bay



CCRC



Sports Hub



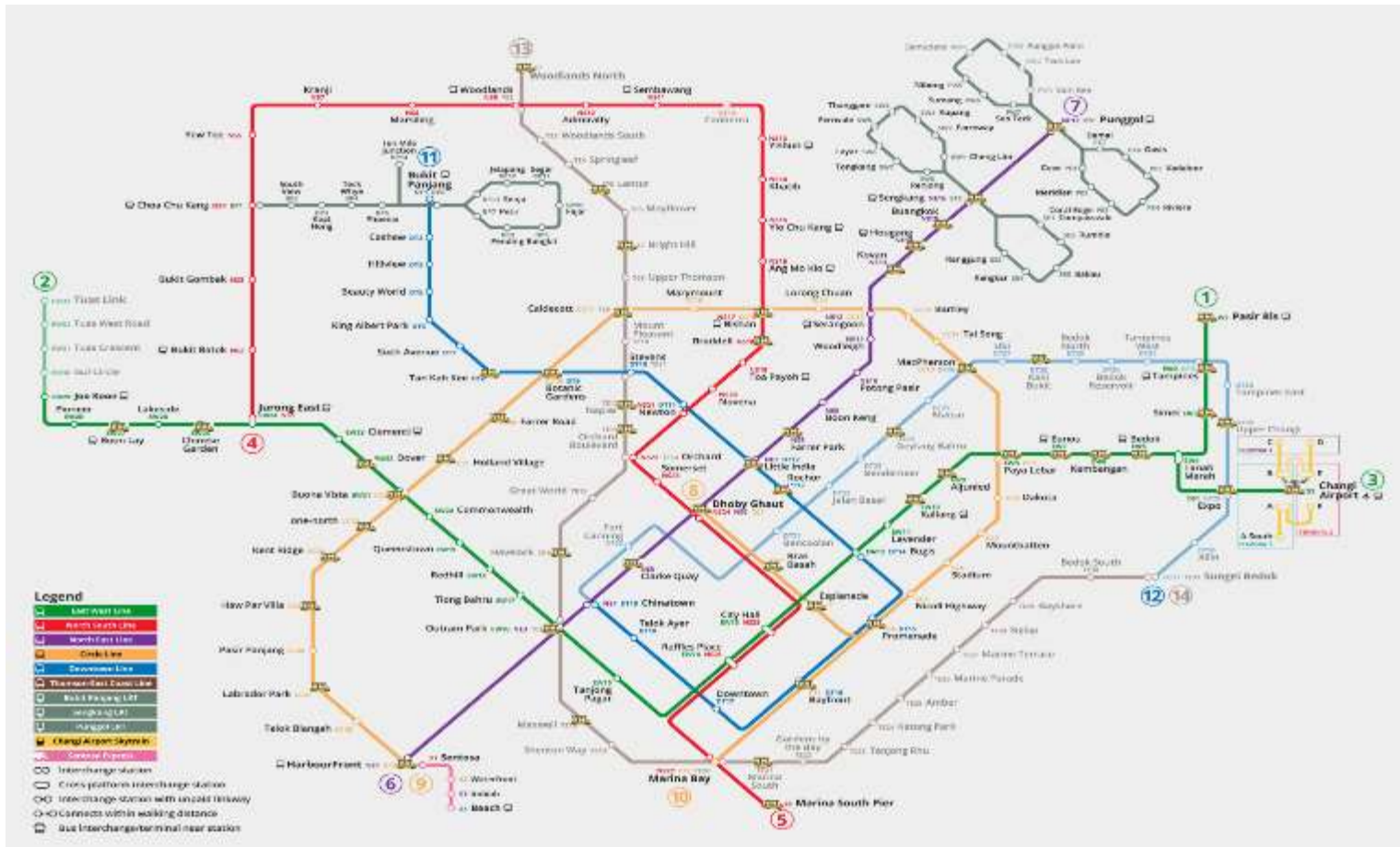
Jewel Changi Airport



# 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 (Singapore)

## Key On-Going Projects

### North-South Corridor Project (N103 contract)

**Project Value:** \$555.7 million

**Date of Award:** May 2018, JV (30%)

**Completion Date:** Expected 2026

**Scope of Work:** Design and construction works includes 640 metres of twin, three-lane vehicular tunnels, the underpinning of an existing expressway flyover, a new facility building as well as an entrance ramp and an exit ramp.



# Current Portfolio (Singapore)

## Key On-Going Projects

### JTC Logistics Hub

**Project Value:** \$54.5 million

**Date of Award:** August 2017

**Completion Date:** Expected 4Q2020

**Scope of Work:** Supply, fabricate and erect balance structural steelwork and install alternative steel system



# Current Portfolio (Singapore)

## Key On-Going Projects

### MRT Thomson Line (3 contracts)

Project Value: \$98 million

#### Key Projects Description:

- **C217 (4Q2020):** Installation and removal of steel struts for Napier Station
- **C227 (1Q2021):** Installation and removal of pipe pile cofferdam, steel struts and decking for Marina South Station





# Current Portfolio (Singapore)

## Key On-Going Projects

### Light industrial and commercial building for JTC Corporation

<b>Project Value:</b>	\$14.5 million
<b>Date of Award:</b>	August 2018
<b>Completion Date:</b>	Expected 4Q2020

**Scope of Work:** Supply, fabrication, delivery and erection of structural steelwork for a nine-storey light industrial and commercial building for JTC Corporation at the junction of Woodlands Avenues 4 and 9



# Current Portfolio (Singapore)

## Key On-Going Projects

### Subcontracts for North-South Corridor (Total 4 subcontracts)

**Project Value:** \$76.6 million

**Completion Date:** Expected 4Q2024

**Scope of Work:** Supplying steel struts and strutting components for Temporary Earth Retaining Systems used in the North-South Corridor development



# Current Portfolio (Singapore)

Key On-Going Projects

## Subcontracts for Changi East development

(Total 2 Subcontracts)

**Project Value:** \$96.9 million

**Completion Date:** Expected 2Q2024

**Scope of Work:** Supplying steel struts and strutting components for Temporary Earth Retaining Systems used in infrastructural developments in Changi East



# Current Portfolio (Singapore)

Key On-Going Projects – Recent Awards

## Singapore General Hospital H9A

**Project Value:** \$12.0 million

**Completion Date:** Expected 4Q2021

**Scope of Work:** Supply, fabricate, Deliver and Erect structural steelwork for the proposed erection of 12-storey health and medical care development with administrative office and 4 basements with mechanical plant rooms and carparks at SGH.



# Current Portfolio (Singapore)

Key On-Going Projects – Recent Awards

## Construction of underground infrastructure for Changi MRT Contract T316

**Project Value:** \$10.7 million

**Completion Date:** Expected 4Q2023

**Scope of Work:** Supply, fabricate, install and dismantle sheet piles, soldier piles and steel struts, and supply, fabrication and delivery of double kingpost



# Current Portfolio (Singapore)

Key On-Going Projects – Recent Awards

## Punggol Regional Sports Centre

**Project Value:** \$29.6 million

**Completion Date:** Expected 2022

**Scope of Work:** Supply, fabricate, Deliver and Erect structural steelwork



# Current Portfolio (Singapore)

Key On-Going Projects – Recent Awards

## Jurong Region Line (J109)

**Project Value:** \$320.4 million

**Completion Date:** Expected 2026

**Scope of Work:** Design and construction of Toh Guan Station, Jurong Town hall Station, Pandan Reservoir Station and associated entrances, as well as a 3,600 metres elevated viaduct



# Current Portfolio (Hong Kong)

## Key On-Going Projects

### HK MTR Extension

**Project Value:** HK\$58 million (1 contract)

**Completion Date:** Expected 3Q2020

**Project Description:**

- MTR Extension: Shatin-Central Link

**Scope of work:**

- Design, supply, installation and removal of strut and waling system to access shafts





# Current Portfolio (Hong Kong)

## Key On-Going Projects

### Transport Infrastructure

**Project Value:** HK\$212 million (4 Contracts)

**Completion Date:** Progressively until 2024

**Project Description:**

- Tseung Kwon O – Lam Tin Tunnel
- HKIA C3302
- HKIA Intermodal Transfer Terminal Building
- Central Kowloon Route – Yau Ma Tei East

**Scope of work:**

- Supply, installation and removal of strut and walers for reinforced concrete structural works
- ELS and decking beam for traffic deck at cut-and-cover tunnel and access shaft



# Current Portfolio (Hong Kong)

Key On-Going Projects – Recent Awards

## Residential development in Hong Kong

**Project Value:** HK\$59 million (1 contract)

**Completion Date:** Expected 4Q2023

**Project Description:**

- Residential development jointly developed by Sun Hung Kai Properties and MTR

**Scope of work:**

- Design, supply, installation and removal of earth lateral support (ELS) work



# Current Portfolio (Australia)

## Key On-Going Projects

### Supply contracts for infrastructure projects in Australia

<b>Project Value:</b>	\$82.5 million
<b>Date of Award:</b>	January 2019
<b>Completion Date:</b>	Expected 1Q2024

**Scope of Work:** Supplying steel struts and strutting components for Temporary Earth Retaining Systems used in infrastructural developments in Melbourne, Victoria, Australia



# Current Portfolio (India)

## Key On-Going Projects

### Roof structure for new Passenger Terminal Building for Bangalore International Airport

<b>Project Value:</b>	\$15.0 million
<b>Date of Award:</b>	May 2019
<b>Completion Date:</b>	Expected 4Q2020

**Scope of Work:** Supply, fabrication, delivery and erection of structural steelwork for roof of Terminal 2, Kempegowda International Airport, Bangalore





# Financial Performance (1H FY2020)



# Key Financial Highlights

## 1H FY2020 Financial Performance

	1H FY2020	1H FY2019	Change (%)
Revenue (\$'m)	59.9	101.6	(41.1)
Gross Loss (\$'m)	(9.9)	(1.5)	(554.2)
Loss after Tax (\$'m)	(20.9)	(13.0)	(61.1)
EPS (Basic) (Singapore cents) <sup>(1)</sup>	(4.05)	(2.37)	(70.9)
NAV per Share (Singapore cents) <sup>(2)</sup>	34.3	38.2	(10.4)
<p><sup>(1)</sup> EPS per share was computed based on the weighted average number of shares of 522,602,931 for 1H FY2020 (1H FY2019: 522,602,931)</p> <p><sup>(2)</sup> NAV per share as at June 30, 2020 and December 31, 2019 respectively</p>			

# Key Financial Highlights

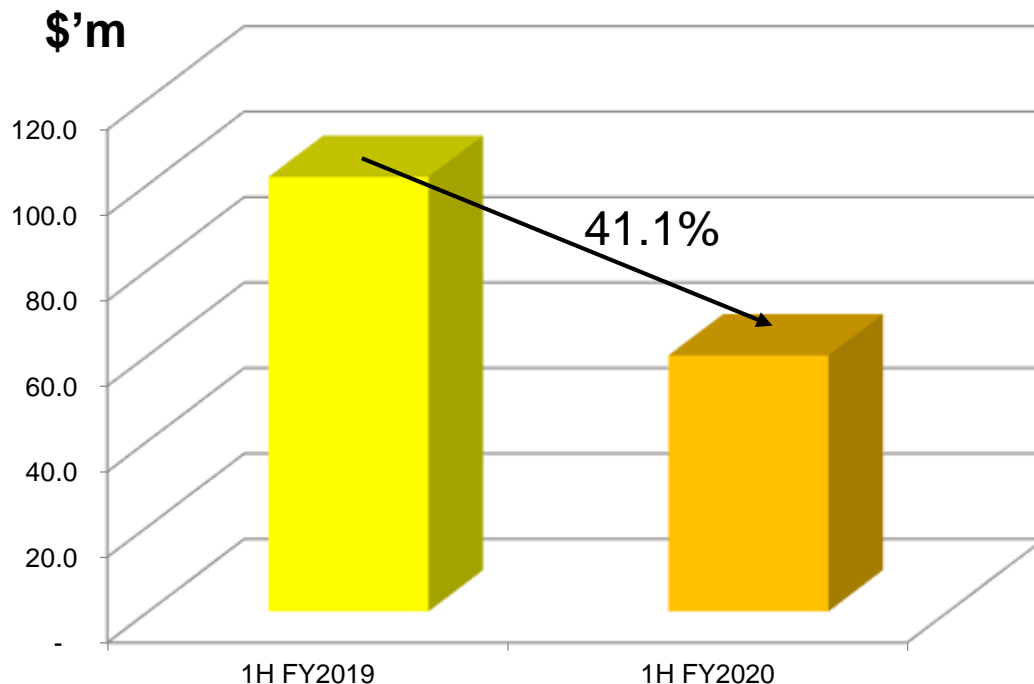
1H FY2020 Financial Performance

	Jun 30 2020	Dec 31 2019	Change (%)
Net Contract Assets (\$'m)	32.6	50.4	(35.3)
Debtors (\$'m)	13.2	21.9	(39.8)
Cash (\$'m)	9.6	9.1	5.1
Borrowings (\$'m)	112.1	122.9	(8.8)
Net Borrowings (\$'m)	102.5	113.8	(9.9)
Gearing (times)	0.60	0.60	-
Shareholders' Funds (\$'m)	179.1	199.9	(10.4)

# Key Financial Highlights

## 1H FY2020 Financial Performance – Revenue Analysis

**1H FY2020 Revenue fell by 41.1% mainly due to Circuit Breaker measures taken since 7 Apr 2020 to contain the spread of COVID-19**



### Specialist Civil Engineering

- Revenue fell by 31.7% from \$43.4m in 1H FY2019 to \$29.7m in 1H FY2020
- Key contributing projects in 1H FY2020 include:
  - MRT Thomson-East Coast Line
  - MRT Circle Line
  - Changi T5
  - Infrastructural developments in Australia and Hong Kong

### Structural Steelwork

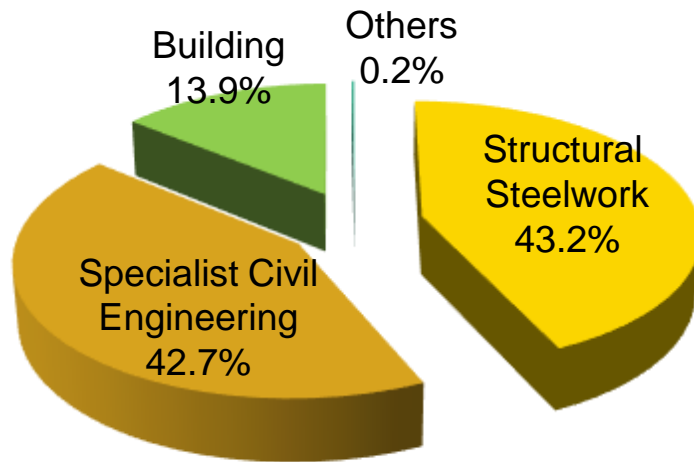
- Revenue fell by 36.2% from \$43.9m in 1H FY2019 to \$28.0m in 1H FY2020
- Key contributing project in 1H FY2020 include:
  - JTC Logistics Hub
  - JTC North Coast Development
  - Shimano Factory
  - Bangalore International Airport, India



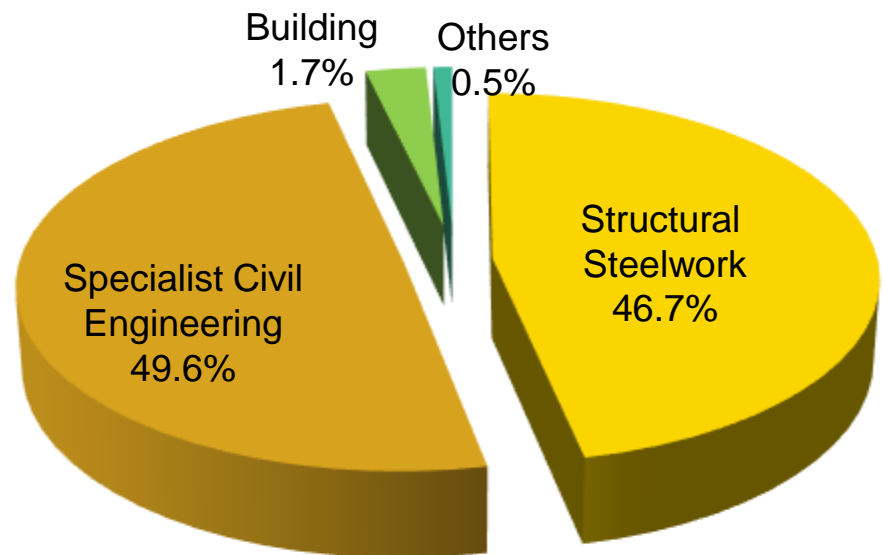
# Key Financial Highlights

1H FY2020 Financial Performance – Breakdown by Business Segment

## 1H FY2019



## 1H FY2020

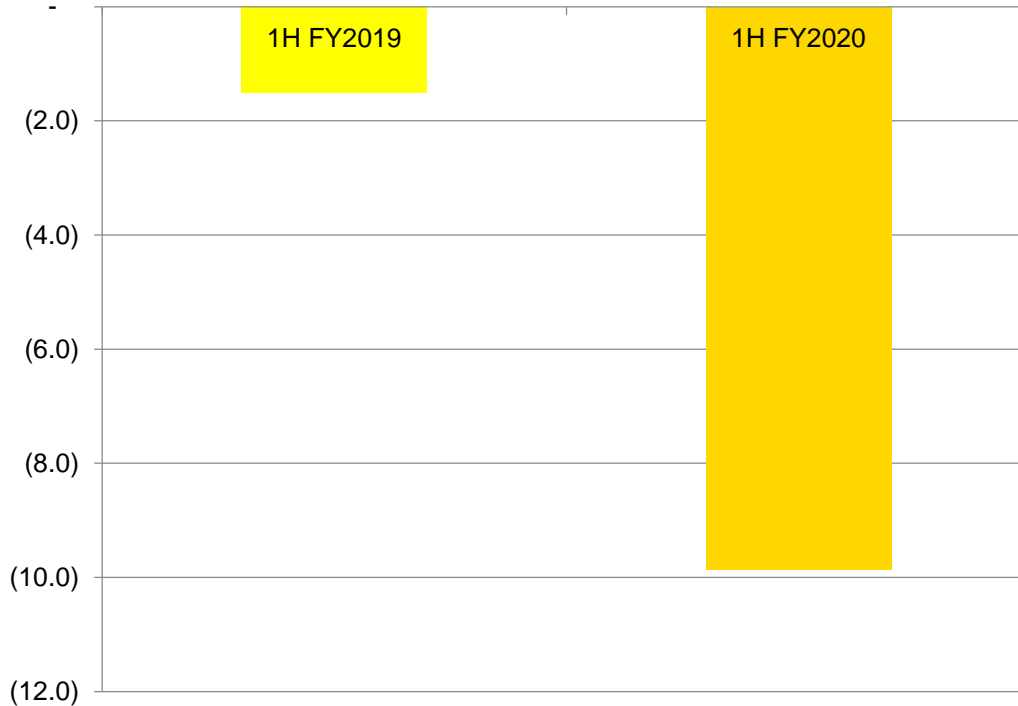


# Key Financial Highlights

1H FY2020 Financial Performance – Gross Loss

## Gross loss of \$9.9 million for 1HFY2020

\$'m



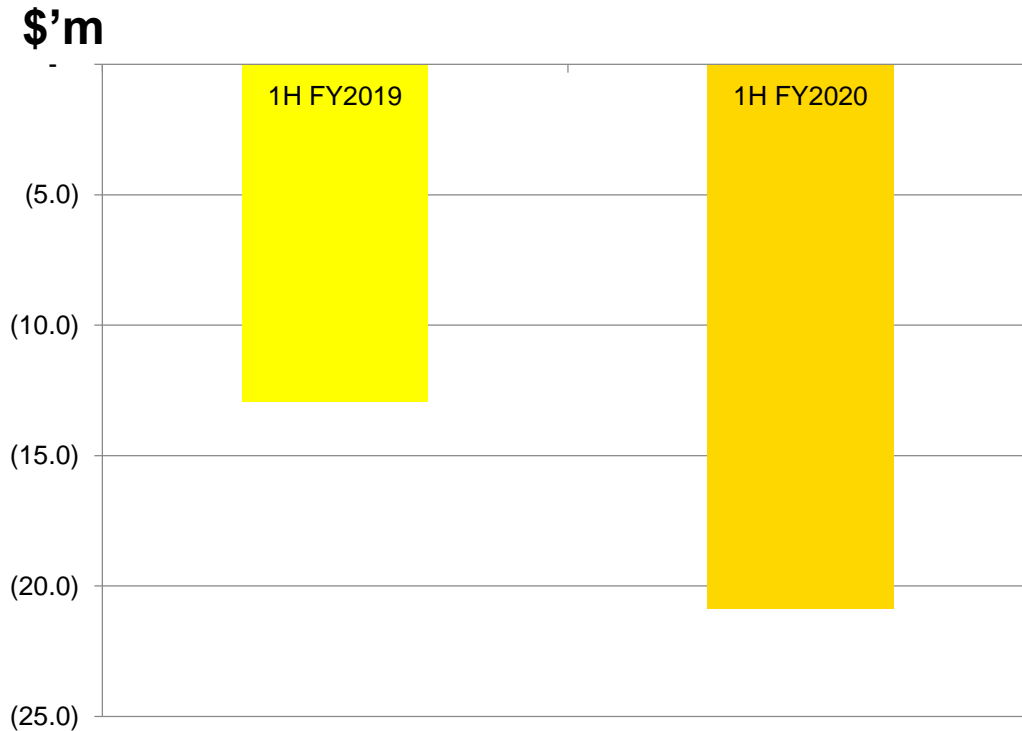
### Gross Loss

Gross loss increased from \$1.5 million to \$9.9 million as a result of lower revenue.

# Key Financial Highlights

1H FY2020 Financial Performance – Loss after Tax

## Loss after Tax of \$20.9 million for 1H FY2020



### Loss after tax

The higher gross loss was partially cushioned by lower general and administrative expenses and staff cost as a result of government grants meant to defray manpower cost, and a reduction in other operating expenses during the Covid-19 pandemic.

# Key Financial Highlights

## Order Book

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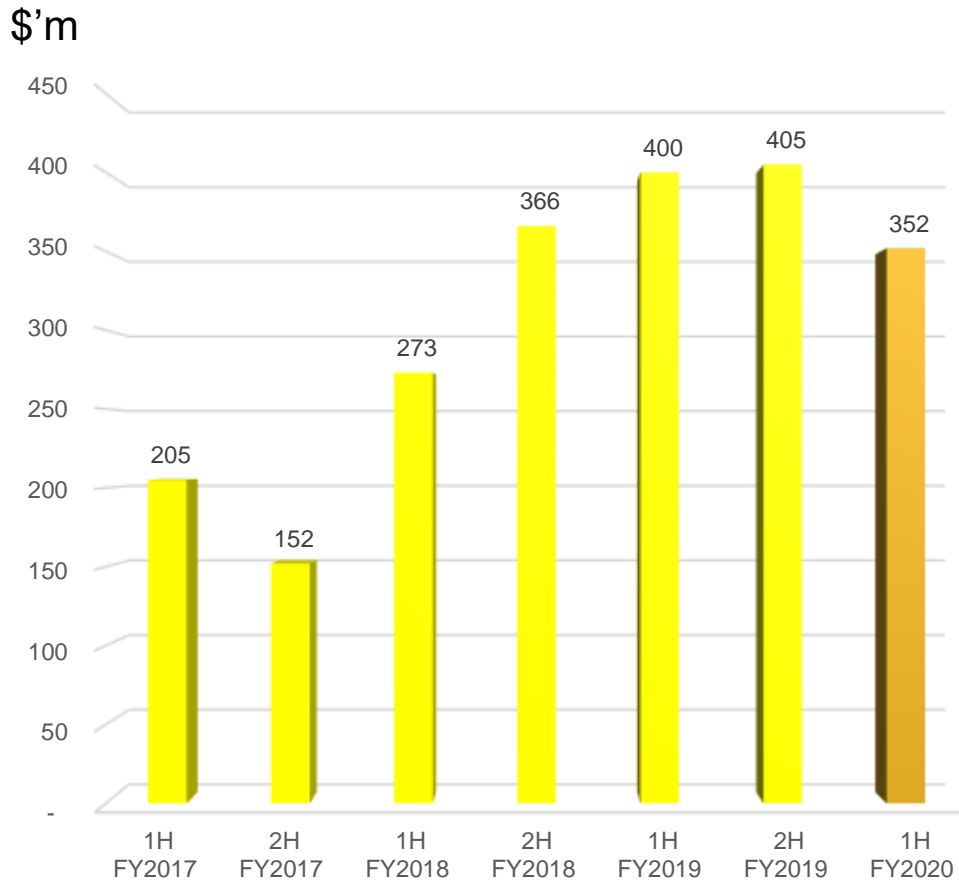
**As at 30 June 2020, the Group's order book stands at approximately \$352 million**

- Structural Steelworks: 11.6%
- Specialist Civil Engineering: 49.3%
- Main Contractor: 39.1%



# Key Financial Highlights

## Order Book - Trend



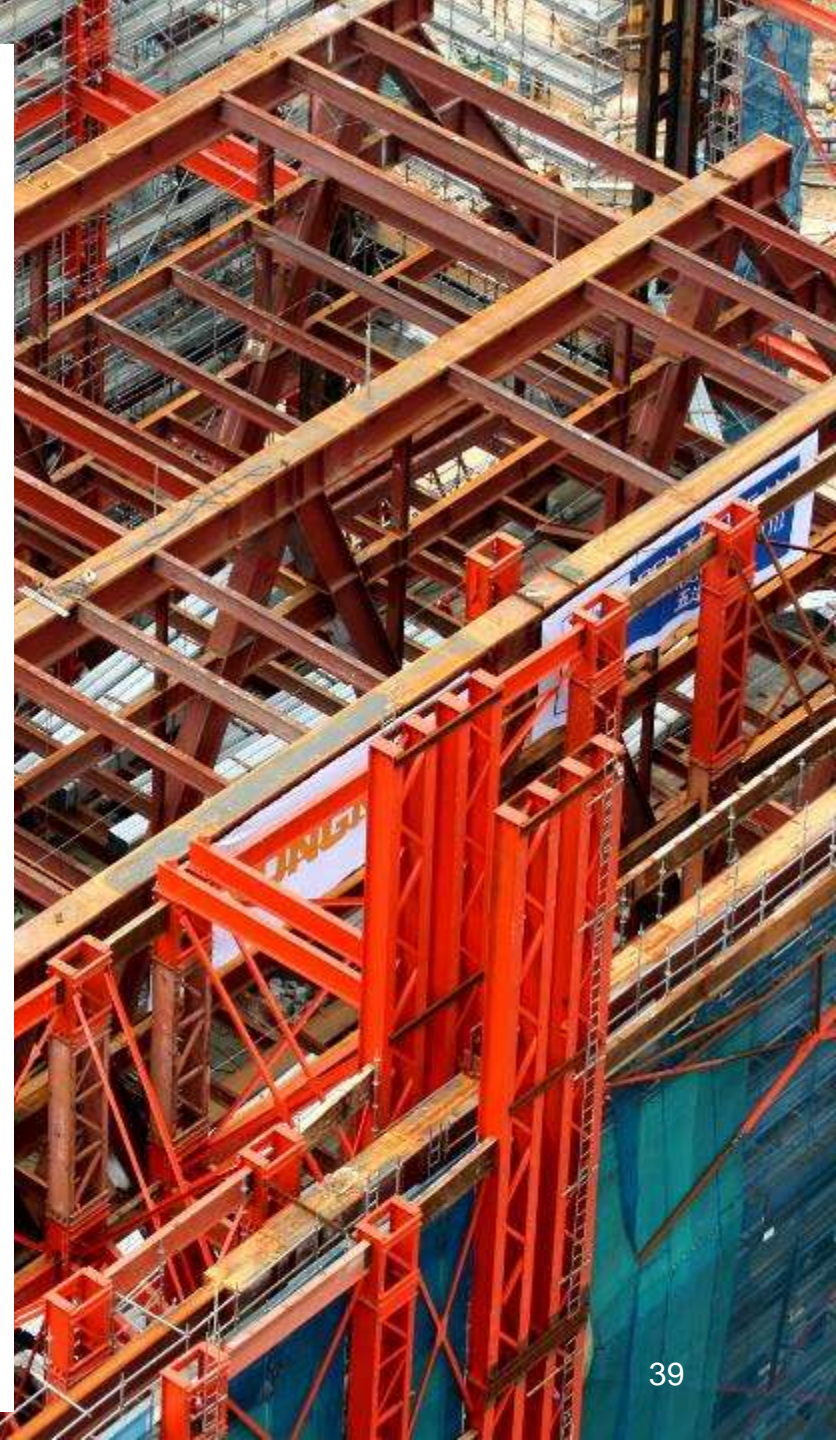
# Growth Strategies and Plans



# Strategies and Plans

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- Continuous review of the Group's cost structure to further manage costs and achieve better efficiencies
- 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, Thailand, Malaysia, Myanmar, the Philippines, Vietnam, India, GCC countries and Australia
- Selectively pursue Civil and Building projects as main contractor on JV basis





# Prospects and Market Outlook





# Market Prospects

Singapore

## Construction industry to be supported by public sector projects<sup>(1)</sup>:

- Projected total value of construction contracts to be awarded in 2020 to reach between \$28.0 billion and \$33.0 billion
- Public sector projects to account for an estimated 60% of the total construction demand, amounting to between \$16.5 billion and \$19.5 billion, supported by major infrastructure projects and a pipeline of major industrial building projects

## Construction demand to hold steady from 2021 to 2024<sup>(1)</sup>:

- Projected to reach between \$27 billion and \$34 billion per annum for 2021 and 2022, and could increase to between \$28 billion and \$35 billion per annum for 2023 and 2024
- Public sector will continue to lead construction demand and is expected to contribute between \$16 billion and \$20 billion per annum from 2021 to 2024
- Over the medium term, public construction demand to be supported by big infrastructure projects including: Cross Island Line, developments at Jurong Lake District and Changi Airport Terminal 5.



Source:

(1) Singapore's construction demand for 2020 expected to remain strong, January 8, 2020



# Market Prospects

Singapore

## Construction sector significantly weakened in 2Q2020 due to Circuit Breaker<sup>(1)</sup>:

- The construction sector contracted by 54.7% in 2Q2020, a significant deterioration from the 1.1% decline in 1Q2020
- Construction output weakened due to Circuit Breaker measures and manpower disruptions due to COVID-19 containment measures

## Resumption of Johor Bahru – Singapore Rapid Transit System Link Project<sup>(2)</sup>:

- The resumption of the Johor Bahru – Singapore Rapid Transit System (RTS) Link project was announced on 30 July 2020, following its suspension in 2019 at Malaysia's request. The targeted passenger service commencement date will be deferred from end 2024 to end 2026.

## Construction Support Package and Construction Restart Booster<sup>(3)</sup>:

- On 27 June 2020, the Government announced the \$1.36 billion Construction Support Package, which includes the \$525 million Construction Restart Booster which aims to help construction firms defray costs in procuring additional material/equipment to comply with COVID-Safe Worksite requirements to ensure works resume safely.

Sources:

(1) Singapore's GDP Contracted by 12.6 Per Cent in the Second Quarter of 2020 , July 14, 2020

(2) Joint Statement by Singapore and Malaysia on Resumption of the Johor Bahru – Singapore Rapid Transit System Link Project, Ministry of Transport, July 30, 2020

(3) Construction Restart Booster To Support Firms And Workers For Sector Restart –July 13, 2020



# Market Prospects

## Regional

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### Hong Kong:

#### Construction output for first quarter of 2020 falls by 6.5% <sup>(1)</sup>

- The total gross value of construction works performed by main contractors in the first quarter of 2020 decreased by 6.5% in nominal terms over a year earlier to \$52.3 billion
- After discounting the effect of price changes, the provisional results showed that the total gross value of construction works performed by main contractors decreased by 9.4% in real terms over the same period.

#### Disbursement of subsidies to construction industry under Anti-epidemic Fund<sup>(2)</sup>

- The Hong Kong Government has set aside \$710 million under the Anti-epidemic Fund to implement targeted measures to support the construction industry in combating the effects of COVID-19
- These measures include a subsidy of \$50,000 each to about 7,000 eligible contractors, subcontractors and consultants, as well as a subsidy of \$1,500 each to about 240 000 in-service construction workers



Sources:

(1) *Construction output for first quarter of 2020 – Government of Hong Kong, June 11, 2020*

(2) *Disbursement of subsidies to construction industry under Anti-epidemic Fund in progress, March 11, 2020*

# Market Prospects

## Regional

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### Hong Kong<sup>(1,2)</sup>:

- China's 13<sup>th</sup> Five-Year plan includes plans for infrastructure upgrades in Hong Kong, including trans-regional railways and highways systems
- Under Hong Kong's 2020-21 budget, the capital expenditure for infrastructure is projected to be HK\$78.3 billion
  - The 2020-2021 Land Sales Programme, comprising 15 residential sites and six commercial sites, will be expected to provide land supply for about 7,500 residential units and 830,000 square metres of commercial floor area.
  - In the next few years, the Hong Kong government expects annual capital works expenditure to exceed HK\$100 billion, and the annual total construction output to exceed HK\$300 billion
  - The expenditure covers the construction of public and private housing, implementation of hospital development and redevelopment projects, development and expansion of new towns and new development areas, as well as construction of a third runway for the airport



Sources:

(1) Commission on Strategic Development The National Five Year Plan – Opportunities for Hong Kong Special Administrative Region

(2) 2019-20 Budget, Government of Hong Kong, February 26, 2020

# Market Prospects

## Regional

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### Hong Kong<sup>(1,2,3)</sup>:

- **Strategic infrastructure projects under way in Hong Kong:**
  - Cross Bay Link, Tseung Kwan O
  - Kai Tak Development – major development project spanning a total planning area of over 320 hectares covering the ex-airport site together with the adjoining hinterland districts of Kowloon City, Wong Tai Sin and Kwun Tong
  - Tseung Kwan O – Lam Tin Tunnel
  - Wan Chai development phase II, engineering works
  - Ma On Shan development
  - Development of Lok Ma Chau Loop
  
- **Infrastructure projects under planning:**
  - New Development Areas (Kwu Tung North and Fanling North and Hung Shui Kiu)
  - Lantau Tomorrow – Development of the East Lantau Metropolis to be Hong Kong's third CBD
  - Expansion of HKIA to a three-runway system



*Sources:*

*(1) Commission on Strategic Development The National Five Year Plan – Opportunities for Hong Kong Special Administrative Region*

*(2) 2019-20 Budget, Government of Hong Kong, March 1, 2019*

*(3) Major projects, Civil Engineering and Development Department, July 18, 2019*

# Market Prospects

## Regional

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### India<sup>(1)</sup> (2):

- During the Union Budget of India 2020 – 2021, India's government launched the National Infrastructure Pipeline, of Rs 103 lakh crore (US\$1.44 trillion) which consists of more than 6,500 projects.
- The Indian government will provide about Rs 1.7 lakh crore for transport infrastructure in 2020 – 2021.
  - **Air:** 100 more airports to be developed under UDAAN, the Indian government's regional connectivity scheme



Sources:

(1) Budget 2020 - 2021, Government of India, Feb 1, 2020



# Market Prospects

## Regional

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### Myanmar<sup>(1,2,3)</sup>:

- The government unveiled the Myanmar Investment Promotion Plan (MIPP) in October 2018, which aims for Myanmar to become a middle-income country by 2030:
- In October 2018, China and Myanmar signed the China-Myanmar Economic Corridor (CMEC) agreement, a part of the BRI, to construct basic infrastructure across key economic centres in Myanmar
- Energy, transport and urban infrastructure will remain the mainstay of ADB operations, according to ADB's Myanmar Country Operations Business Plan 2019-2021
- Based on the Myanmar government's National Transportation Master Plan, approximately \$27 billion would be needed to improve the transport infrastructure until 2030
- According to the Asian Development Bank, Myanmar's GDP is expected to grow at 1.8% in 2020, surpassing the Southeast Asian average GDP growth of -2.7%

Sources:

- (1) Myanmar Investment Promotion Plan, Government of the Republic of the Union of Myanmar, Myanmar Investment Commission, 2018
- (2) Country Operations Business Plan Myanmar 2019-2021, Asian Development Bank, December 2018
- (3) Asian Development Outlook (ADO) 2020 Supplement – Asian Development Bank, 2020



# Market Prospects

## Potential Projects

### Structural Steelwork:

- MHA New Command Centre
- Jurong Regional Line
- Jurong Innovation District
- Other commercial developments and Industrial plants





# Market Prospects

## Potential Projects

### Specialist Civil Engineering:

- North-South Corridor
- Changi Airport Terminal 5
- HK MTR
- MRT Jurong Region Line



# Market Prospects

## Potential Projects

	Expected Commencement	Government \$'mil	Non-Government \$'mil	Total \$'mil
<b>Structural Steelwork</b>				
Singapore	2020	121.5	36.6	158.1
	2021	293.8	78.5	372.3
Overseas	2020	-	-	-
	2021	-	-	-
Total		415.3	115.1	530.4
<b>Specialist Civil Engineering</b>				
Singapore	2020	100.4	8.0	108.4
	2021	216.4	-	216.4
Overseas	2020	17.0	-	17.0
	2021	328.8	9.1	337.9
Total		662.6	17.1	679.7
<b>Mechanical Engineering, Design &amp; Build</b>				
Singapore	2020	-	-	-
	2021	-	-	-
Overseas	2020	-	-	-
	2021	-	-	-
Total		-	-	-
Grand Total		1,077.9	132.2	1,210.1



**Thank You!**

