

YHL
YONGNAM

YONGNAM HOLDINGS LIMITED
Corporate Presentation (FY2019)
February 28, 2020



Business Overview

YHL
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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






3


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)
- Woh Hup (Private) Limited



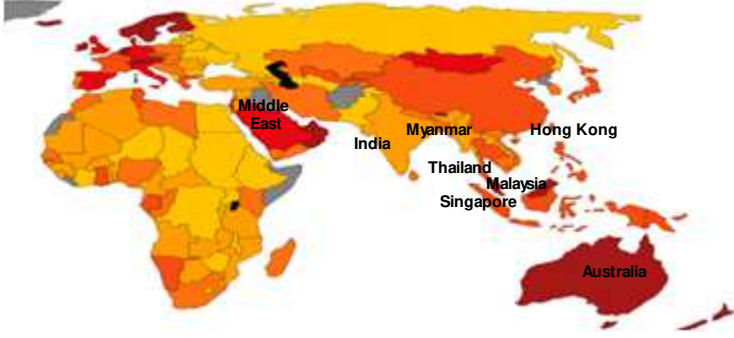


4

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



5

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





6

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 170,000 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

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





9

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





10

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


11


Our Experience

Project Show case


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


12

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



13

Current Portfolio (Singapore)

Key On-Going Projects

North-South Corridor Project (N103 contract)

Project Value: \$553.8 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 fly over, a new facility building as well as an entrance ramp and an exit ramp



14

Current Portfolio (Singapore)

Key On-Going Projects

JTC Logistics Hub

Project Value: \$43.1 million

Date of Award: August 2017

Completion Date: Expected 2Q2020

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





15

Current Portfolio (Singapore)


Key On-Going Projects


MRT Thomson Line (3 contracts)

Project Value: \$98 million

Key Projects Description:

- **C217 (1Q2020):** Installation and removal of steel struts for Napier Station
- **C227 (2Q2020):** Installation and removal of pipe pile cofferdam, steel struts and decking for Marina South Station





16

Current Portfolio (Singapore)

Key On-Going Projects – Recent Awards

Design and Build Project at Tampines Wafer Fab Park

Project Value:	\$31.8 million
Date of Award:	October 2018
Completion Date:	Expected 1Q2020

Scope of Work: Design and Build of a four-storey regional headquarters with mezzanine offices and a two-storey production facility for AAC Optics Solutions Pte. Ltd., located at the Tampines Wafer Fab Park





17

Current Portfolio (Singapore)

Key On-Going Projects – Recent Awards

Light industrial and commercial building for JTC Corporation

Project Value:	\$14.5 million
Date of Award:	August 2018
Completion Date:	Expected 3Q2020

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





18

Current Portfolio (Singapore)

Key On-Going Projects

Subcontracts for North-South Corridor (Total 4 subcontracts)

Project Value:	\$76.6 million
Completion Date:	Expected 3Q2024

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




19

Current Portfolio (Singapore)

Key On-Going Projects

Subcontracts for Changi East development (Total 2 Subcontracts)

Project Value:	\$96.9 million
Completion Date:	Expected 4Q2022

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




20

Current Portfolio (Hong Kong)

Key On-Going Projects

HK MTR Extension

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


Completion Date: 2Q2020


Project Description:

- MTR Extension: Shatin-Central Link

Scope of work:

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




21

Current Portfolio (Hong Kong)

Key On-Going Projects

Transport Infrastructure

Project Value: HK\$196 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




22

Current Portfolio (Australia)

Key On-Going Projects

Supply contracts for infrastructure projects in Melbourne, Victoria, Australia

Project Value:	\$71.6 million
Date of Award:	January 2019
Completion Date:	Expected 2Q2021

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



23



Current Portfolio (India)

Key On-Going Projects

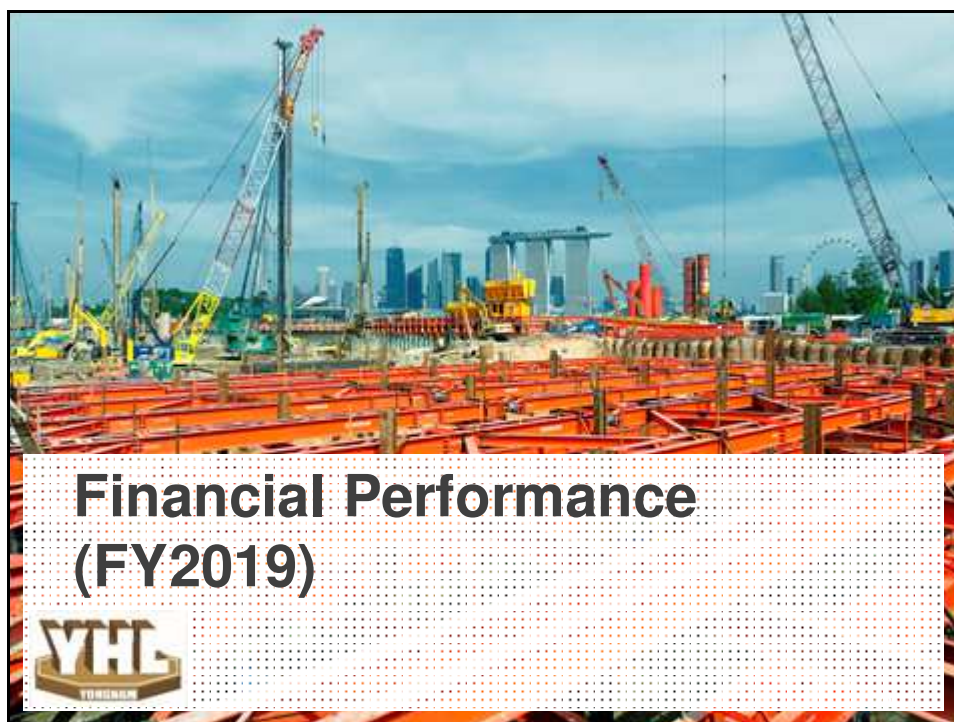
Roof structure for new Passenger Terminal Building for Bangalore International Airport

Project Value:	\$17.7 million
Date of Award:	May 2019
Completion Date:	Expected 2Q2020

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



24




Key Financial Highlights

FY2019 Financial Performance

	FY2019	FY2018	Change (%)
Revenue (\$'m)	205.1	161.4	27.1
Gross Loss (\$'m)	(13.7)	(45.9)	70.0
Loss before tax (\$'m)	(58.9)	(66.0)	10.9
Loss before tax (before exceptional items) (\$'m)	(39.3)	(66.0)	40.5
EPS (Basic) (Singapore cents) ⁽¹⁾	(10.15)	(10.52)	3.5
NAV per Share (Singapore cents) ⁽²⁾	38.38	48.57	(21.0)

⁽¹⁾ EPS per share was computed based on the weighted average number of shares of 522,602,931 for FY2019 (FY2018: 522,602,931)

⁽²⁾ NAV per share as at December 31, 2019 and December 31, 2018 respectively



26

Key Financial Highlights

FY2019 Financial Performance

	FY2019	FY2018	Change (%)
Net Contract Assets (S\$m)	59.2	48.5	22.0
Debtors (S\$m)	21.9	29.9	(26.6)
Cash (S\$m)	9.1	14.3	(36.1)
Borrowings (S\$m)	128.1	140.1	(8.5)
Net Borrowings (S\$m)	119.0	125.8	(5.4)
Lease Liabilities (SFRS (I) 16)	46.3	-	n.m.
Gearing* (times)	0.89	0.51	74.0
Shareholders' Funds (S\$m)	200.6	253.8	(21.0)

*Gearing is computed using Net Assets as denominator.

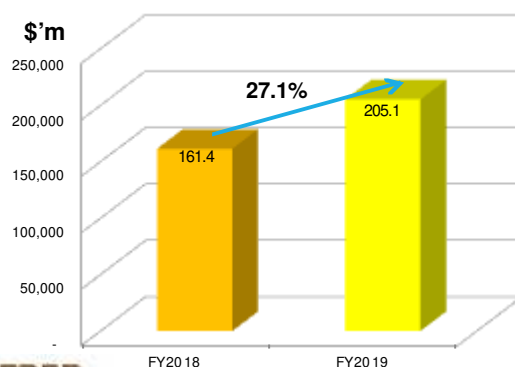


27

Key Financial Highlights

FY2019 Financial Performance – Revenue Analysis

FY2019 Revenue increased 27.1% mainly due to higher contribution from Specialist Civil Engineering and Design and Build Divisions



Specialist Civil Engineering

- Increased by 58.5% from \$64.3 million in FY2018 to \$101.8 million in FY2019
- Key contributing projects in FY2019:** Changi East development, MRT Thomson and Circle Lines, and infrastructural projects in Australia

Design and Build

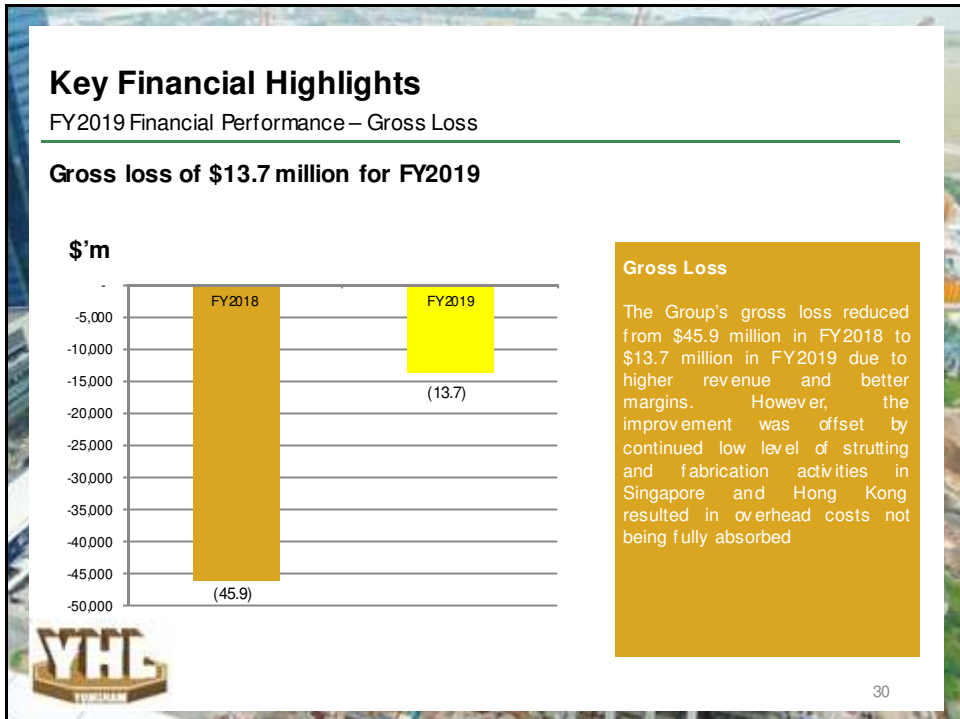
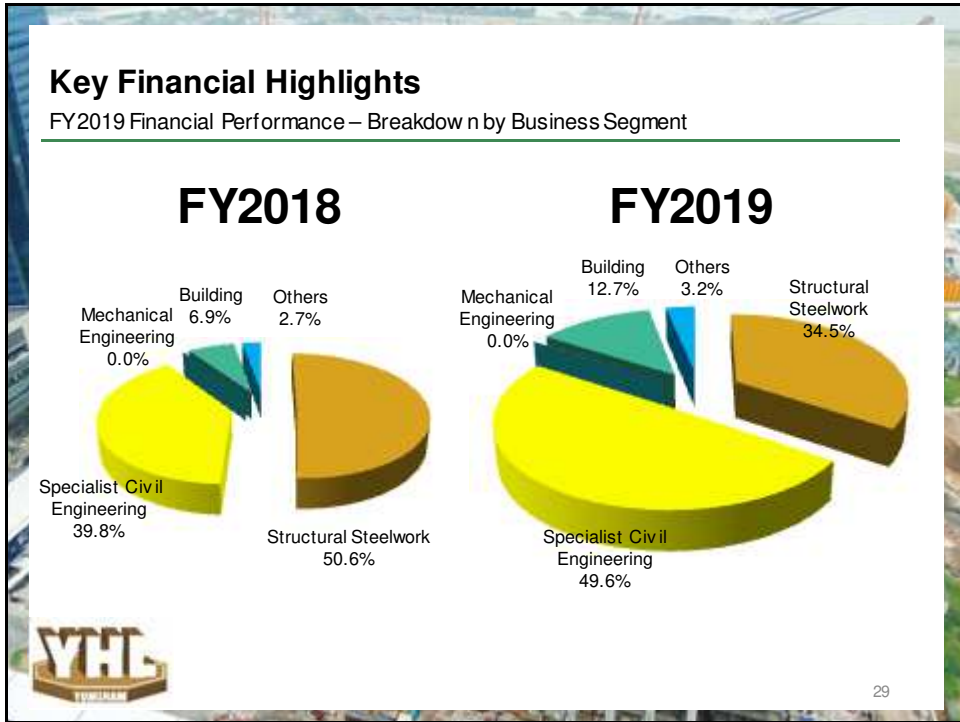
- Increased by 134.9% from \$11.1 million in FY2018 to \$26.0 million in FY2019 mainly due to the 4-storey regional headquarters with a 2-storey production facility project at Tampines

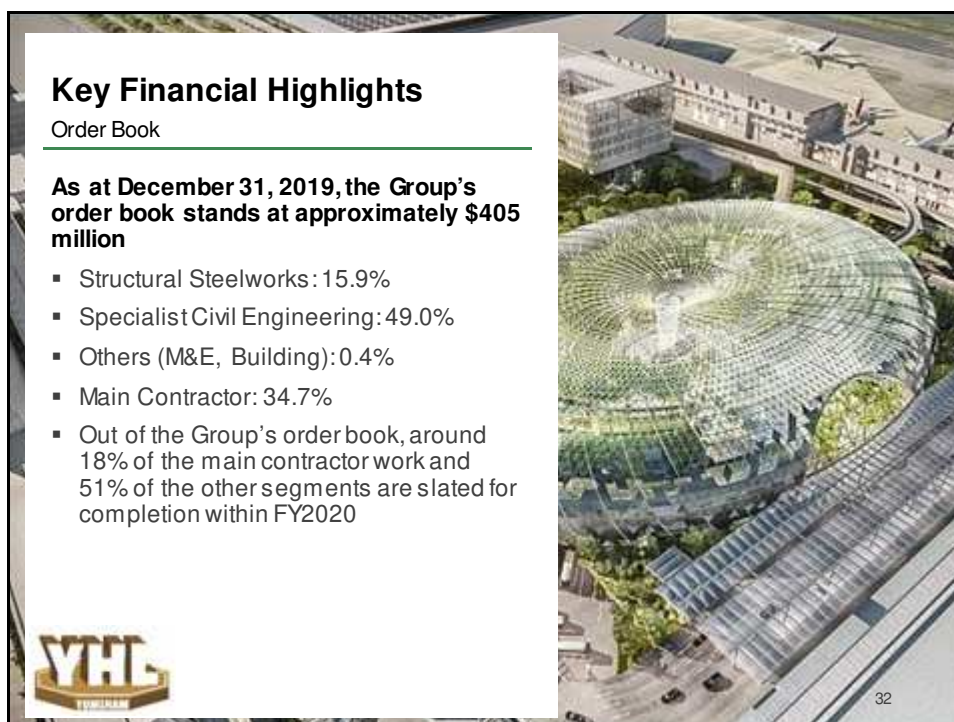
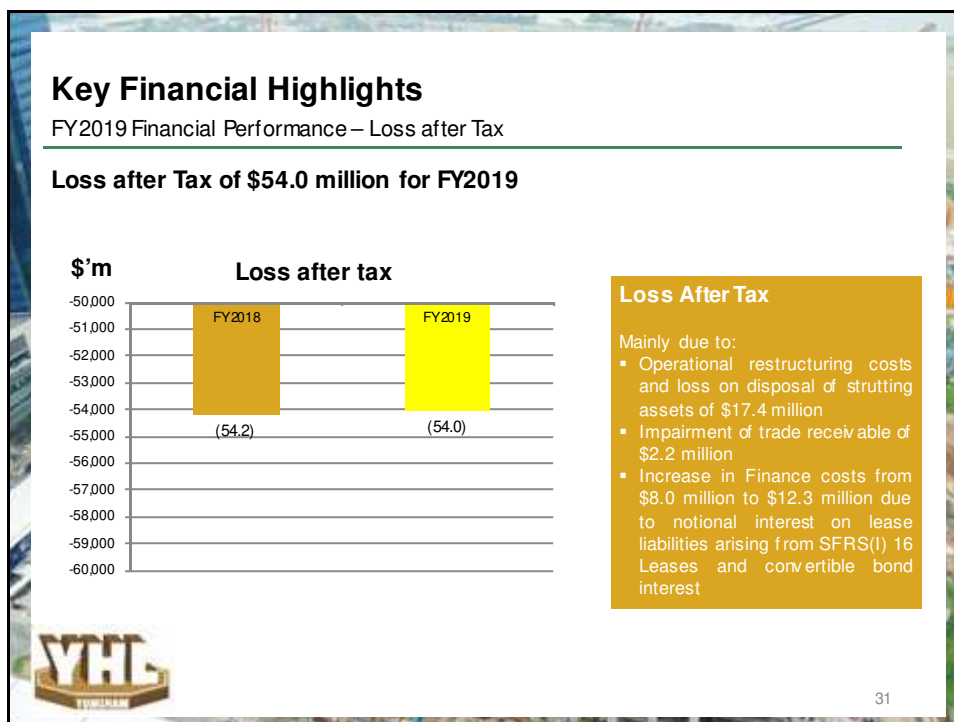
Structural Steelwork

- Decreased by 13.4% from \$81.7 million in FY2018 to \$70.7 million in FY2019 due to substantial completion of Jewel Changi Airport, Outram Community Hospital and Evonik methionine plant projects
- Key contributing projects in FY2019 include:** JTC Logistics Hub, JTC North Coast Development and Bangalore International Airport in India



28







Strategies and Plans

- 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

34



Prospects and Market Outlook



Market Prospects

Singapore

Construction industry to remain strong with sustained public sector construction demand⁽¹⁾:

- The total construction demand is expected to range between S\$28 billion and S\$33 billion in 2020.
- Public sector construction demand, which is expected to reach S\$17.5 billion and S\$20.5 billion this year, will make up about 60% of the projected demand for 2020, boosted by major infrastructure projects and a pipeline of major industrial building projects. .

Construction demand to hold steady from 2021 to 2024⁽¹⁾:

- Construction demand is projected to hold steady between S\$27 billion and S\$34 billion per year for 2021 and 2022 and between S\$28 billion and S\$35 billion per year for 2023 and 2024.
- Public sector will continue to lead construction demand and is expected to contribute between \$16 billion to \$20 billion per annum in 2022 to 2023.
- Over the medium term, public construction demand will continue 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, Jan 8, 2020





Market Prospects

Singapore

Government to invest in infrastructure to enhance connectivity⁽²⁾:

- Rail network to reach 360km in the 2030s, when upon completion of major MRT projects such as the Thomson-East Coast Line, Jurong Region Line and Cross Island Line together with the extensions to the North East Line and Downtown Line, and closing of the Circle Line loop

Government to cap foreign worker quotas for construction sector⁽³⁾:

- The Government will reduce the S Pass sub-Dependency Ratio Ceiling (DRC) of the Construction, Marine Shipyard, and Process sectors from 20% to 15%.
- The Government will phase in the cuts in two steps. The first step from 20% to 18% on 1st January 2021, and subsequently to 15% on 1st January 2023

Government to invest in infrastructure to combat climate change⁽³⁾:

- The Government will set up a new Coastal and Flood Protection Fund, with an initial injection of \$5 billion, which will be topped up whenever Singapore's fiscal situation allows.

VHL Sources:
(2) Land Transport Master Plan 2040, Land Transport Authority, May 25, 2019
(3) Singapore Budget 2020, Feb 18, 2020

37



Market Prospects

Regional

Hong Kong^(1,2):

- China's 13th 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

VHL 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

38



Market Prospects

Regional

Hong Kong^(1,2,3):

- **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

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39



Market Prospects

Regional

India⁽¹⁾:

- 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.
 - **Roadways:** Accelerated development of India's highways including development of 2,500km access control highways, 9000 Km of economic corridors, 2000 Km of coastal and land port roads and 2000 Km of strategic highways.
 - **Railways:** Development of High-speed train between Mumbai to Ahmedabad would be actively pursued.
 - **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

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40

Market Prospects

Potential Projects

Structural Steelwork:

- MHA New Command Centre
- Civil & Community Development @ Punggol
- Jurong Regional Line
- Other commercial developments and Industrial plants



41

Market Prospects

Potential Projects

Specialist Civil Engineering:

- North-South Corridor
- Changi Airport T5
- Jurong Regional Line
- Cross Island Line
- HK MTR
- Kwun Tong KTIL



42

Market Prospects

Potential Projects

	Expected Commencement	Government S\$ mil	Non-Government S\$ mil	Total S\$ mil
Structural Steelwork				
Singapore	2020	236.7	50.6	287.3
	2021	156.3	57.0	213.3
Overseas	2020	-	-	-
	2021	-	-	-
Total		393.0	107.6	500.6
Specialist Civil Engineering				
Singapore	2020	235.8	12.9	248.7
	2021	172.9	-	172.9
Overseas	2020	239.4	27.9	267.3
	2021	124.1	-	124.1
Total		772.2	40.8	813.0
Grand Total		1,165.2	148.4	1,313.6



Thank You

