



YONGNAM HOLDINGS LIMITED

(Company Registration No. 199407612N)
(Incorporated in the Republic of Singapore on 19 October 1994)

NEWS RELEASE

YONGNAM POSTS S\$11.5 MILLION NET PROFIT IN 1QFY2013

- **Revenue up 21.8% to S\$81.9 million on increased contribution from Structural Steelworks projects in Singapore and Malaysia**
- **Healthy gross profit margin of 23.8%**
- **Order book of S\$324.0 million as at March 31, 2013**

Financial Highlights:

	1QFY2013	1QFY2012	% Change
Revenue (S\$m)	81.9	67.3	21.8
Gross Profit (S\$m)	19.5	19.7	(1.1)
Profit before tax (S\$m)	12.7	12.7	0.3
Net profit attributable to shareholders (S\$m)	11.5	11.4	0.8
EPS (Basic)(Singapore cent) ⁽¹⁾	0.91	0.91	-
NAV per share (Singapore cents) ⁽²⁾	26.52	25.60	3.6

⁽¹⁾ EPS per share was computed based on the weighted average number of shares of 1,262,735,003 for 1QFY2013 and 1,255,115,502 for 1QFY2012.

⁽²⁾ NAV per share as at March 31, 2013 and December 31, 2012 respectively.

Singapore, May 15, 2013 – Yongnam Holdings Limited (“Yongnam” or the “Group”), a well-established structural steel contractor and specialist civil engineering solutions provider, today reported a net profit of S\$11.5 million for the three months ended March 31, 2013 (“1QFY2013”). This was achieved on the back of a 21.8% increase in revenue to S\$81.9 million, compared to the corresponding quarter of the previous year (“1QFY2012”).

Mr Seow Soon Yong, Chief Executive Officer of Yongnam, said, “Buoyed by increased contribution from a number of our Structural Steelworks projects in Singapore and Malaysia, we are pleased that Yongnam has started the year on a strong note, delivering strong topline growth. The changing revenue mix, on lower contribution from our higher-margin Specialist Civil Engineering projects this quarter, coupled with the substantial completion of some higher-margin projects at the end of last year, affected our overall gross profit margin, which remained healthy at 23.8% for the first quarter this year.”

Performance Review

Ongoing projects like the Singapore Sports Hub, Suntec City Convention Centre and the belt conveyor structure project for the Beumer Group in Malaysia, boosted revenue in the Structural Steelworks segment by an impressive 90.5% to S\$45.4 million in 1QFY2013.

The substantial completion of some of the Marina Coastal Expressway projects at end-FY2012 impacted revenue for the Specialist Civil Engineering segment, which contracted by 15.6% to S\$36.5 million in 1QFY2013. Major contributors in the quarter included other Marina Coastal Expressway projects, MRT Downtown Lines 2 and 3 and the Hong Kong MTR.

At the costs front, general and administrative expenses for the quarter were reduced by 3.0% to S\$6.2 million, mainly on lower staff costs. Finance costs were also down by some 7.4% to S\$0.7 million, on lower bank interests and charges in 1QFY2013. Net gearing was marginally higher at 0.34 times as at March 31, 2013, compared to 0.33 times as at December 31, 2012.

In the quarter under review, earnings per share was maintained at 0.91 Singapore cent, as in 1QFY2012. Group net asset value per share strengthened from 25.60 Singapore cents at December 31, 2012, to 26.52 Singapore cents at March 31, 2013.

Outlook

Project demand is expected to continue in the year, as Yongnam pursues approximately S\$1.3 billion worth of new infrastructural and commercial projects in Singapore, Hong Kong, Malaysia, India, Indonesia and the Middle East, many of which, if secured, are expected to come on-stream in the second half of FY2013. These pipeline projects are expected to bolster Yongnam's growing order book, which stood at a healthy S\$324.0 million at the end of March.

In order to develop new and recurring revenue streams, the Group has recently announced plans to leverage on its core competencies and strong track record to diversify into infrastructural development on a build, operate and transfer basis.

In this regard, following the prequalification by the Myanmar Department of Civil Aviation ("DCA") in February, Yongnam and its consortium partners, Changi Airport Planners and Engineers and JGC Corporation, have tendered for its first project, in April, for the right to expand, operate and maintain the existing Yangon International Airport and its facilities, on the basis of a public-private partnership agreement for a 30-year concession period. Together with the same consortium partners, Yongnam is currently working on another tender in Myanmar, for the design, construction and management of the new Hanthawaddy International Airport.

About Yongnam Holdings Limited

With 40 years of experience in steel fabrication, Yongnam excels in adding value to steel construction. The Group's two production facilities in Singapore and Nusajaya, Johor, Malaysia have a total production capacity of 78,000 tons of steel fabrication.

The Group utilizes the latest fabrication technologies and design innovation to offer solutions to its clients on a fast-track basis. Yongnam's modular strutting system continues to give the Group a strong competitive edge in meeting increasingly more stringent design and project requirements in infrastructure and construction projects. With a material traceability procedure that meets the requirements of the Singapore Building and Construction Authority, its modular strutting system is the first to be certified by an independent auditor for reusability in earth retaining or stabilising structures.

Yongnam's technical and value engineering solutions for steel fabrication and erection have resulted in increased productivity, improved yield and lower costs. The Group's in-house pool of experienced and qualified engineers, detailers, technicians, welders, riggers and fitters are consistently adding value to clients' projects.

Yongnam is an ISO-9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certified company and accredited fabricator of the highest S1 category from the Singapore Structural Steel Society. The Group's Quality Management System takes a planned approach towards continuous improvement of its products, processes and services.

Yongnam is the solutions provider of choice for the structural steel industry.

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