



YONGNAM HOLDINGS LIMITED

1H FY2012 Results Presentation

6 August 2012

CONTENTS

- Our Business
- Corporate Updates
- 1H FY2012 Financial Performance
- Prospects and Market Outlook
- Growth Strategies and Plans

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 180,000 tonnes of strutting assets and pipe piles
- Strong track record and high replacement cost of struts are major barriers to entry

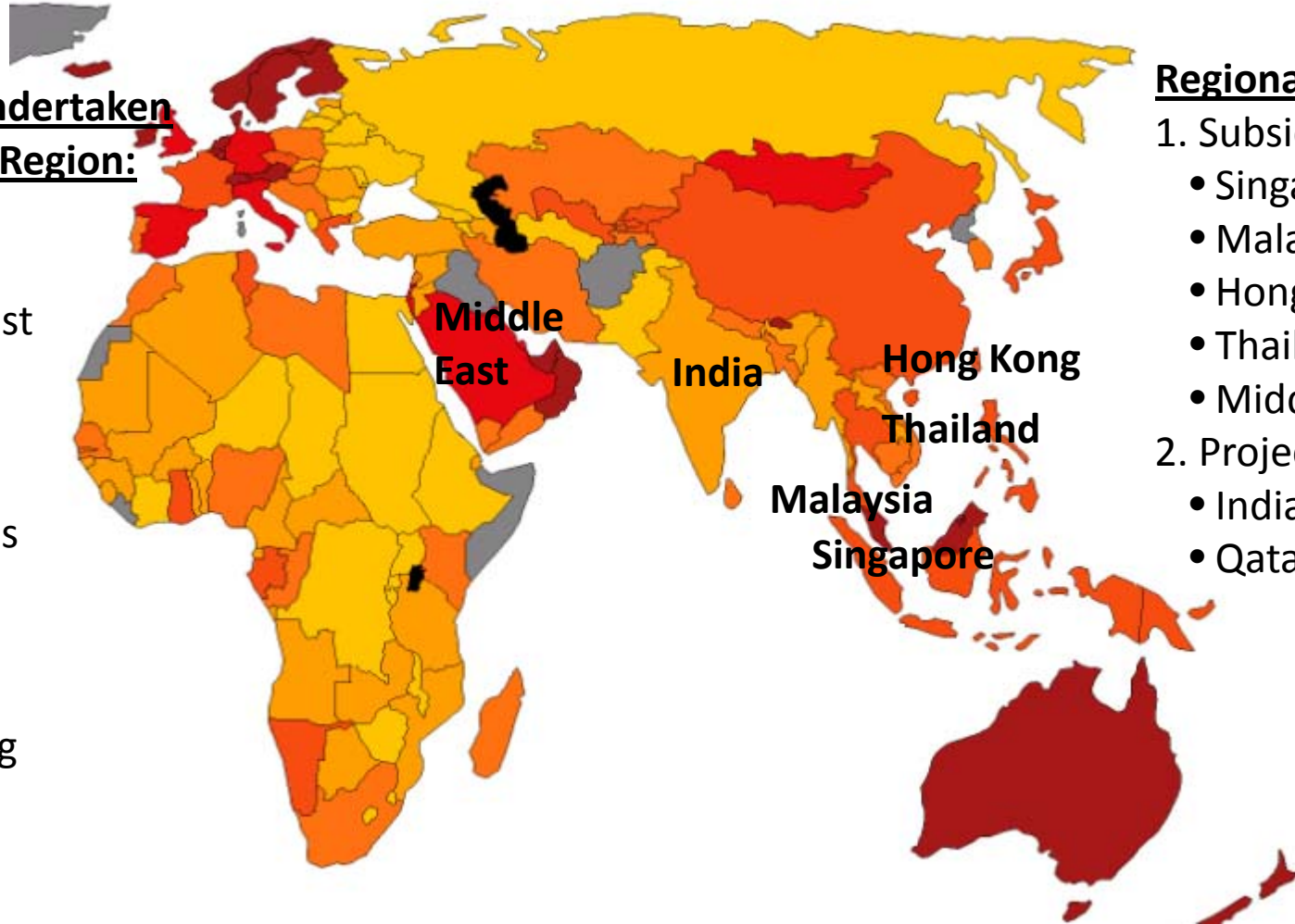
Our Business

- 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
 - Qatar

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

28,900 m²

Capacity (Normal Steel Structure)

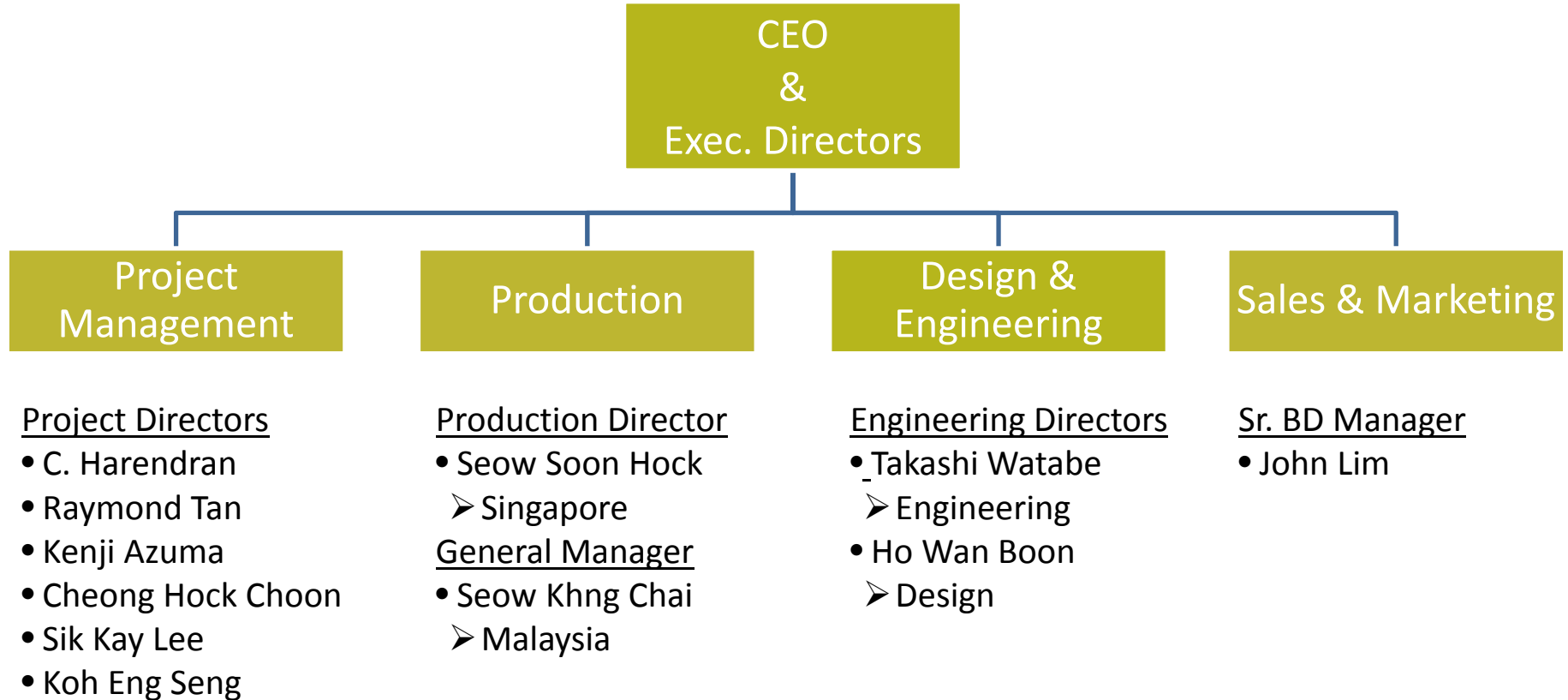
3,500 Tonnes per month

- **Total Staff Strength**

Approximately 2,000



Operations Team



- Our Key Personnel each has 30 or more years of experience in their respective fields of expertise
- Supported by teams of qualified and experienced Project Managers, Production Managers, Engineers, Detailers and Co-ordinators

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

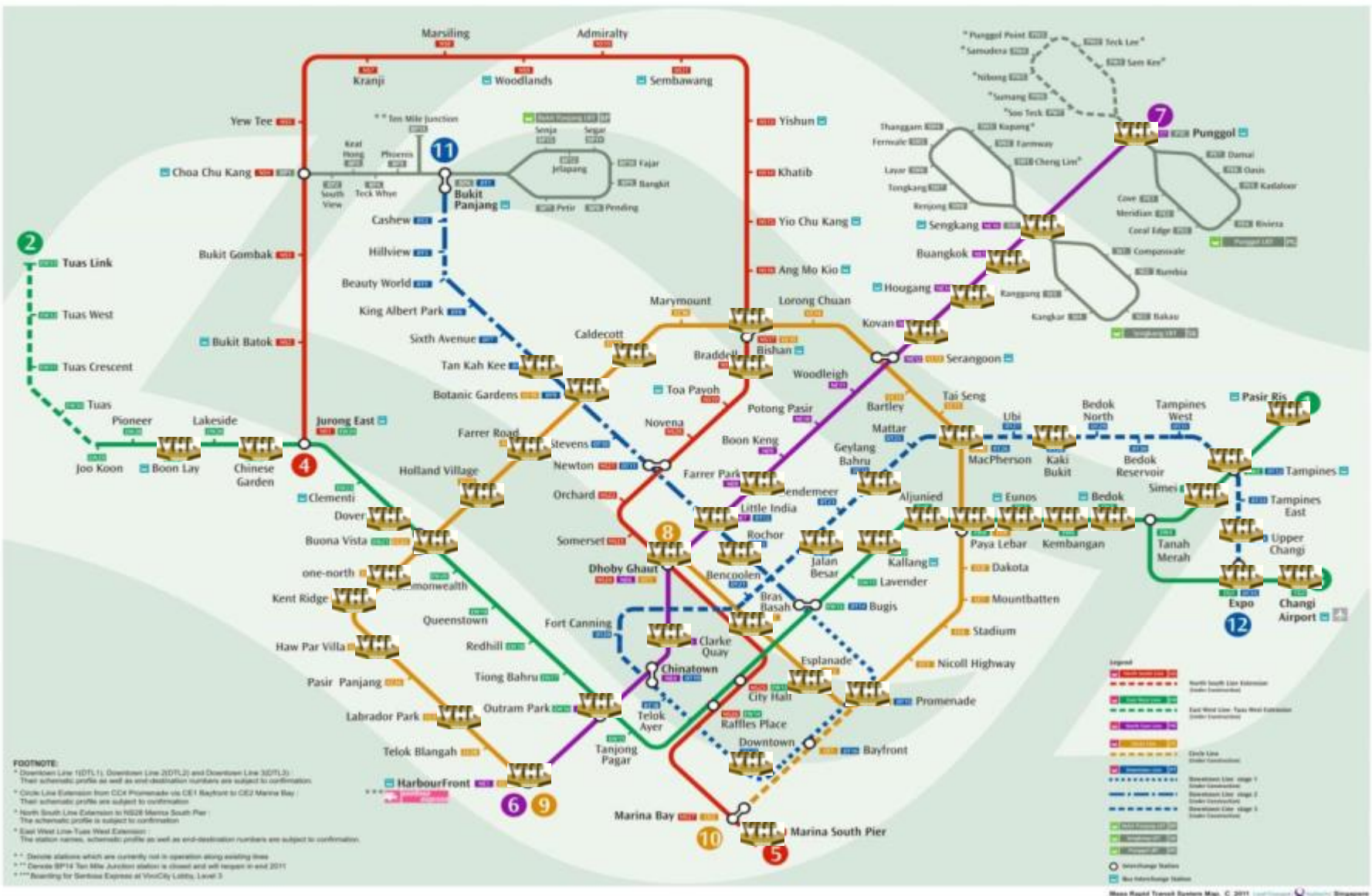


Specialist Civil Engineering – Track Record

- 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
- Overseas:
 - Dubai Metro Rail
 - Hong Kong MTR



MRT - Yongnam's Track Record



On-Going Projects

Mumbai International Airport

- Contract worth S\$80 million (50/50 JV)
- Second contract win following Delhi International Airport
- Construction of roof structure and composite steel columns for new integrated terminal building
- Expected completion in Aug 2012



On-Going Projects

NUH Medical Centre

- Contract worth S\$18 million
- Supply and erect structural steelworks for a 22-storey building
- Expected completion in Sep 2012



On-Going Projects

National Art Gallery

- Contract worth S\$50 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 2013



On-Going Projects

Singapore Sports

Hub

- Contract and V.O. worth S\$100 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 3Q2013



On-Going Projects

Market Street Development

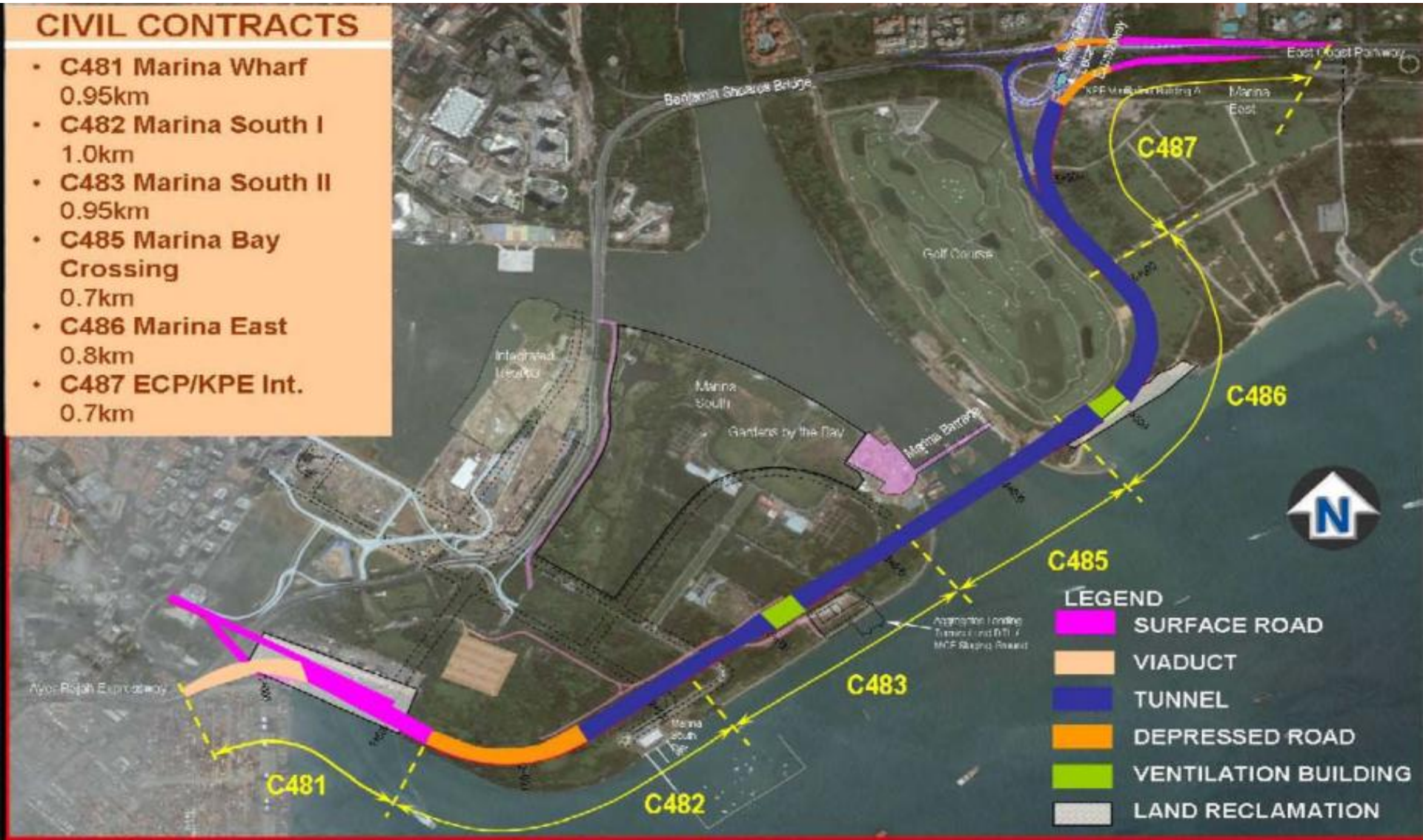
- Contract worth S\$33 million
- Supply and erect structural steelworks and installation of precast columns and beams
- Expected completion in end-2013



On-Going Projects

Marina Coastal Expressway – 6 contracts worth total of S\$366 million

- CIVIL CONTRACTS**
- C481 Marina Wharf
0.95km
 - C482 Marina South I
1.0km
 - C483 Marina South II
0.95km
 - C485 Marina Bay Crossing
0.7km
 - C486 Marina East
0.8km
 - C487 ECP/KPE Int.
0.7km



On-Going Projects

Marina Coastal Expressway – 6 contracts worth total of S\$366 million

- C485 contract worth S\$195 million – Single biggest contract won by Yongnam todate
- Temporary steel pipe pile cofferdam, steel waling and strutting works
- Expected completion Dec 2013

- C487 contract worth S\$54 million
- Supply, fabrication, installation and removal of temporary waler and struts
- Expected completion Jun 2013



On-Going Projects

Marina Coastal Expressway – 6 contracts worth total of S\$366 million

- C483 contract worth S\$24 million
 - Installation and extraction of temporary steel interlocking pipe pile earth retaining wall for 950m vehicular tunnel structure
 - Expected completion Mar 2013
- C486 contract worth S\$29 million
 - Supply, installation and removal of steel waler and struts & pipe pile extraction
 - Expected completion Mar 2013



On-Going Projects

Marina Coastal Expressway – 6 contracts worth total of S\$366 million

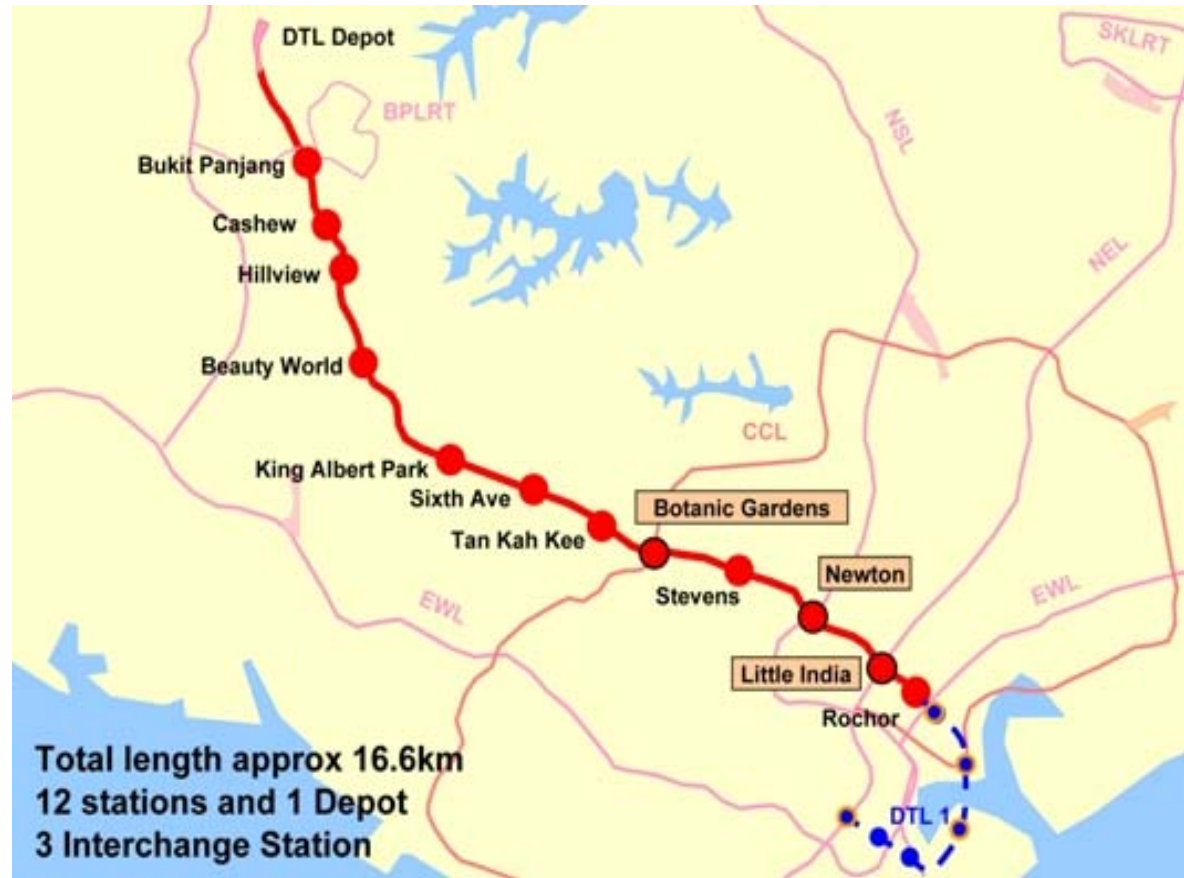
- C482 contract worth S\$22 million
 - Installation and removal of steel pipe piles
 - Expected completion Mar 2013
- C482 contract worth S\$42 million
 - Supply, fabrication, assembly, maintenance and removal of waler and struts
 - Expected completion Mar 2013



On-Going Projects

MRT Downtown Line 2 – 4 contracts worth total of S\$97 million

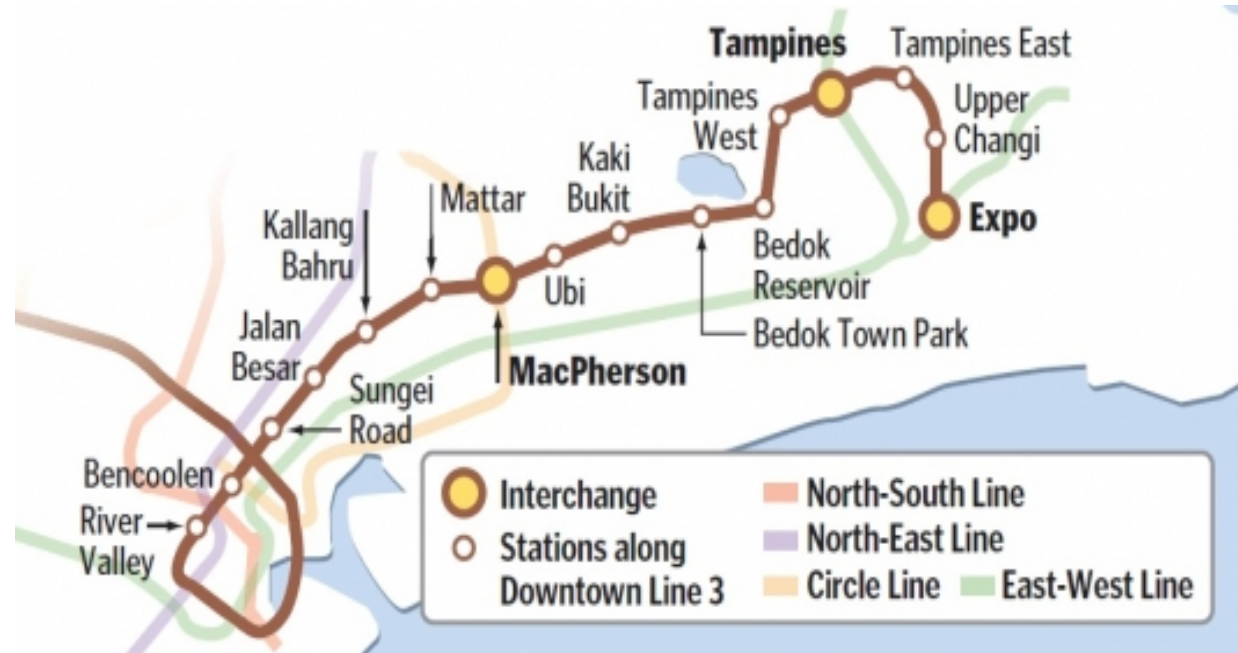
- C918 - Installation and removal of steel struts and walers for Tan Kah Kee Station and Cut & Cover Tunnel. Expected completion Jan 2014
- C921 (3 contracts) Installation and removal of steel struts and walers, sheet piles, soldier piles, king posts and RC decking for Little India Station, Rochor Station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



On-Going Projects

MRT Downtown Line 3 – 6 contracts worth total of S\$104 million

- C929 & C932A – Installation and removal of steel struts, sheetpile and decking for Kaki Bukit and Kallang Bahru Stations. Expected completion end 2014
- C933 – Installation and removal of steel struts and walers and construction decking for Jalan Besar Station. Expected completion end 2014
- C923 – Deep basement excavation, installation and removal of steel struts and construction decking for Upper Changi Station. Expected completion in 2015



On-Going Projects

MRT Downtown Line 3 – 6 contracts worth total of S\$104 million

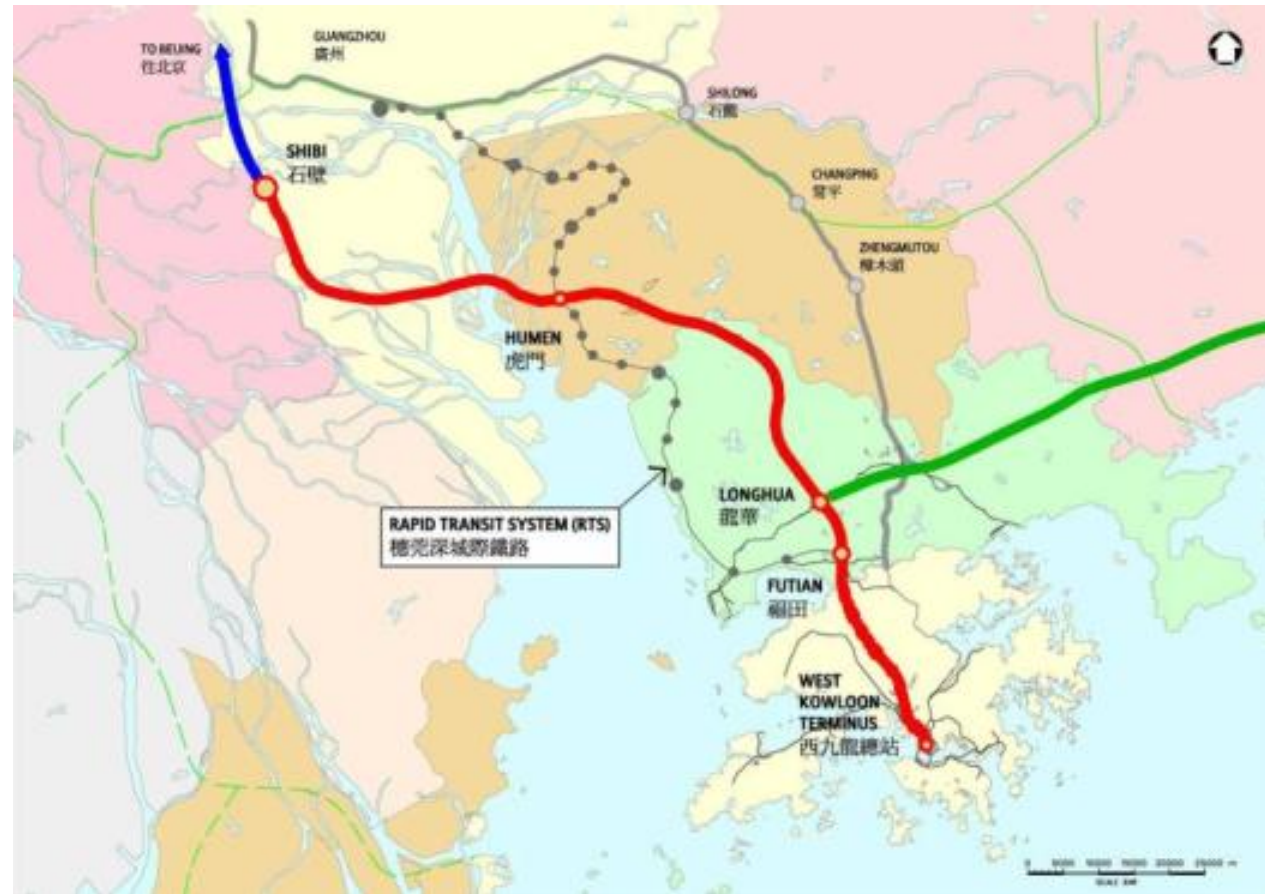
- C922 – Installation and removal of steel struts, decking and king posts for Expo Station and overrun tunnels. Expected completion mid-2014
- C931 – Installation and removal of steel struts and decking for Macpherson Station. Expected completion early 2014



On-Going Projects

HK MTR Extension – 4 contracts worth total of HK\$502 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
- Expected completion between 2014 to 2016



1H FY2012 Financial Performance

1H FY2012 Financial Performance

	2QFY2012	2QFY2011	Change (%)	1HFY2012	1HFY2011	Change (%)
Revenue (S\$'m)	78.1	82.5	(5.4)	145.3	157.3	(7.6)
Gross Profit (S\$'m)	20.5	24.4	(15.8)	40.3	49.2	(18.1)
Gross Profit Margin (%)	26.3	29.6	(11.1)	27.7	31.3	(11.5)
Profit before tax (S\$'m)	13.6	18.1	(24.5)	26.3	36.0	(26.9)
Profit after tax (S\$'m)	12.1	15.1	(19.7)	23.5	30.1	(21.8)
EPS (Basic) (Singapore cents) ⁽¹⁾	0.96	1.20	(20.0)	1.87	2.40	(22.1)
NAV Per Share (Singapore cents) ⁽²⁾	-	-	-	24.03	20.54	17.0
ROE (%) (Annualized)	-	-	-	15.8	22.8	(30.7)
<p>⁽¹⁾ EPS per share was computed based on the weighted average number of shares of 1,258,199,835 for 1HFY2012 (1HFY2011: 1,250,731,835)</p> <p>⁽²⁾ NAV per share as at June 30, 2011 and June 30, 2012 respectively</p>						

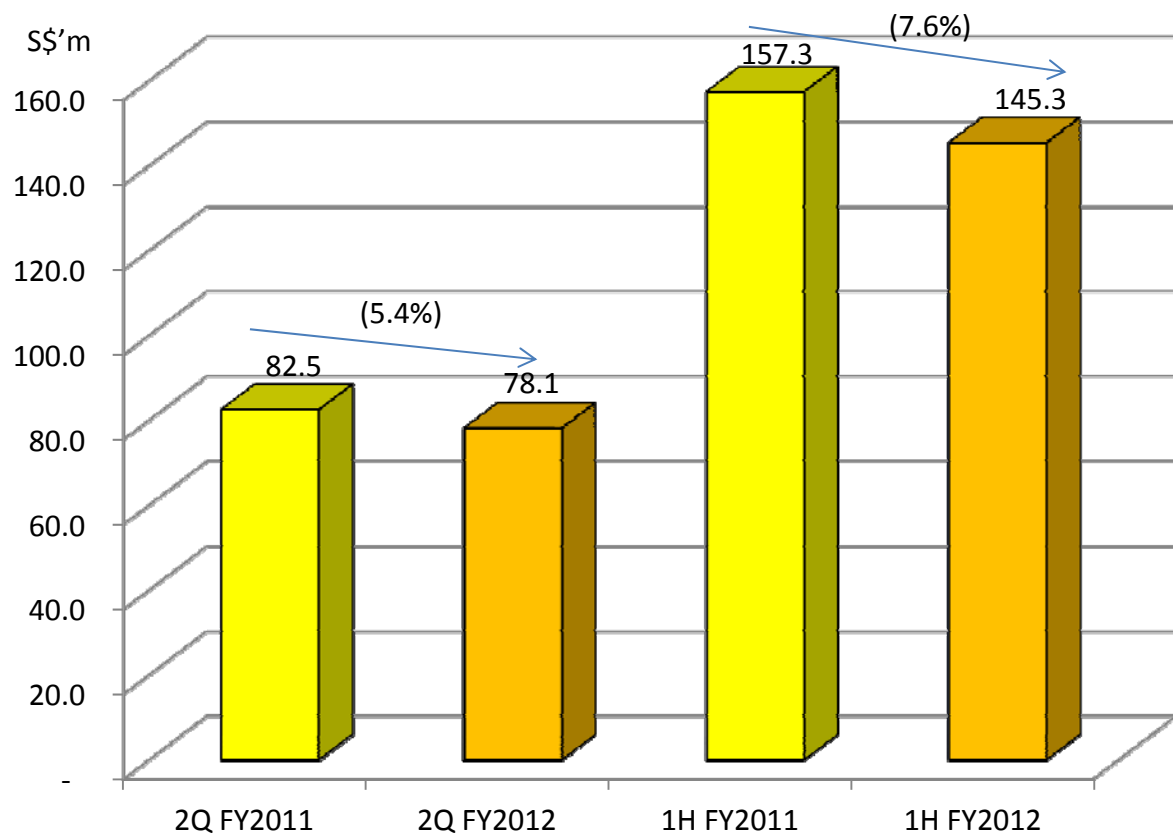
Period ended June 30

1H FY2012 Financial Performance

	Jun 30 2012	Dec 31 2011	Change (%)
Net Work-In-Progress (S\$'m)	71.3	42.3	68.6
Debtors (S\$'m)	31.5	47.1	(33.1)
Cash (S\$'m)	9.0	28.0	(67.9)
Borrowings (S\$'m)	115.6	115.3	0.3
Net Borrowings (S\$'m)	106.6	87.3	22.1
Gearing (times)	0.35	0.30	16.7
Shareholders' Funds (S\$'m)	303.1	291.5	4.0

Period ended June 30

1H FY2012 Financial Performance



Revenue

2QFY2012 Revenue decreased 5.4%

- Structural Steelworks decreased from S\$42.5 million in Q2FY2011 to S\$32.2 million in Q2FY2012 mainly due to:
 - Completion of Gardens by the Bay and CCRC, and substantial completion of Mumbai International Airport
- Specialist Civil Engineering increased from S\$40.0 million in Q2FY2011 to S\$45.9 million in Q2FY2012 mainly due to contributions from:
 - contracts for Marina Coastal Expressway, MRT Downtown Line 2, MRT NS Line Extension, and HK MTR

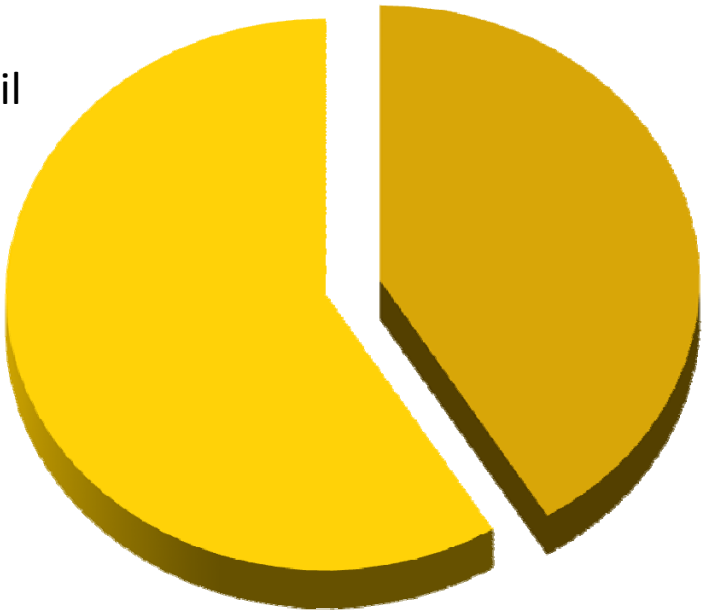
Period ended June 30

1H FY2012 Financial Performance

Revenue by Business Segment

2Q FY2012

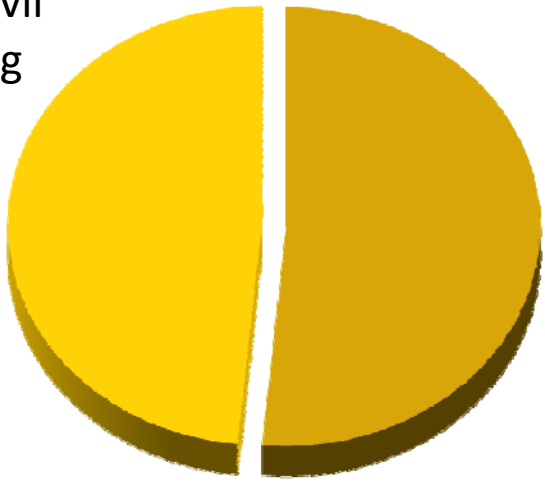
Specialist Civil
Engineering
58.8%



Structural Steelworks
41.2%

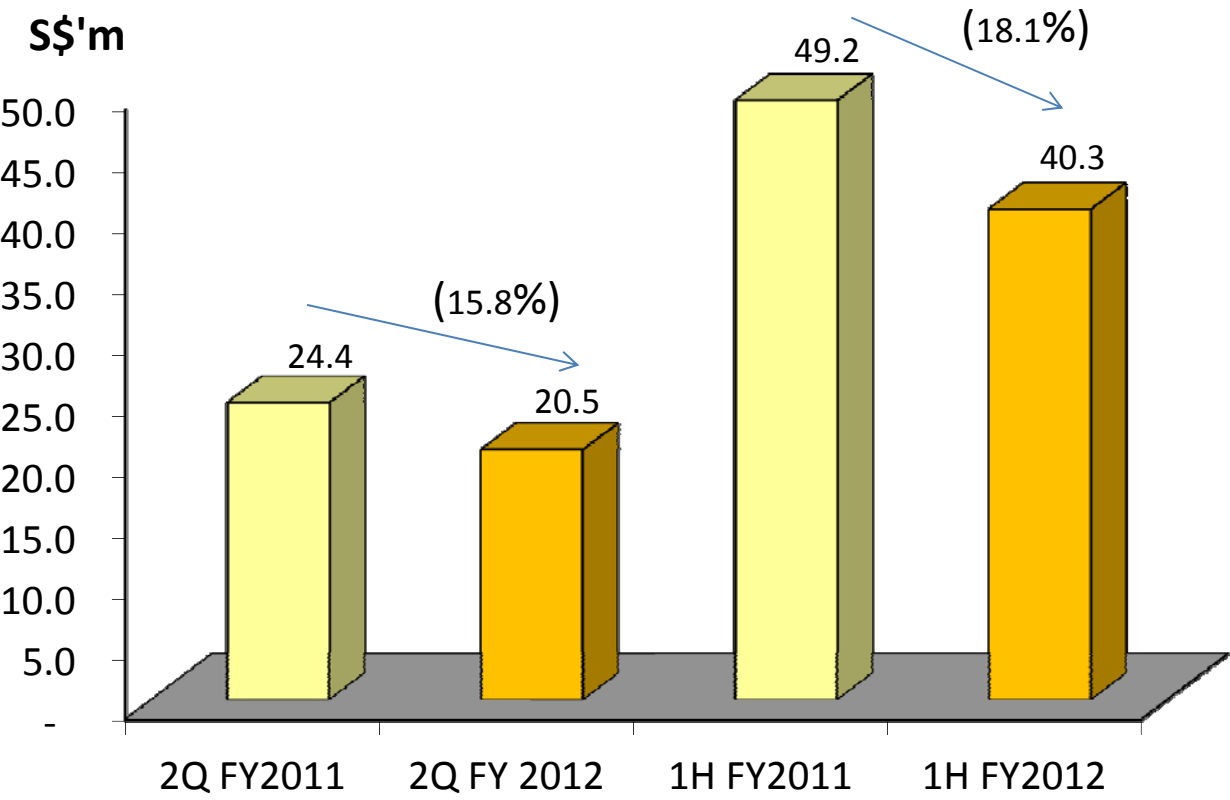
2Q FY2011

Specialist Civil
Engineering
48.5%



Structural Steelworks
51.5%

1H FY2012 Financial Performance

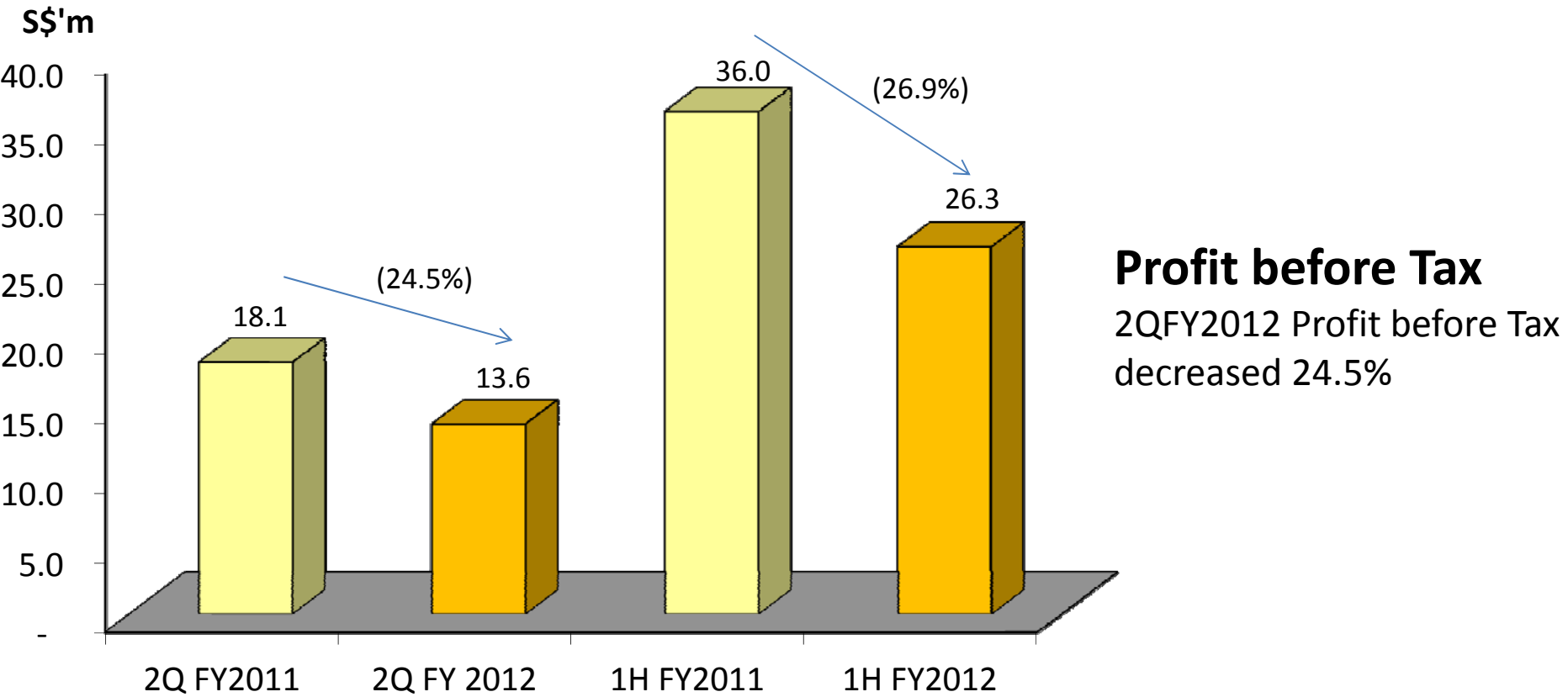


Gross Profit

2QFY2012 Gross Profit decreased 15.8%

Due mainly to completion of higher-margin projects in FY2011

1H FY2012 Financial Performance



Period ended June 30

1H FY2012 Financial Performance

Order Book

Strong order book of S\$475 million as at June 30, 2012

- Structural Steelworks Vs Specialist Civil Engineering – 46:54
- 35% expected to complete in FY2012

Prospects and Market Outlook

Market Prospects: Singapore

Construction Sector's continued growth⁽¹⁾ :

- 5.1% year-on-year growth in 2Q2012 compared to 6.9% y-o-y growth in 1Q2012
- Annualised growth rate of 0.3% on a sequential basis
- Supported by ongoing public civil engineering works

Government to continue to invest in infrastructure in 2012⁽²⁾⁽³⁾:

- S\$13 to S\$15 billion worth of construction orders: public housing developments, as well as institutional building and civil engineering projects
- Upcoming infrastructure projects: Changi Airport Budget Terminal to make way for Terminal 4 etc.
- Transport infrastructure projects: MRT Downtown Line 3, Tuas West extension of the East-West Line

Softened demand in private sector construction⁽²⁾:

- S\$8 to S\$12 billion worth of projects in 2012, down from S\$16.8 billion in 2011, amid global economic uncertainty and a slowdown in Singapore's economy
- In the private commercial property sector, BCA projects construction demand in 2012 to total between S\$1.7 billion and S\$2.7 billion, down from S\$3 billion last year
- Upcoming private sector projects: South Beach Development etc.

Sources:

(1) *Ministry of Trade and Industry press release, Singapore's Growth Momentum Eased in Second Quarter 2012, 13 July 2012*

(2) *Building and Construction Authority press release, Public Sector Projects to Sustain Demand in 2012, 11 January 2012*

(3) *Business Monitor International, Singapore Infrastructure Report Q3, June 2012*

Market Prospects: Regional

- **Malaysia:**

- Economic Transformation Programme:
 - Greater Kuala Lumpur/Klang Valley MRT project (approx RM36.6 billion)
 - 35 stations along its 51km line, with 13 proposed park-and-ride stations and four interchanges
 - Eight of the stations will be underground as 9.5km of the line will be built under the capital city, tunneling up to 30m underground
 - Strutting requirements approx \$200 - \$300 million
 - KL-Singapore high speed train project (approx RM8 – 14 billion)
- Malaysian and Singaporean governments exploring the feasibility of constructing a new underground road tunnel between the two countries

- **Indonesia:**

- President Susilo Bambang Yudhoyono announced increased government expenditure (approx US\$19.8 billion) on infrastructure development projects in 2012;
- Building program aimed at improving transport and logistics linkages across the country: 4000 km of roads, 150 km of rail lines and 14 airports
- Metro rail project:
 - About 20 stations
 - Strutting requirements approx \$100 million

- **Hong Kong:**

- Government committed to investing in infrastructure (approx HK58 billion)
- Major infrastructure projects rolled out:
 - Hong Kong-Zhuhai-Macao Bridge; Hong-Shenzhen-Airport Cooperation;
 - West Kowloon Cultural District;
 - MTR projects e.g. Shatin to Central Link, Kwun Tong Line Extension, South Island Line (East & West) and North Island Line

Market Prospects: Regional

- **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 modernise 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
- Top 3 countries: Saudi Arabia \$405 billion, UAE \$230 billion and Qatar \$135 billion
- 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

- **Others:**

- Philippines will fast-track infrastructure development throughout the country through massive release of public funds and the public-private partnership (PPP) programme: announced in January 2012, the release of 141.8 billion pesos (US\$3.2 billion) for infrastructure projects including roads and bridges, airports, seaports and lighthouses
- Thailand plans to spend 1.9 trillion baht (US\$62 billion) to expand rail systems, trains and transport projects until 2029
- Vietnam plans to invest 154 trillion dong (US\$7.5 billion) between now and 2015 to upgrade the city's transport infrastructure, including the Danang-Quang Ngai expressway project

Potential Projects

- Structural Steel

- South Beach Development
- Keels City Development
- Mediapolis
- Iron Ore Distribution Centre
- Industrial Plants



Potential Projects

- Specialist Civil Engineering
 - Thomson Line
 - HK MTR
 - KL Metro

Klang Valley Integrated Rail System



Potential Projects

• Structural Steelworks

Location	Expected Commencement	Government S\$'mil	Non-Government S\$'mil	Total S\$'mil
Singapore	2012	18.4	227.7	246.1
	2013	46.5	76.5	123.0
Overseas	2012	23.5	368.5	392.0
	2013	-	125.8	125.8
Total		88.4	798.5	886.9

• Specialist Civil Engineering

Location	Expected Commencement	Government S\$'mil	Non-Government S\$'mil	Total S\$'mil
Singapore	2012	120.4	1.2	121.6
	2013	250.0	-	250.0
Overseas	2012	103.0	-	103.0
	2013	25.0	-	25.0
Total		498.4	1.2	499.6

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
- Actively pursue offshore structure projects
- Leverage on established brandname and strong foothold in the Singapore market
- Continue to explore projects in Hong Kong, Malaysia, Indonesia, India, GCC countries and Europe



Thank You