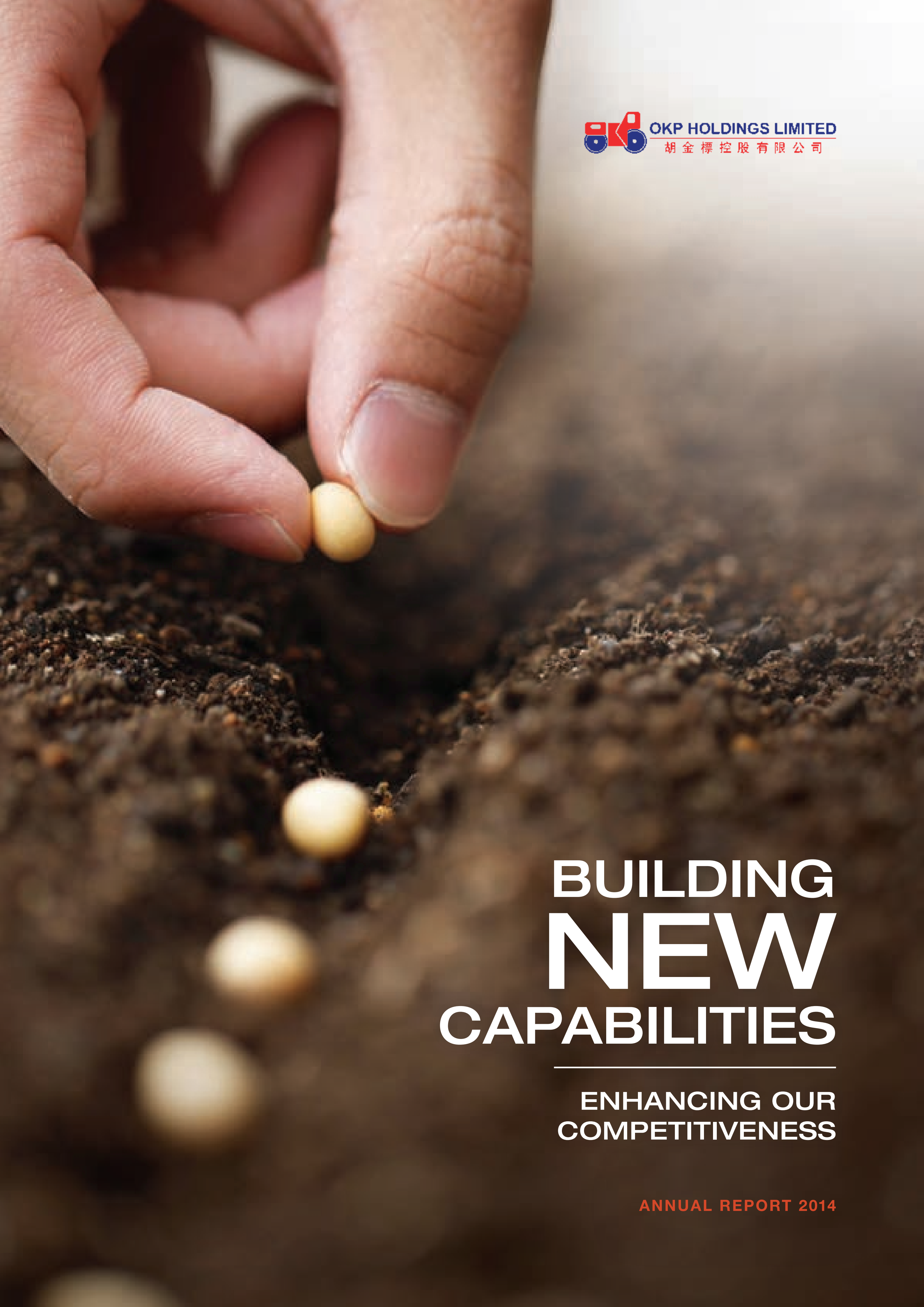

OKP HOLDINGS LIMITED
胡金標控股有限公司

BUILDING NEW CAPABILITIES

ENHANCING OUR COMPETITIVENESS

ANNUAL REPORT 2014

CONTENTS

BUILDING NEW CAPABILITIES

ENHANCING OUR COMPETITIVENESS

For our annual report this year, we depict on the cover a strong and steady hand planting seeds in the soil with an eye on future growth. This image neatly sums up OKP's theme for this year's annual report – "Building New Capabilities, Enhancing Our Competitiveness".

The strong and steady hand represents OKP as an organisation as it steadily and surely builds new capabilities to enhance its competitiveness in the midst of a constantly evolving and uncertain global economy.

As one of the leading home-grown infrastructure and civil engineering companies, OKP has through the years developed extensive capabilities. The Group is widely acknowledged as a specialist in the construction of airport runways and taxiways, expressways, flyovers, vehicular bridges, urban and arterial roads, airport infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals. In recent years, OKP has also ventured into property development and investment.

However, the Group does not rest on its laurels. It continues to explore, nurture and build new capabilities while seizing opportunities for growth in related and new areas. Some of these recent initiatives include setting up joint ventures to expand into new areas with potential growth such as construction of private and executive condominiums and tendering for Mass Rapid Transit (MRT) systems construction projects.

Like the seeds being planted strategically in the ground, the Group invests in the nurturing of new capabilities by building on its many strengths in order to grow and sustain its business. These include its good track record, strong management team, experienced and skilled staff in civil engineering projects, and solid expertise. The Group believes that its invaluable skills, vast experience and solid expertise will help OKP in enhancing its competitiveness and fulfilling its mission to be the first and preferred civil engineering contractor for the various industries here and overseas.

As a corporate citizen, the Group is conscious of fertilising the soil and watering the seeds to enable them to grow into strong and healthy plants over the long term. We do this through nurturing our stakeholders such as our clients, employees, suppliers and shareholders. Directed by its guiding principles, OKP is committed to providing superior services to our clients on time and on budget; a safe, nurturing and positive environment for our employees; a strong and mutually beneficial partnership with our suppliers; and a satisfying and rewarding investment for our shareholders, while maintaining excellence in our products and services.

Since OKP planted the first seed of its success when it was founded in 1966 and subsequently, grew stronger as it became listed on the Singapore Exchange in 2002, the Group has laid a strong and stable foundation. We believe that OKP is moving in the right direction to achieve its vision to be a leading transport and infrastructure and civil engineering company in Singapore and beyond.

Like a good and capable gardener, we believe that as we steadily strengthen and enlarge our capabilities and lovingly tend to our stakeholders, we will bear much fruit in the long term. We trust that steady and strong hands within OKP, which plant new seeds and nurture seedlings can only produce good crops. Thus, we look into the future with much confidence and expectation of many good harvests to come.

OUR VISION

TO BE A LEADING TRANSPORT INFRASTRUCTURE AND CIVIL ENGINEERING COMPANY IN SINGAPORE, THE REGION AND BEYOND.

OUR MISSION

TO BE THE FIRST AND PREFERRED CIVIL ENGINEERING CONTRACTOR FOR THE VARIOUS INDUSTRIES, HERE AND OVERSEAS.

OUR GUIDING PRINCIPLES

TO OUR CLIENTS

We are committed to providing them with a superior service that meets their time schedule, exceeds their expectations in quality, reliability and safety and that is within their budget.

TO OUR EMPLOYEES

We are committed to providing them with a safe working environment, training and advancement in their respective fields and a fair and equitable system that rewards their productivity.

TO OUR SUPPLIERS

We are committed to developing and strengthening relationships with them, recognising them as valued contributors and partners.

TO OUR SHAREHOLDERS

We are committed to maximising their return on investment while maintaining excellence in our products and services.

OUR STRATEGY

STAYING FOCUSED ON CORE COMPETENCES

Civil engineering projects will continue to feature prominently as this is our area of expertise where we have built up a distinctive track record over the years.

EXTENDING OUR PRESENCE IN THE OIL AND GAS SECTOR

To spread risk, we will actually grow our civil engineering expertise in the oil and gas sector in order to grow our earnings base, and to ensure that we do not become overly dependent on a single revenue source.

EXPLORING OVERSEAS OPPORTUNITIES

While keeping a firm grip on the local market, we will also continually look for opportunities to grow our business overseas.

DIVERSIFYING EARNINGS THROUGH PROPERTY DEVELOPMENT AND INVESTMENT

As part of our long-term strategy, we seek to diversify our earnings through our property development and investment division.

OUR CHAIRMAN'S STATEMENT

Mr Or Kim Peow
Group Chairman
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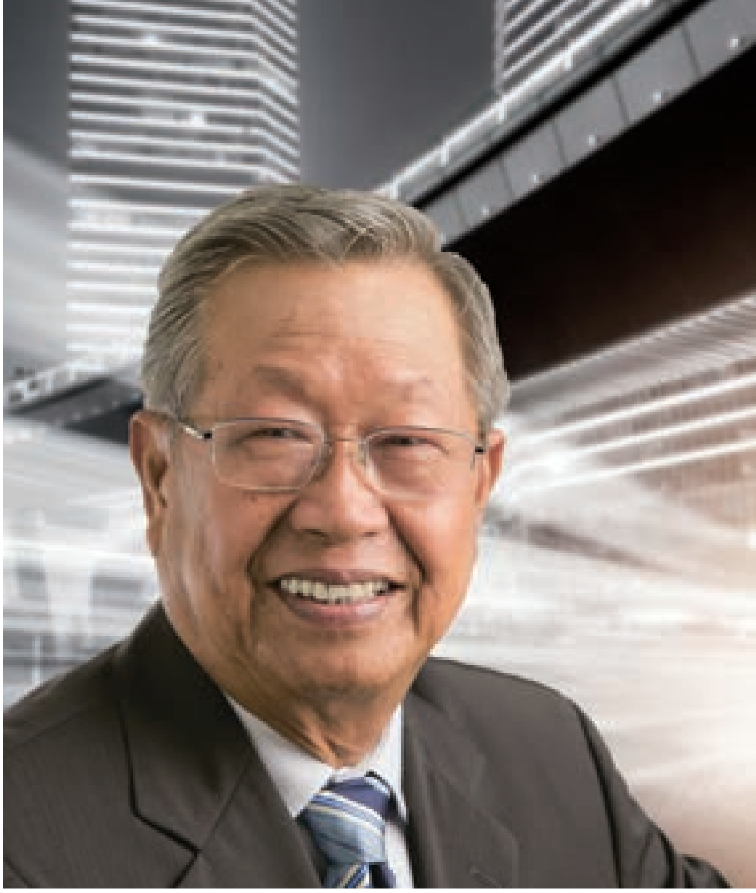

"THROUGH THE DECADES, WE HAVE ACQUIRED SEVERAL ADVANTAGES, WHICH HAVE HELPED TO STRENGTHEN OUR LEADERSHIP POSITION IN THE CONSTRUCTION INDUSTRY. THESE ADVANTAGES INCLUDE OUR STRONG TRACK RECORD, CAPABLE MANAGEMENT TEAM, EXPERIENCED AND SKILLED STAFF IN CIVIL ENGINEERING PROJECTS, AND VAST EXPERTISE."

Dear Shareholders,

Over the past year, the outlook for the economic climate worldwide remains fragile with slow growth in the Eurozone and China although the United States economy is seeing signs of recovery. While the recent nose-dive in oil prices could benefit oil-importing economies, it has impacted growth in oil-exporting economies negatively. On top of such difficulties, political unrest and natural disasters continue to cast their shadows on the restless political arena and natural environment.

However, we are confident that we can overcome some of the challenges that we face as we stay positive, focusing on our vision to be a leading transport infrastructure and civil engineering company in Singapore, the region and beyond. Our vision has been and will continue to be our guiding post as we strengthen our capabilities and business to stay ahead of our competition amidst the uncertain global economic circumstances.

We remain steadfast in executing our strategy of concentrating on our core competencies, extending our presence in the oil and gas sector, exploring overseas business opportunities, and diversifying earnings through property development and other investments. The Group believes its strategy will help to maintain OKP Holdings Limited's (OKP) business growth and enhance OKP's competitiveness.

At OKP, we aim to continue to maintain our leadership position in our core business – construction and maintenance in the public sector while increasing our projects in the private sector. The Group started 2015 well when we successfully clinched contracts worth $143.8 million to construct sheltered link ways under the Walk2Ride programme to bridge connectivity between transport hubs, residential homes and public amenities.

In addition, we have broadened our expertise and capabilities by forming joint ventures to develop properties and tender for Mass Rapid Transit (MRT) projects. Currently, the Group has participated in the development of two properties under construction. These are Amber Skye, a condominium block under development at 8 Amber Road, Singapore 439852 and Lake Life, an executive condominium being developed at Yuan Ching Road/ Tao Ching Road in Singapore.

Listed on the Singapore Exchange in 2002, OKP was founded in 1966. Our staff strength testifies to our steady growth – from 10 staff in 1967 to 409 in 2002 and 841 today. Facing the many challenges in managing and building an infrastructure and civil engineering business in Singapore and the region, OKP has developed into a company with a sustainable and stable business, inspired by its mission.

Our mission is to be the first and preferred civil engineering contractor for the various industries, here and overseas. We will continue to work towards achieving this mission progressively by building on our capabilities to enhance our competitiveness. Through the decades, we have acquired several advantages, which have helped to strengthen our leadership position in the construction industry. These advantages include our strong track record, capable management team, experienced and skilled staff in civil engineering projects, and vast expertise.

Our hard work and expertise have been acknowledged in the industry as we received many accolades through the years. During the year under review, OKP won two awards at the Securities Investors Association (Singapore) (SIAS) 15th Investors' Choice Awards 2014. Our Group was recognised for our achievements in transparency and corporate governance by winning a Merit Award for the Singapore Corporate Governance Award 2014, Mainboard Small Caps Category

Our Group Managing Director, Mr Or Toh Wat (second from right) receiving Merit Award for the Singapore Corporate Governance Award 2014, Mainboard Small Caps Category from Mr Lawrence Wong (second from left), Minister for Culture, Community and Youth & Second Minister for Ministry of Communications and Information, at the Securities Investors Association (Singapore) 15th Investors' Choice Awards 2014.

OKP has completed the design and build of interchange at TPE/Sengkang West Road/Seletar Aerospace Way in 2014.

as well as Runner-up for the Most Transparent Company Award 2014 in the Constructions & Materials Category. This is the third consecutive year that OKP has been recognised for its corporate governance standards at the SIAS Investors' Choice Awards. The Group had also won the Most Transparent Company Award under the Mainboard Small Caps Category in 2012 and 2013.

PERFORMANCE REVIEW

The Group experienced a tough and competitive year in 2014 as it continues to build new capabilities to enhance its competitiveness. During the financial year (FY2014), OKP registered revenue of $109.5 million, a 2.3 per cent increase compared to a year ago.

The construction segment continued to be the major contributor to the Group's revenue, accounting for 65.0 per cent (2013: 73.5 per cent) of total revenue for the financial year. The maintenance segment continues to grow, accounting for 35.0 per cent (2013: 26.5 per cent) of the Group's revenue.

The overall revenue increase came from the maintenance segment, which saw 35.5 per cent year-on-year growth with a contribution of $38.4 million while the construction segment registered a 9.6 per cent year-on-year drop to $71.1 million in FY2014. The revenue growth from the maintenance segment was largely attributed to revenue recognition from a number of existing and newly-awarded maintenance projects as they progressed to a more active phase in FY2014. However, the decline in revenue from the construction segment was due to the slowdown of construction activities and several projects reaching completion during the year. Basic earnings per share was 0.82 cents.

Gross profit decreased by 21.6 per cent to $8.8 million and gross profit margin decreased to 8.0 per cent compared to 10.4 per cent in the previous year. The margins for both construction and maintenance business segments decreased mainly because of a more competitive pricing environment, rising manpower costs, increased construction material costs and additional works incurred for some construction projects. However, the Group's balance sheet remained stable and strong. With a healthy cash position of $28.9 million, its net tangible assets amounted to $96.4 million as of 31 December 2014. This was equivalent to 31.3 Singapore cents per share, compared to 30.7 cents per share a year ago.

I am pleased to inform that the Board of Directors has proposed a one-tier first and final dividend of 0.1 cent per share. This works to be a dividend payout ratio of 12.2 per cent and a dividend yield of 0.4 per cent for FY2014.

BUILDING NEW CAPABILITIES

During FY2014 and at the start of 2015, the Group maintained its growth by winning five new public sector projects worth a total of $251.0 million. Three of these contracts were from the Land Transport Authority (LTA) and two from the Public Utilities Board (PUB). These include two contracts for the construction

OUR CHAIRMAN'S STATEMENT

of sheltered link ways under the Walk2Ride Programme worth $143.9 million, from the LTA, and construction of Stamford Diversion Canal Contract 1 – Tanglin and Kim Seng worth $50.6 million from the PUB.

Besides the newly awarded contracts, OKP is currently undertaking 12 ongoing projects – seven construction and five maintenance projects. The construction projects include improvement to Alexandra Canal (between Zion Road and Kim Seng Road) worth $46.8 million and extension of the Central Expressway/Tampines Expressway/Seletar Expressway Interchange worth $75.3 million.

During the year, OKP completed six projects, which were handed over to clients successfully. These included widening of Old Choa Chu Kang Road from Sungei Tengah Road to Lim Chu Kang Road, design and build project involving the interchange at Tampines Expressway/Sengkang West Road/ Seletar Aerospace Way, and construction of the East (North) aircraft parking apron, associated taxiways and ancillary works at Seletar Airport.

Currently, our construction order book looks good with a net order book of approximately $296.8 million of secured contracts, extending till 2019.

ENHANCING OUR COMPETITIVENESS

In 2015, the construction industry in Singapore remains positive and holds promise for more sustainable work. The Building and Construction Authority projected that construction contracts for the construction industry are expected to reach between $29.0 billion and $36.0 billion in 2015, due to a steady pipeline of public sector projects.

Public sector projects are expected to account for $18.0 billion to $21.0 billion, which is about 60.0 per cent of the total construction demand. Public construction demand will remain moderate due to an increase in industrial projects and a sustained pipeline of infrastructure and institutional and civil engineering works. Although the competition gets tougher, OKP remains upbeat as it is one of the strong players, especially for public sector projects, in the industry. The Group's leading position in the public sector arena will put OKP in a strong position to win new contracts in the coming year. To enhance our competitiveness, OKP has been building new capabilities and broadening its expertise to undertake new and related areas of business.

For example, the Group is venturing into the construction of Mass Rapid Transit (MRT) projects by participating in a local joint venture, United Singapore Builders Pte. Ltd. in January 2014. The joint venture's aim is to tender for the Ministry of Transport's $60.0 billion worth of MRT projects. The Group had entered into a shareholders' agreement with four other established construction companies in Singapore to take part in MRT tenders and undertake MRT projects if the consortium wins the tenders.

OKP's contract to improve Alexandra Canal between Zion Road and Kim Seng Road involves the reconstruction of the Zion Road Bridge and Kim Seng Road Bridge into wider road culverts, the construction of underpasses crossing Zion Road and Kim Seng Road, and the de-silting of the canal from Tanglin Road to Zion Road.

OKP is involved in ad hoc repairs and upgrading of roads, road-related facilities and road structure in Central Singapore.

In 2014, OKP successfully completed the construction of the East (North) Aircraft Parking Apron, associated taxiways and ancillary works at Seletar Airport, which is a private sector project for the Changi Airport Group.

With respective strengths to offer, this consortium is well-positioned to secure MRT projects laid out by the Ministry of Transport as outlined in the Land Transport Master Plan 2013. The Ministry of Transport's mission is to strengthen Singapore's transport connectivity and it is expected to double the length of Singapore's rail network to 278.0 km from 138.0 km in 2008 at a cost of $60.0 billion over the next decade.

We will continue to invest in property developments. Our first project in property development, Amber Skye at 8 Amber Road, Singapore 439852 was launched in September 2014. The 109-unit freehold Amber Skye was developed following our minority investment of 10.0 per cent stake in July 2012 in CS Amber Development Pte Ltd, a subsidiary of China Sonangol Land Pte. Ltd., the property arm of China Sonangol International (S) Pte. Ltd. In addition, our wholly-owned subsidiary, OKP Land Pte. Ltd. invested in a 10.0 per cent stake in a property development joint venture, Lakehomes Pte. Ltd. in September 2013. The aim is to develop an executive condominium, Lake Life, at Yuan Ching Road/Tao Ching Road in Singapore. It was successfully launched in October 2014 and recorded strong sales performance.

We will continue to focus on our traditional civil engineering business as we build on our established track record and expertise as the preferred civil engineering contractor for various industries, locally and overseas. However, we acknowledge and expect the operating environment in the construction industry to remain difficult. This is due to rising business costs, a tight labour market, and shortage of experienced and skilled manpower, which are attributed to the shortage of skilled and experienced manpower due to the prevailing government policies and legislation involving foreign worker hires.

To address these issues, we will streamline our operations and improve productivity through various measures such as the adoption of advanced technologies including Building Information Modelling (BIM), and training courses. These programmes will help to equip our staff's skills better and help them to acquire multiple skill sets. We are encouraging our employees to be more productive and efficient as we work together as a team to build our business for long-term success.

Our Group will continue to build new capabilities and expertise to enhance our competitiveness. We will seek new projects, both locally and overseas. We will continue to explore new businesses, through acquisitions, joint ventures and/or strategic alliances, that could complement our construction and maintenance business. These can potentially provide access to new markets and prospective clients. As competition intensifies with rising labour and construction material costs impacting our margins, we will continue to streamline our business operations to make OKP more efficient.

A NOTE OF THANKS

Our Group's steady performance and stable growth owe much to the steadfast support of our shareholders, clients, business associates and suppliers through the years. On behalf of the Board, I would like to record our deepest appreciation for the continuing partnership from all of you. Our gratitude also goes to the management team and staff for your dedication, hard work and good team work. Indeed, you all have helped the company to grow to what it is today and we look to your continuing support to achieve sustainable growth in the future.

I would also like to thank our Board of Directors for their wise counsel and contributions, which they have shared from their wealth of experience and expertise. We appreciate all of you who have keenly supported OKP and contributed towards achieving its vision to be one of the leading infrastructure and civil engineering companies in Singapore and the region.

Or Kim Peow
Group Chairman

IN CONVERSATION WITH OUR GROUP MANAGING DIRECTOR

Mr Or Toh Wat
Group Managing Director

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Q: Please highlight OKP's business strategy for the next five years and how OKP management is planning to execute these initiatives to achieve sustainable growth?

A: The Group is committed to its strategy is to stay focused on its core competences in infrastructure and civil engineering projects; and extending its presence in other sectors such as oil and gas, Mass Rapid Transit (MRT) infrastructure and building construction. We are also diversifying our earnings through our property developments and investments, and continuing to explore overseas opportunities, in order to fulfill our mission to be the first and preferred civil engineering contractor for the various industries in Singapore and overseas.

The outlook for the construction industry though challenging is still positive. According to the Building and Construction Authority's latest projections, Singapore's public sector projects will sustain construction demand in 2015 amounting to $18.0 billion to $21.0 billion. This figure is about 60.0 per cent of the total construction demand of $29.0 billion to $36.0 billion anticipated in 2015. Public construction demand will come mainly from an increase in industrial projects and a sustained pipeline of infrastructure and institutional civil engineering works.

The forecast for construction demand from 2016 to 2019 is also promising. Average construction demand is expected to be sustained between $27.0 billion to $36.0 billion in 2016 and 2017 and $26.0 billion and $37.0 billion in 2018 and 2019 annually. This is attributed to the various public sector infrastructure projects required to meet the long-term needs of Singapore's population and maintain the competitive advantage of its economy.

"AS OKP AIMS TO CONTINUE TO MAINTAIN ITS LEADERSHIP POSITION IN OUR CORE BUSINESS – CONSTRUCTION AND MAINTENANCE IN THE PUBLIC SECTOR, WE BELIEVE THAT WE ARE IN A STRONG POSITION TO CLINCH SOME OF THE PUBLIC SECTOR'S TENDERS. AT THE SAME TIME, WE ARE ACTIVELY LOOKING AT TENDERING FOR PROJECTS IN THE PRIVATE SECTOR."

These projected construction demand is good news for our Group as infrastructure and civil engineering works are what OKP specialises in. As OKP aims to continue to maintain its leadership position in our core business – construction and maintenance in the public sector, we believe that we are in a strong position to clinch some of the public sector's tenders. At the same time, we are actively looking at tendering for projects in the private sector.

The Group has also been building its capabilities to enhance its competitiveness by forming joint ventures for business growth. For example, in January 2014, the

OKP has completed the design and build of interchange at TPE/Sengkang West Road/Seletar Aerospace Way in 2014.

Group took steps to venture into MRT projects by forming a local joint venture, United Singapore Builders Pte. Ltd, with four other established construction companies in Singapore in order to tender for the Ministry of Transport's $60.0 billion worth of MRT projects. With the expertise of the joint venture partners, we believe we are in a solid position to secure some of the MRT projects outlined in the Land Transport Master Plan 2013 to double the length of Singapore's rail network to 278.0 km from 138.0 km in 2008 over the next decade.

For our property development and investment business, we invested in a 10.0 per cent stake in July 2012 in CS Amber Development Pte Ltd, a subsidiary of China Sonangol Land Pte. Ltd., the property arm of China Sonangol International (S) Pte. Ltd. to develop our first project, Amber Skye, at 8 Amber Road, Singapore 439852. Our wholly-owned subsidiary, OKP Land Pte. Ltd. has also invested in a 10.0 per cent stake in another joint venture, Lakehomes Pte. Ltd. in September 2013. The joint venture aims to develop an executive condominium, Lake Life, at Yuan Ching Road/Tao Ching Road in Singapore.

The Group looks with confidence to the future as we have taken concrete steps to strengthen and retain experienced staff, tender selectively for projects which give OKP better margins, and manage our operations and business more effectively.

Currently, our construction order book looks good with a net order book of approximately $296.8 million of secured contracts which extend till 2019. Thus, our outlook remains positive and we believe that we can achieve our business goals well and carry on a sustainable business for many years to come.

Q: What is OKP's competitive edge over its competitors and how is OKP management staying ahead of the competition?

A: The business environment in which OKP competes for projects is no doubt challenging. But since OKP was formed in 1966, we have built up our capabilities and vast expertise in infrastructure and civil engineering works.

Through more than four decades, we have developed many strengths, which have given the Group a competitive edge over our competitors. Our strengths include a solid track record, industry leadership in the public sector projects, a capable and very experienced management team, and excellent customer and supplier relationships. Today, we are acknowledged as a reliable and competent civil engineering contractor, and have won numerous awards for our business acumen and corporate governance.

Moreover, the Group's financial position remains stable and strong, making it possible for OKP to take on larger and more complex projects, venture into new sectors and be open and prepared for any business opportunities that may arise. We are continuously exploring new opportunities to widen our capabilities and investments so that we can stay ahead of the competition, and maintain our leadership position in the industry.

IN CONVERSATION WITH OUR GROUP MANAGING DIRECTOR

Q: Does OKP have a fixed dividend policy? In the past years, OKP's dividend has ranged from 0.3 cents in 2013 to 5 cents in 2010 – what is OKP management doing to ensure that OKP's dividend is on the upper levels in the years ahead?

A: The Group does not have a fixed dividend policy. Being a prudent company, the form, frequency and amount of dividends distributed to shareholders will depend on several factors such as OKP's earnings, financial position, results of operations, capital requirements, and plans for expansion. Our Board of Directors will weigh these factors before deciding on the appropriate amount of dividends for the year.

Over the past four years from FY2010 to FY2013, OKP has paid dividends of between 0.3 cents and 5.0 cents, which represent a dividend payout of between 19.2 per cent to 76.9 per cent.

The Group has invested in two property developments and a joint venture, which aims to tender for MRT projects. As such, OKP's management has decided that it would be more far-sighted to conserve the Group's cash so that we will have the funds and flexibility to consider investments if the right opportunities are presented to OKP. This more cautious approach will enable the Group to grow and sustain its business for the long-term.

Q: What growth drivers have OKP management identified for 2015 and how is the Group going to improve gross margins, which have decreased significantly in recent years?

A: In 2015, the Group sees its growth in Singapore's public sector projects which are expected to offer $18.0 billion to $21.0 billion in construction projects, particularly in the infrastructure and civil engineering works, which OKP has expertise and vast experience in.

During FY2014 and at the start of 2015, the Group maintained its growth by winning five new public sector projects worth a total of $251.0 million. Three of these contracts were from the Land Transport Authority (LTA) and two from the Public Utilities Board. We started 2015 well by winning two contracts for the construction of sheltered link ways under the Walk2Ride Programme worth $143.9 million, from the LTA. Hopefully, this will be the start of a good year in winning more contracts for OKP.

In 2013, OKP took a 10.0 per cent stake in Lakehomes Pte. Ltd. to develop an executive condominium project at Yuan Ching Road/Tao Ching Road in Singapore.

However, we will not be relying on the public sector projects alone. We will actively seek for more jobs in the private sector. As mentioned, we are already diversifying our revenue streams through property developments and extending our capabilities by forming a joint venture to tender for MRT projects.

In the very competitive business environment, construction players continue to face industry-wide challenges such as rising manpower costs, labour constraints and competitive pricing. In 2014, the Group's lower gross profit margin was due to lower profit margins for new and some current construction projects as a result of a more competitive pricing environment, rising manpower costs, increased subcontracting costs and additional works incurred for some projects.

While tender prices had been relatively low, we expect prices, and correspondingly, margins, to normalise in time. This is because industry peers and clients will gradually come to realise that a certain threshold of profit margin needs to be maintained by contractors to ensure sustainability in growth for the industry and enable it to thrive.

In 2012, OKP took a 10.0 per cent stake in CS Amber Development Pte. Ltd. to develop a condominium block at 8 Amber Road, Singapore 439852 called Amber Skye.

On OKP's part, we are exercising prudence in our business operations and continue to prospect actively for new projects, paying close attention to ensure a sustainable profit margin. In addition to tendering for new projects, we will also explore opportunities to grow our business through acquisitions, joint ventures and strategic alliances to complement our core business segments in construction and maintenance. This allows us to leverage on our core competencies in civil engineering, ensuring a timely delivery of quality projects each time.

The Group constantly implements additional controls in its cost control systems such as detailed reviews of its major projects, and identifying and implementing various controls to reduce costs to improve operational efficiencies. We are also taking steps to improve productivity and efficiency, which will ultimately lead to cost reduction and improve profitability for the Group. Our priority remains on achieving consistent long-term profitability by tendering for projects that yield reasonable profits.

Q: With the Singapore cooling measures in the property market still in place, is OKP still exploring new property developments? Please give an update on your two properties and how are they faring?

A: In Singapore, the Government's cooling measures in the property market have certainly affected the sales of properties as a whole. Despite this, we believe the property market will stablise and recover to reasonable levels in time to come. As such, OKP will continue to invest in property developments when there are good opportunities.

Our first project in property development, Amber Skye at 8 Amber Road was launched in September 2014. The 109-unit freehold Amber Skye was developed following our minority investment of a 10.0 per cent stake in July 2012 in CS Amber Development Pte Ltd, a subsidiary of China Sonangol Land Pte. Ltd., the property arm of China Sonangol International (S) Pte. Ltd. Our second project involved the development of an executive condominium, Lake Life, at Yuan Ching Road/Tao Ching Road in Singapore. In September 2013, our wholly-owned subsidiary, OKP Land Pte. Ltd., invested in a 10.0 per cent stake in a property development joint venture, Lakehomes Pte. Ltd., to develop this property. Lake Life was successfully launched in October 2014 and recorded strong sales performance.

OKP was also involved in a joint venture for the construction of a luxury condominium, TwentyOne Angullia Park in Singapore, which started in 2010. Comprising a mix of 54 bedrooms and penthouses, the 38-storey tower has two sky terraces with a gym and pool. The construction has been completed in 2014.

The Group will continue to look out for and explore with partners any attractive opportunities for property developments.

Q: OKP has a considerable size of cash and cash equivalent. With the steady cash flow, it seems OKP does not need that much available cash. Are there any plans to better utilise the cash holding?

A: The Group aims to grow its business and actively seeks and evaluates opportunities to grow and expand into new businesses in Singapore and overseas. We think long term so that we can have a sustainable business for many years to come.

As such, OKP needs to maintain a reasonable amount of cash and cash equivalents to enable us to be prepared for new investments if and when they arise. Thus, to grow our business, we need to be prudent and therefore, such cash holding will be very useful.

Or Toh Wat
Group Managing Director

OUR FUTURE OUTLOOK

The Singapore economy experienced slow growth by only 2.9 per cent in 2014, slower than the 4.4 per cent in 2013, according to an announcement by the Ministry of Trade and Industry on 17 February 2015. Growth in the construction sector dropped to 3.0 per cent compared to 6.3 per cent in 2013, due mainly to weaker private sector construction activities.

The global economic outlook is still unpredictable, with growth in 2015 expected to come in only slightly better than in 2014. The uncertain economic climate will certainly impact Singapore's economy with the Ministry's growth forecast for 2015 to be between 2.0 and 4.0 per cent.

CONSTRUCTION INDUSTRY REMAINS POSITIVE

Amidst this challenging global economic environment, the construction industry in Singapore remains positive and holds promise for more sustainable work. According to the Building and Construction Authority, the value of construction contracts for the built environment sector are expected to reach between $29.0 billion and $36.0 billion in 2015, due to a steady pipeline of public sector projects. This projected construction demand comes on the heels of an exceptionally strong performance in 2014 with a new record of $37.7 billion from a higher volume of institutional and civil engineering construction contracts. In 2015, the new projects will include Sengkang General and Community Hospitals, Tampines Town Hub project and various major contracts for the construction of Thomson-East Coast Mass Rapid Transit (MRT) Line as well as land preparation works for the upcoming Changi Airport development.

In 2015, public sector projects are expected to account for $18.0 billion to $21.0 billion, which is about 60.0 per cent or of the total construction demand. However, while public housing projects are anticipated to slow down this year because of a more stabilised public housing market, public construction

demand will remain steady. This is due to an increase in industrial projects and a sustained demand for institutional and civil engineering works.

Meanwhile, private sector construction demand is anticipated to be between $11.0 billion and $15.0 billion as developers may adopt a cautious approach amid a slowdown in private home sales and global economic uncertainties, compared to $18.0 billion in 2014. Nevertheless, the slowdown is likely to be moderated by an increase in private sector civil engineering projects such as the proposed infrastructure works for the development of the Changi East Runway 3.

The construction industry continues to face challenges due to rising business costs, a tight labour market, and a shortage of experienced and skilled manpower due to the prevailing government policies and legislation involving foreign worker hires.

BUILDING FOR SUSTAINABLE SUCCESS

Despite these challenges, OKP stays optimistic due to its confidence gained through the decades as one of the leading transport infrastructure and civil engineering companies in Singapore. We are acknowledged for our strong expertise and vast experience particularly in the public sector where a steady flow of institutional and civil engineering contracts are expected to come onstream. Furthermore, we have been building up our capabilities with joint ventures for property developments and tendering of future MRT projects. We believe that our future outlook is encouraging and look forward to achieving long-term growth and sustainable success for OKP in the years ahead.

FIVE-YEAR FINANCIAL HIGHLIGHTS

FOR THE YEAR

	FY2014 $'000	Restated* FY2013 $'000	FY2012 $'000	FY2011 $'000	FY2010 $'000
Revenue – Construction	71,113	78,677	91,516	90,226	115,977
Revenue – Maintenance	38,363	28,317	12,966	19,591	23,879
Revenue	109,476	106,994	104,482	109,817	139,856
Revenue – Construction (% of total revenue)	65.0%	73.5%	87.6%	82.2%	82.9%
Revenue – Maintenance (% of total revenue)	35.0%	26.5%	12.4%	17.8%	17.1%
Gross profit	8,760	11,171	23,449	43,210	29,493
Gross profit margin (%)	8.0%	10.4%	22.4%	39.3%	21.1%
Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA)	5,240	8,608	18,206	35,320	23,410
EBITDA margin (%)	4.8%	8.0%	17.4%	32.2%	16.7%
Finance cost (i.e. Interest expense)	54	59	89	114	151
Profit before income tax	2,200	5,317	14,763	32,150	20,441
Profit before income tax (%)	2.0%	5.0%	14.1%	29.3%	14.6%
Net profit	2,539	4,809	12,524	26,510	16,881
Net profit margin (%)	2.3%	4.5%	12.0%	24.1%	12.1%
Profit after income tax and non-controlling interests (PATMI)	2,541	4,812	12,364	26,559	16,952
PATMI Margin (%)	2.3%	4.5%	11.8%	24.2%	12.1%

AT YEAR END

	FY2014 $'000	Restated* FY2013 $'000	FY2012 $'000	FY2011 $'000	FY2010 $'000
Current assets	74,076	75,052	89,514	124,095	131,201
Total assets	132,581	134,572	137,519	148,333	153,110
Current liabilities	32,202	34,875	39,376	59,147	82,839
Total liabilities	34,276	37,869	41,146	60,251	84,175
Total debt (ie financel lease)	2,235	2,742	1,454	1,129	1,841
Shareholders' equity	98,255	96,651	96,318	88,203	69,007
Total equity	98,305	96,703	96,373	88,082	68,935
Operating cashflow	(1,115)	(1,467)	(7,041)	5,477	39,053
Cash and cash equivalents	34,009	37,577	53,992	92,524	100,074
Net tangible assets	96,425	94,752	94,348	86,515	67,319
Number of shares	308,431	308,431	307,220	305,245	265,823
Adjusted weighted average number of ordinary shares					
– Basic	308,431	308,431	305,771	294,407	260,786
– Fully diluted	308,431	308,431	306,974	296,971	286,615
Share price at year end (cents)	25.50	34.50	51.00	53.00	57.00
Market capitalisation as at 31 December	78,650	106,409	156,682	161,780	151,519
Capital expenditure	2,360	3,331	5,570	5,015	6,782

FINANCIAL RATIOS

	FY2014 $'000	Restated* FY2013 $'000	FY2012 $'000	FY2011 $'000	FY2010 $'000
PROFITABILITY					
Revenue growth (%)	2.3%	2.4%	(4.9%)	(21.5%)	7.6%
PATMI growth (%)	(47.2%)	(61.1%)	(53.4%)	56.7%	17.4%
Return on assets (%) (PATMI/Total assets)	1.9%	3.6%	9.0%	17.9%	11.1%
Return on equity (%) (PATMI/Ave shareholders equity)	2.6%	5.0%	13.4%	33.8%	26.5%
LIQUIDITY					
Current ratio (times)	2.3	2.2	2.3	2.1	1.6
Cash as per share (cents)	11.0	12.2	17.6	30.3	37.6
Net tangible assets per share (cents)	31.3	30.7	30.7	28.3	25.3
LEVERAGE					
Total debt to equity ratio (times) (Total debt/Total equity)	<0.1	<0.1	<0.1	<0.1	<0.1
Interest cover (times) (EBITDA/Finance cost)	97.0	145.9	204.6	309.8	155.0
INVESTORS' RATIO					
Earnings per share (cents)					
– Basic	0.8	1.6	4.0	9.0	6.5
– Fully diluted	0.8	1.6	4.0	8.9	5.9
Gross dividend per share (cents) – ordinary	0.1	0.3	1.5	3.0	3.0
Gross dividend per share (cents) – special	0.0	0.0	0.0	0.0	2.0
Total gross dividend per share (cents) (DPS)	0.1	0.3	1.5	3.0	5.0
Gross dividend yield (%) based on year end share price	0.4%	0.9%	2.9%	5.7%	8.8%
Gross dividend payout (%) (DPS/Basic EPS)	12.1%	19.2%	37.1%	33.3%	76.9%
INVESTORS' RATIO					
Number of employees	841	849	760	740	744
Revenue/employee ($'000)	130.2	126.0	137.5	148.4	188.0

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

LAYING SOLID FOUNDATIONS

EXTENDING OUR CAPABILITIES

AS WE SEEK TO DIVERSIFY OUR REVENUES AND UNDERTAKE NEW VENTURES, WE WILL CONTINUE TO BUILD ON OUR SOLID FOUNDATIONS THROUGH OUR STRONG EXPERTISE, TRACK RECORD AND TEAM.

OUR BUSINESS

OUR CORPORATE PROFILE

OKP HOLDINGS LIMITED, TOGETHER WITH ITS SUBSIDIARIES, IS A LEADING HOME-GROWN INFRASTRUCTURE AND CIVIL ENGINEERING GROUP. WE SPECIALISE IN THE CONSTRUCTION OF AIRPORT RUNWAYS AND TAXIWAYS, EXPRESSWAYS, FLYOVERS, VEHICULAR BRIDGES, URBAN AND ARTERIAL ROADS, AIRPORT INFRASTRUCTURE AND OIL AND GAS-RELATED INFRASTRUCTURE FOR PETROCHEMICAL PLANTS AND OIL STORAGE TERMINALS. OVER THE YEARS, WE HAVE EXPANDED OUR CORE BUSINESS TO INCLUDE PROPERTY DEVELOPMENT AND INVESTMENT.

The Group also undertakes maintenance works for roads and road-related facilities as well as building construction-related works. In 2010, it expanded its core business to include property development and investment.

Established in 1966 by Founder and Chairman, Mr Or Kim Peow, OKP has two core business divisions – Construction and Maintenance. The Group tenders for both public and private civil engineering and infrastructure construction projects as well as maintenance contracts.

The Group's clients include both public and private sector organisations. Public sector clients include the Housing & Development Board, JTC Corporation, Land Transport Authority, National Parks Board, Public Utilities Board and Urban Redevelopment Authority. In the private sector, clients include the Changi Airport Group, ExxonMobil, Foster Wheeler Asia Pacific Pte Ltd, WorleyParsons Pte Ltd and Angullia Development Pte. Ltd..

CORPORATE DEVELOPMENTS

The Group's key strategy is to stay focused on its core competencies, especially in Singapore where OKP's expertise and reputation as a leading player in the public sector have been acknowledged. In 2008, the Group's wholly-owned subsidiary, Or Kim Peow Contractors (Pte) Ltd was upgraded to an A1 grade civil engineering contractor under the Building and Construction Authority's Contractors' Registry, which allows it to tender for public sector construction projects of unlimited value. In 2009, another wholly-owned subsidiary, Eng Lam Contractors Co (Pte) Ltd, was upgraded to an A2 grade civil engineering contractor, allowing it to tender for public sector construction projects with contract values of up to $85.0 million each.

To build new capabilities and enhance its competitiveness, OKP has invested in a few joint ventures over the years. In 2014, it invested in an associated company, United Singapore Builders Pte. Ltd., with Chye Joo Construction Pte Ltd, Ho Lee Construction Pte Ltd, Hwa Seng Builder Pte Ltd and Swee Hong Limited, to participate in Mass Rapid Transit (MRT) tenders and undertake MRT projects if awarded.

In December 2010, wholly-owned subsidiary, Or Kim Peow Contractors (Pte) Ltd, entered into a 50-50 joint venture with Soil-Build (Pte) Ltd, a wholly-owned subsidiary of property developer, Soilbuild Construction Group Ltd, a well-respected property developer in Singapore. In the same month, the new joint venture company, Forte Builder Pte. Ltd., secured a $83.5 million contract from Angullia Development Pte. Ltd. to undertake the construction of a luxury condominium in Angullia Park, Orchard Road.

The Group will continue to grow its presence in the oil and gas industry. It first entered this sector in 2006 when it secured a project related to the $750.0 million Universal Terminal, a massive petroleum storage facility on Jurong Island, Singapore's oil refining and petrochemical hub. Since then, the Group has gone on to secure numerous other projects including civil works relating to ExxonMobil's multi-billion dollar petrochemical project, known as the Second Petrochemical Complex. In August 2010, OKP made further inroads into the sector with the signing of a contract for land reclamation works on Jurong Island.

To further enhance its competitiveness, OKP will continue to explore overseas opportunities actively in line with its expansion plans. In 2009, wholly-owned subsidiary, OKP Technical Management Pte. Ltd., entered into a joint venture with CIF Singapore Pte. Ltd., a subsidiary of China Sonangol International (S) Pte. Ltd. The latter is a subsidiary of China Sonangol International Limited, an overseas conglomerate engaged in oil, gas and mineral investments and explorations; crude oil supply and national infrastructure construction projects. Earlier, OKP had formed a strategic alliance with China Sonangol International (S) Pte. Ltd. when the latter subscribed for 15.0 million new ordinary shares in OKP. With the issuance of bonus shares and the exercise of warrants, coupled with the purchase of 15.0 million existing shares, China Sonangol International (S) Pte. Ltd.'s stake in OKP was about 14.0 per cent as at 10 March 2015.

The Group is also constantly on the lookout for opportunities to grow its property development and investment portfolio. In June 2012, OKP's newly-formed subsidiary, OKP Land Pte. Ltd., took a 10.0 per cent stake in CS Amber Development Pte. Ltd., a subsidiary of China Sonangol Land Ltd., the property arm of China Sonangol International (S) Pte. Ltd. This property development company purchased en-bloc a condominium block at 8 Amber Road, Singapore 439852, and re-developed it into a luxury condominium project named Amber Skye which has been launched for sale.

In September 2013, OKP Land Pte Ltd. formed a joint venture company, Lakehomes Pte. Ltd., with BBR Development Pte. Ltd., Evia Real Estate (5) Pte. Ltd., CNH Investment Pte. Ltd. and Ho Lee Group Pte Ltd to develop a 546-unit executive condominium named Lake Life at Yuan Ching Road /Tao Ching Road in Singapore. Lake Life was successfully launched in October 2014 and recorded strong sales performance.

The Group has been listed on the Singapore Exchange since 26 July 2002. Its market capitalisation is $78.7 million [2013: $106.4 million] while net assets amounted to $96.4 million [2013: $94.8 million] as at 31 December 2014.

OUR MILESTONES

2014

Our Group Managing Director, Mr Or Toh Wat (centre) receiving Runner-up award for the Most Transparent Company Award 2014 in the Constructions & Materials Category from Mrs Lim Hwee Hua, Honorary Chairman of Securities Investors Association (Singapore) (SIAS) at the SIAS 15th Investors' Choice Awards 2014.

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- Won two awards – Merit for the Singapore Corporate Governance Award under Mainboard Small Caps Category; and Runner-up for the Most Transparent Company Award in the Constructions & Materials Category – at Securities Investors Association (Singapore) 15th Investors' Choice Awards 2014.

- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Recognition from the Land Transport Authority (LTA) at its Annual Safety Award 2014 for "Category 2 (Civil contract value not exceeding $120 million)" for companies that have achieved more than 250,000 accident-free man hours for Contract ER368.

- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Recognition from the LTA at its Annual Safety Award 2014 for "Category 2 (Civil contract value not exceeding $120 million)" for companies that have achieved more than 250,000 accident-free man hours for ER391.

- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Participation from the LTA at its Annual Safety Award 2014 for the "Major Category (Civil contract value between $20 million and $50 million)" for Contract ER368.

- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd has invested in an associated company, United Singapore Builders Pte. Ltd., with Chye Joo Construction Pte Ltd, Ho Lee Construction Pte Ltd, Hwa Seng Builder Pte Ltd and Swee Hong Limited to participate in Mass Rapid Transit (MRT) tenders and undertake MRT projects if awarded.

2013

Our Executive Director, Mr Or Lay Huat Daniel (centre) with Ms Yeo Lian Sim, former Chief Regulatory Officer and Chief Risk Officer, Singapore Exchange (left) and Mr Alvin Tay, editor, The Business Times (right) at the Singapore Corporate Awards 2013 where OKP won Best Investor Relations (Bronze).

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- Wholly-owned subsidiary OKP Land Pte Ltd. has formed a joint venture company, Lakehomes Pte. Ltd., with BBR Development Pte. Ltd., Evia Real Estate (5) Pte. Ltd., CNH Investment Pte. Ltd. and Ho Lee Group Pte Ltd to develop an executive condominium development at Yuan Ching Road / Tao Ching Road in Singapore.

- Won three awards in the "Companies with less than $300 million in market capitalisation" category at Singapore Corporate Awards 2013 – Best Annual Report (Gold), Best Managed Board (Silver) and Best Investor Relations (Bronze).

- Winner of the Most Transparent Company Award under Mainboard Small Caps Category at Securities Investors Association (Singapore) 14th Investors' Choice Awards 2013.

- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Merit from the LTA at its Annual Safety Award 2013. The award is in the "Major Category (Civil Contracts between $20 million and $50 million)" for Contract ER368.

- Or Kim Peow Contractors (Pte) Ltd received a Certificate of Recognition from the LTA at its Annual Safety Award 2013. The award is in the "Category 2 (Civil contract value not exceeding $120 million with more than 250,000 accident-free man hours)" for Contract ER368.

- Or Kim Peow Contractors (Pte) Ltd received a Construction Environmental Award from the LTA at its Annual Safety Award 2013. The award is in the "Category 2 (Civil contract value not exceeding $120 million with more than 250,000 accident-free man hours)" for Contract ER368.

- Or Kim Peow Contractors (Pte) Ltd received the Meritorious Defence Partner Award at the Total Defence Awards 2013 in recognition of its support and contribution to Total Defence.

OUR MILESTONES

2012

Group photo after OKP won three awards in the "Companies with less than S$300 million in market capitalisation" category at the Singapore Corporate Awards 2012 for Best Chief Financial Officer (Ms Ong Wei Wei), Best Managed Board (Bronze) and Best Investor Relations (Bronze).

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- A subsidiary, OKP Land Pte. Ltd. took a 10.0 per cent stake in CS Amber Development Pte. Ltd. (previously known as CS Land Properties Pte. Ltd.), a subsidiary of China Sonangol Land Pte. Ltd., the property arm of China Sonangol International (S) Pte. Ltd. This property development company was involved in an en bloc purchase of a condominium block at 8 Amber Road, Singapore 439852 and plans to re-develop it into a premium condominium project.

- Won three awards in the "Companies with less than $300 million in market capitalisation" category at Singapore Corporate Awards 2012 – Best Chief Financial Officer (Ms Ong Wei Wei), Best Managed Board (Bronze) and Best Investor Relations (Bronze).

- Winner of the Most Transparent Company Award under Mainboard Small Caps Category at Securities Investors Association (Singapore) 13th Investors' Choice Awards 2012.

- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Merit from the LTA at its Annual Safety Award 2012. The award is in the "Major Category (Civil Contracts between $20 million and $50 million)" for Contract ER368.

- Or Kim Peow Contractors (Pte) Ltd received a Certificate of Recognition from the LTA at its Annual Safety Award 2012. The award is in the "Category 2 (Civil contract value not exceeding $120 million with more than 250,000 accident-free man hours)" for Contract ER368.

- Or Kim Peow Contractors (Pte) Ltd has been conferred the BCA Green and Gracious Builder (Excellent) Award.

- Wholly-owned subsidiary Eng Lam Contractors Co. (Pte) Ltd has been conferred the BCA Green and Gracious Builder (Merit) Award.

- Eng Lam Contractors Co. (Pte) Ltd was presented the Meritorious Defence Partner Award at the Total Defence Awards 2012 in recognition of its support and contribution to Total Defence.

- Received Certificate of Achievement from DP Information Group on entering the "Singapore 1000 Company – 2012" list.

2011

OKP received a Certificate of Recognition for ER288 at the LTA's Annual Safety Awards 2011; and a Certificate of Achievement from DP Information Group.

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- Incorporated a wholly-owned subsidiary, OKP Land Pte Ltd., with an issued and paid-up share capital of $500,000, comprising 500,000 ordinary shares. The principal business activities of OKP Land Pte. Ltd. are investment holding and property development.

- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd was assessed by the BCA and found eligible to participate in the Construction Engineering Capability Development Programme. This programme aims to nurture BCA registered general builders to undertake complex projects to build up their construction engineering capability by offering financial incentives.

- Or Kim Peow Contractors (Pte) Ltd received a Certificate of Recognition from the LTA at its Annual Safety Awards 2011. The award in Category 2 (contracts less than $120 million) recognises companies that have achieved more than 0.25 million accident-free man hours for Contract ER288.

- Received Certificate of Achievement from DP Information Group on entering the "Singapore 1000 Company" list under the "Public Listed Company – 2011" category.

OUR MILESTONES

2010

With our Group Managing Director, Mr Or Toh Wat (second from right), at the "Best Under A Billion" award ceremony in Hong Kong are Ms Hera Siu, President of SAP China (left), Mr Christopher Forbes, Vice Chairman of Forbes (second from left) and Mr Simon Galpin, Director-General of Invest Hong Kong (right).

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- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd signed a 50-50 joint venture agreement with Soil-Build (Pte) Ltd, a wholly-owned subsidiary of property developer Soilbuild Group Holdings Ltd, a well-respected property developer in Singapore. New joint venture company, Forte Builder Pte. Ltd., secured a $83.5 million contract from Angullia Development Pte. Ltd. to undertake the construction of a luxury Angullia Park condominium in Orchard Road.

- Made Forbes Asia's "Best Under A Billion" List, the magazine's annual ranking of the best 200 companies in the Asia Pacific region, which were selected from a list of nearly 13,000 publicly-listed top-performing companies with sales under US$1 billion, evaluated based on sales and earnings growth, and shareholders' return on equity over a three-year period and the past one year.

- Received the Best Annual Report Award (Gold) in the "Companies with less than $300 million in market capitalisation" category at the Singapore Corporate Awards 2010.

- Or Kim Peow Contractors (Pte) Ltd purchased the property at 2A Sungei Kadut Drive for $3.55 million to provide for future expansion plans of the company.

- Received Certificate of Achievement from DP Information Group, on entering into the "Singapore 1000 Company" list under the "Public Listed Companies – 2010" category.

- Or Kim Peow Contractors (Pte) Ltd received a Certificate of Excellence from the LTA at its Annual Safety Award 2010. The award in the "Major Category (Civil Contracts between $20 million and $50 million)" was in recognition of the company's outstanding performance in occupational safety and health management for Contract ER194.

2009

Then Minister of State for Defence Associate Professor Koo Tsai Kee (right) presenting the Meritorious Defence Partner Award to our Executive Director, Mr Or Kiam Meng, at the Total Defence Awards 2009 in recognition of OKP's support and contribution to Total Defence.

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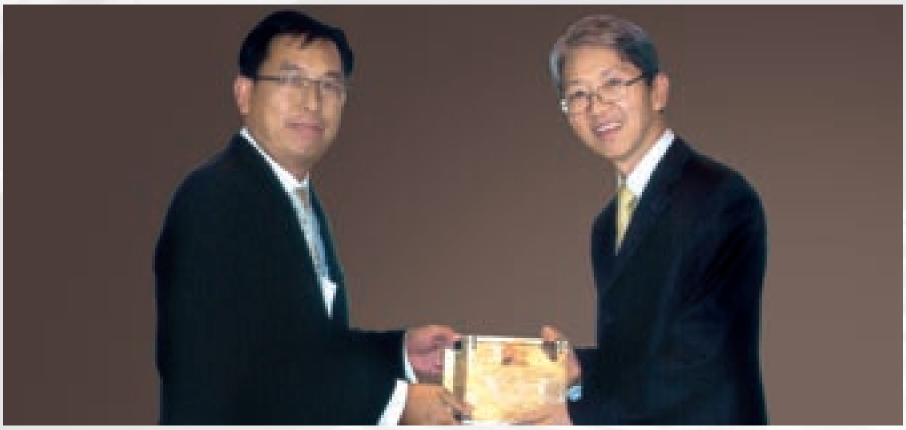

- Secured our largest public sector project to date – $119.3 million contract from the LTA to widen the stretch of Central Expressway (CTE) from Pan Island Expressway (PIE) to Braddell Interchange.

- Allotted and issued 15 million new ordinary shares at the price of $0.45 for each share to China Sonangol International (S) Pte. Ltd., a subsidiary of China Sonangol International Limited, which is an overseas conglomerate engaged in oil, gas and minerals investments and explorations, crude oil supply and national infrastructure construction projects.

- Won two awards at the Singapore Corporate Awards 2009, namely Best Investor Relations Award (Gold) and Best Annual Report Award (Silver) in the "Companies with less than $300 million in market capitalisation" category.

- OKP Holdings Limited and wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd were awarded the Certificate of Achievement by DP Information Group for making the 22nd "Singapore 1000 & SME 500" rankings.

- Secured our maiden contract from the Urban Redevelopment Authority – a $3.4 million deal for environmental improvement works.

- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received the Meritorious Defence Partner Award at the Total Defence Awards 2009 in recognition of its support and contribution to Total Defence.

- Wholly-owned subsidiary Eng Lam Contractors Co. (Pte) Ltd was upgraded to an A2 grade civil engineering contractor under the BCA Contractors' Registry, which allows the company to tender for public sector construction projects with contract values of up to $85.0 million each.

- Wholly-owned subsidiary OKP Technical Management Pte. Ltd. entered into a 50-50 joint venture agreement with CIF Singapore Pte. Ltd., a subsidiary of China Sonangol International (S) Pte. Ltd., to further grow the overseas wing of our business.

- Distributed bonus issue of 82,430,468 new shares on the basis of one new OKP share for every two existing shares held and a rights issue of warrants on the basis of one warrant for every four existing ordinary shares held by entitled shareholders. Each warrant was issued at a consideration of 1.0 cent, with an exercise price of 20.0 cents and an exercise period of three years.

- Or Kim Peow Contractors (Pte) Ltd received a Certificate of Excellence from the LTA at its Annual Safety Award 2009. The award in the "Minor Category (Civil Contracts less than $20 million)" was in recognition of the company's outstanding performance in occupational safety and health management for Contract ER213.

OUR MILESTONES

2008

OKP successfully completed its first and largest oil and gas-related project, which is related to the $750.0 million Universal Terminal, a massive petroleum storage facility.

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- OKP was the Silver Winner for Best Investor Relations Award – Small Market Capitalisation Category, at the Singapore Corporate Awards 2008.
- OKP was the first to be awarded a road-widening contract in relation to the Government's plan for the upgrading and improvement of the Central Expressway (CTE). The contract, worth $16.9 million, was to widen the stretch of the CTE between Ang Mo Kio Avenue 1 and Ang Mo Kio Avenue 3.
- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd was upgraded to an A1 grade civil engineering contractor under the Contractors Registry regulated by the Building and Construction Authority (BCA), allowing it to tender for public sector construction projects of unlimited value.
- Upgraded our listing from the Catalist (formerly Sesdaq) to the SGX Mainboard with effect from 25 July 2008.
- Wholly-owned subsidiary Eng Lam Contractors Co. (Pte) Ltd received the Meritorious Defence Partner Award at the Total Defence Awards 2008 in recognition of its support and contribution to Total Defence.
- Successfully completed two projects from the LTA to widen and re-surface roads with special-mix asphalt for the prestigious Formula One race which took place in September 2008.
- Successfully completed our first and largest oil and gas-related project, which is related to the $750.0 million Universal Terminal, a massive petroleum storage facility.
- Successfully completed another oil and gas-related project in Jurong Island.
- Received Certificate of Achievement from DP Information Group for making the "Singapore 1000 Company" list under the "Public Listed Company – 2008" category.

2007

OKP modified and resurfaced part of the Formula One race circuit around the Marina Bay area in the city centre in preparation for the F1 night race.

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- Issued and allotted 13.6 million new ordinary shares for cash at $0.16821 each pursuant to a placement exercise.
- Incorporated a 55.0 per cent joint venture company, OKP (Oil & Gas) Infrastructure Pte Ltd, to carry out civil engineering projects in respect of oil, petrochemical and gas related businesses in Singapore.
- Bagged a hefty $44.0 million civil engineering deal from Foster Wheeler Asia Pacific Pte Ltd and WorleyParsons Pte Ltd.
- Secured two awards totalling $8.6 million from the LTA to widen and re-surface roads with special-mix asphalt for the prestigious Formula One race slated for September 2008.
- Received the Contractor of the Month Award for October and November 2007 from Foster Wheeler Asia Pacific Pte Ltd and WorleyParsons Pte Ltd.
- Successfully completed our first overseas project in Rota (Island).
- OKP (Oil & Gas) Infrastructure Pte Ltd took off, securing a total of three projects on Jurong Island worth a total of $11.1 million.
- Received Certificate of Achievement from DP Information Group on entering the "Singapore 1000 Company" list under the "Public Listed Company – 2007" category.

OUR MILESTONES

2006

Our Executive Director, Mr Oh Enc Nam, receiving the Housing & Development Board Safety Award 2006 from then Senior Minister of State for National Development Madam Grace Fu Hai Yien.

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- Awarded our first overseas project worth approximately $14.3 million in Rota (Island) in CNMI.
- Became one of the first few Singaporean companies to do business in the CNMI.
- Broke into the oil and gas industry with our first and largest project worth approximately $50.0 million.
- Became one of the first civil contractors appointed by Foster Wheeler Asia Pacific Pte Ltd and WorleyParsons Pte Ltd to carry out civil works in Jurong Island.
- Won the Best Annual Report Award (Gold) for Sesdaq company at the Inaugural Singapore Corporate Awards 2006 for excellent standards of corporate disclosure.
- Incorporated a 55.0 per cent-owned subsidiary company, United Pavement Specialists Pte Ltd, to handle asphalt-related business in the CNMI and Micronesia.
- Wholly-owned subsidiary Eng Lam Contractors Co. (Pte) Ltd was the winner of the Housing & Development Board Safety Award 2006 for the construction of roads at Yishun Street 31 (between Yishun Ring Road and Yishun Ave 6).
- Secured our first project with the National Parks Board.
- Received the Contractor of the Month Award for July 2006 from Foster Wheeler Asia Pacific Pte Ltd and WorleyParsons Pte Ltd.
- Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Merit from the Land Transport Authority (LTA) at its Annual Safety Award 2006 for the "Major Category" for Contract PE100.

2005

- Incorporated a 96 per cent-owned subsidiary company, OKP (CNMI) Corporation in Saipan, Commonwealth of Northern Mariana Islands (CNMI) to handle the Group's infrastructure, construction and building-related businesses in CNMI.

2004

OKP was 2nd runner up at the 30th Annual Report Awards in the Sesdaq-listed companies category in 2004.

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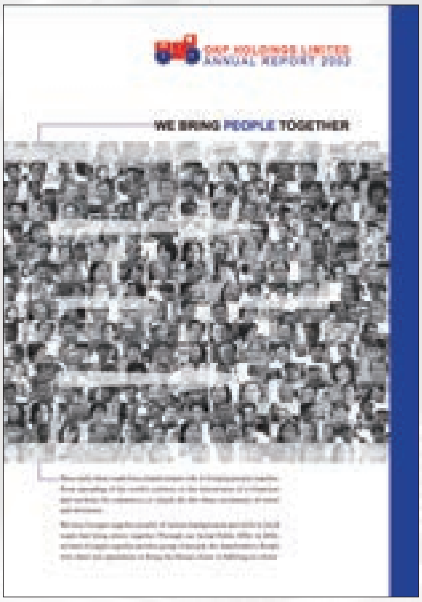

- Ranked the second runner-up at 30th Annual Report Awards in the Sesdaq-listed companies category organised by the Institute of Certified Public Accountants of Singapore, Investment Management Association of Singapore, Securities Investors Association (Singapore), Singapore Institute of Management, Singapore Institute of Directors, Singapore Exchange Limited and The Business Times.
- Successfully completed our first construction-related high-rise building project.

2003

OKP's first construction–related high-rise building project called Dunman View condominium.

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- Incorporated a wholly-owned subsidiary company, OKP Investments (China) Pte Ltd, to handle construction-related business in China.
- Entered into an Alliance Agreement with other building and construction professionals to offer a one-stop solutions centre to customers in India and other countries.
- Undertook our first construction-related high-rise building project worth $10.5 million with a private property developer.

2002

- Listed on 26 July 2002.
- Secured our first airport-related project worth $39.5 million.
- Secured our first design and build project worth $21.6 million.

OUR AWARDS AND ACCOLADES

COMPANY RANKING

2012
Received the Certificate of Achievement from DP Information Group on entering the "Singapore 1000 Company – 2012" list.

2011
Received Certificate of Achievement from DP Information Group on entering the "Singapore 1000 Company" list under the "Public Listed Companies – 2011" category.

2010
Made Forbes Asia's "Best Under A Billion" List, the magazine's annual ranking of the best 200 companies in the Asia Pacific region, which were selected from a list of nearly 13,000 publicly-listed top performers with sales under US$1 billion, evaluated based on factors such as sales and earnings growth, and shareholders' return on equity over a three-year period and the past one year.

Received Certificate of Achievement from DP Information Group, on entering into the "Singapore 1000 Company" list under the "Public Listed Companies – 2010" category.

2009
OKP Holdings Limited and wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd were awarded the Certificate of Achievement by DP Information Group for making the 22nd "Singapore 1000 & SME 500" rankings.

2008
Received Certificate of Achievement from DP Information Group for making the "Singapore 1000 Company" list under the "Public Listed Companies – 2008" category.

2007
Received Certificate of Achievement from DP Information Group on entering the "Singapore 1000 Company" list under the "Public Listed Companies – 2007" category.'

INVESTOR RELATIONS/TRANSPARENCY

2014
Won two awards – Merit for the Singapore Corporate Governance Award under Mainboard Small Caps Category; and Runner-up for the Most Transparent Company Award in the Constructions & Materials Category – at Securities Investors Association (Singapore) 15th Investors' Choice Awards 2014.

2013
Won three awards in the "Companies with less than $300 million in market capitalisation" category at Singapore Corporate Awards 2013 – Best Annual Report (Gold), Best Managed Board (Silver) and Best Investor Relations (Bronze).

Winner of the Most Transparent Company Award under Mainboard Small Caps Category at Securities Investors Association (Singapore) 14th Investors' Choice Awards.

2012
Winner of the Most Transparent Company Award under Mainboard Small Caps Category at Securities Investors Association (Singapore) 13th Investors' Choice Awards.

Won three awards in the "Companies with less than $300 million in market capitalisation" category at Singapore Corporate Awards 2012 – Best Chief Financial Officer (Ms Ong Wei Wei), Best Managed Board (Bronze) and Best Investor Relations (Bronze).

2010
Received Best Annual Report Award (Gold) in the "Companies with less than $300 million in market capitalisation" category at the Singapore Corporate Awards 2010.

2009
Won two awards at the Singapore Corporate Awards 2009, namely Best Investor Relations Award (Gold) and Best Annual Report Award (Silver) in the "Companies with less than $300 million in market capitalisation" category.

2008
OKP was the Silver Winner for Best Investor Relations Award – Small Market Capitalisation Category at the Singapore Corporate Awards 2008.

2006
Won Best Annual Report Award (Gold) for Sesdaq company at the Inaugural Singapore Corporate Awards 2006 for excellent standards of corporate disclosure.

2004
Ranked second runner-up at 30th Annual Report Awards in the Sesdaq-listed companies category organised by the Institute of Certified Public Accountants of Singapore, Investment Management Association of Singapore, Securities Investors Directors, Singapore Exchange Limited and The Business Times.

SAFETY

2014
Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Recognition from the Land Transport Authority (LTA) at its Annual Safety Award 2014 for "Category 2 (Civil contract value not exceeding $120 million)" for companies that have achieved more than 250,000 accident-free man hours for Contract ER368.

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Recognition from the LTA at its Annual Safety Award 2014 for "Category 2 (Civil contract value not exceeding $120 million)" for companies that have achieved more than 250,000 accident-free man hours for ER391.

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Participation from the LTA at its Annual Safety Award 2014 for the "Major Category (Civil contract value between $20 million and $50 million)" for Contract ER368.

2013

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Recognition from the LTA at its Annual Safety Award 2013. The award is in the "Category 2 (Civil contract value not exceeding $120 million with more than 250,000 accident-free man hours)" for Contract ER368.

Or Kim Peow Contractors (Pte) Ltd OKPC received a Certificate of Recognition from the LTA at its Annual Safety Award 2013. The award is in the "Category 2 (Civil contract value not exceeding $120 million with more than 250,000 accident-free man hours)" for Contract ER391.

Or Kim Peow Contractors (Pte) Ltd received a Certificate of Merit from the LTA at its Construction Environmental Award 2013. The award is in the "Major Category (Civil contract value between $20 million and $50 million)" for Contract ER201.

2012

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Merit from the LTA at its Annual Safety Award 2012. The award is in the "Major Category (Civil Contracts between $20 million and $50 million)" for Contract ER368.

Or Kim Peow Contractors (Pte) Ltd received a Certificate of Recognition from the LTA at its Annual Safety Award 2012. The award is in the "Category 2 (Civil contract value not exceeding $120 million with more than 250,000 accident-free man hours)" for Contract ER368.

Or Kim Peow Contractors (Pte) Ltd has been conferred the Building and Construction Authority (BCA) Green and Gracious Builder (Excellent) Award.

Wholly-owned subsidiary Eng Lam Contractors Co. (Pte) Ltd has been conferred the BCA Green and Gracious Builder (Merit) Award.

2011

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Recognition from the LTA at its Annual Safety Award 2011 for the "Category 2 (Civil contracts less than $120 million)" for companies that have achieved more than 250,000 accident-free man hours for Contract ER288.

2010

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Excellence from the LTA at its Annual Safety Award 2010. The award in the "Major Category (Civil Contracts between $20 million and $50 million)" was in recognition of the company's outstanding performance in occupational safety and health management for Contract ER194.

2009

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Excellence by the LTA at its Annual Safety Award 2009. The award in the "Minor Category (Civil Contracts less than $20 million)" was in recognition of the company's outstanding performance in occupational safety and health management for Contract ER213.

2006

Wholly-owned subsidiary Eng Lam Contractors Co. (Pte) Ltd was the winner of the Housing & Development Board Safety Award 2006 for construction of roads at Yishun Street 31 (between Yishun Ring Road and Yishun Avenue 6).

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received a Certificate of Merit from the LTA at its Annual Safety Award 2006 for the "Major Category" for Contract PE100.

DEFENCE

2013

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received the Meritorious Defence Partner Award at the Total Defence Awards 2013 in recognition of its support and contribution to Total Defence.

2012

Wholly-owned subsidiary Eng Lam Contractors Co. (Pte) Ltd was presented the Meritorious Defence Partner Award at the Total Defence Awards 2012 in recognition of its support and contribution to Total Defence.

2009

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd received the Meritorious Defence Partner Award at the Total Defence Awards 2009 in recognition of its support and contribution to Total Defence.

2008

Wholly-owned subsidiary Eng Lam Contractors Co. (Pte) Ltd received the Meritorious Defence Partner Award at the Total Defence Awards 2008 in recognition of its support and contribution to Total Defence.

OUR BOARD OF DIRECTORS


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1 **Mr Or Kim Peow, BBM**
2 **Mr Or Toh Wat, BBM**
3 **Mdm Ang Beng Tin**
4 **Mr Or Kiam Meng**
5 **Mr Oh Enc Nam**
6 **Mr Or Lay Huat Daniel, PBM**
7 **Dr Chen Seow Phun, John**
8 **Mr Nirumalan S/O V Kanapathi Pillai**
9 **Mr Tan Boen Eng**

1 MR OR KIM PEOW, BBM

GROUP CHAIRMAN, 80

Date of first appointment as a director: 15 February 2002
Date of last re-appointment as director: 28 April 2014

Mr Or Kim Peow, BBM, is the founder of the Group. With more than 55 years of experience in the infrastructure and civil engineering business, he is responsible for overseeing the overall management and strategic development of the Group. Mr Or founded the Group 48 years ago and was instrumental in growing and steering it through major changes in its history. He continues to be active, playing an advisory role in the Group's strategic development and planning.

Mr Or is also actively involved in community activities and in recognition of his contributions, he was awarded the Public Service Award (PBM) in 2003 and the Public Service Award (BBM) in 2014. He is currently the Patron of Potong Pasir Citizens' Consultative Committee and a Fellow of the Singapore Institute of Directors.

Present directorships in other listed companies: NIL
Past directorships held over the preceding three years: NIL

2 MR OR TOH WAT, BBM

GROUP MANAGING DIRECTOR, 47

Date of first appointment as a director: 15 February 2002
Date of last re-appointment as director: Not Applicable

Mr Or Toh Wat, BBM, has more than 23 years of experience in the construction industry. He is responsible for setting the Group's corporate directions and strategies, and overseeing the day-to-day management and business development of the Group.

Actively involved in community activities and in recognition of his contributions, Mr Or was awarded the Public Service Award (PBM) in 2005 and the Public Service Award (BBM) in 2013. He is currently the Chairman of Potong Pasir Community Club Management.

Mr Or holds a Diploma in Mechanical Engineering from Ngee Ann Polytechnic and a Bachelor of Applied Science (Construction Management) with Honours from the Royal Melbourne Institute of Technology.

He is the son of Mr Or Kim Peow, who is the Group Chairman.

Present directorships in other listed companies: NIL
Past directorships held over the preceding three years: NIL

3 MDM ANG BENG TIN

EXECUTIVE DIRECTOR, 59

Date of first appointment as a director: 20 March 2002
Date of last re-appointment as director: 25 April 2012

Joining the Group in 1979, Mdm Ang Beng Tin has more than 40 years of experience in administration and human resources. She is responsible for managing employee relations, benefit programmes and insurance claims at Or Kim Peow Contractors (Pte) Ltd, one of the Group's principal subsidiaries.

Mdm Ang holds GCE 'O' Level qualifications.

She is the wife of Mr Or Kim Peow, who is the Group Chairman.

Present directorships in other listed companies: NIL
Past directorships held over the preceding three years: NIL

4 MR OR KIAM MENG

EXECUTIVE DIRECTOR, 50

Date of first appointment as a director: 20 March 2002
Date of last re-appointment as director: 28 April 2014

Joining the Group in 1985, Mr Or Kiam Meng has more than 29 years of experience in the construction industry. He oversees the daily site management and operations of Or Kim Peow Contractors (Pte) Ltd, one of the Group's principal subsidiaries.

Mr Or is currently the Patron of Anchorvale Community Centre Management Committee. He holds a Diploma in Building and a Certificate in Occupational Safety & Health from Singapore Polytechnic.

He is the son of Mr Or Kim Peow, who is the Group Chairman.

Present directorships in other listed companies: NIL
Past directorships held over the preceding three years: NIL

OUR BOARD OF DIRECTORS

5 MR OH ENC NAM
EXECUTIVE DIRECTOR, 59

Date of first appointment as a director: 20 March 2002
Date of last re-appointment as director: 30 April 2013

Joining the Group in 1978, Mr Oh Enc Nam has more than 35 years of experience in the construction industry. He is responsible for the day-to-day management and the overall operations of Eng Lam Contractors Co. (Pte) Ltd, one of the Group's principal subsidiaries.

Mr Oh holds GCE 'A' Level qualifications.

He is the nephew of Mr Or Kim Peow, who is the Group Chairman.

Present directorships in other listed companies: NIL
Past directorships held over the preceding three years: NIL

6 MR OR LAY HUAT DANIEL, PBM
EXECUTIVE DIRECTOR, 37

Date of first appointment as a director: 1 August 2006
Date of last re-appointment as director: 30 April 2013

Mr Or Lay Huat Daniel, PBM, is currently responsible for business development and corporate communications of the Group. Actively involved in community activities and in recognition of his contributions, he was awarded the Public Service Award (PBM) in 2014. Currently, he is a member of Tampines Group Representation Constituency (GRC) and Tampines West Citizen Consultative Committee. He is also a member of the School Advisory Committee (SAC) and serves in the Finance Sub-Committee of East View Primary School. He is also a member of the Singapore Institute of Directors.

Mr Or holds a Bachelor of Commerce majoring in Corporate Finance from the University of Western Australia, Perth.

He is the son of Mr Or Kim Peow, who is the Group Chairman.

Present directorships in other listed companies: NIL
Past directorships held over the preceding three years: NIL

7 DR CHEN SEOW PHUN, JOHN
LEAD INDEPENDENT DIRECTOR, 61
CHAIRMAN, AUDIT COMMITTEE
MEMBER, NOMINATING COMMITTEE AND REMUNERATION COMMITTEE

Date of first appointment as a director: 25 June 2002
Date of appointment as the lead independent director: 1 August 2006
Date of last re-appointment as director: 28 April 2014

Dr Chen Seow Phun, John is currently the Executive Chairman of Pavillon Holdings Limited (previously known as Thai Village Holdings Limited) and the Chairman of SAC Capital Pte Ltd. He also sits on the boards of a number of publicly listed companies.

He was a Member of Parliament from September 1988 to April 2006. From March 1997 to June 1999, Dr Chen was the Minister of State for Communications. From June 1999 to November 2001, he was the Minister of State for Communications and Information Technology and Minister of State for National Development. He has served as a Board Member of the Economic Development Board, the Housing & Development Board, the Port of Singapore Authority and Singapore Power Ltd. He is a Fellow of the Singapore Institute of Directors.

Dr Chen holds a PhD in Electrical Engineering from the University of Waterloo, Canada.

Present directorships in other listed companies:
Pavillon Holdings Ltd (previously known as Thai Village Holdings Ltd); Hiap Seng Engineering Ltd; Hanwell Holdings Ltd (previously known as PSC Corporation Ltd); Matex International Limited; Tat Seng Packaging Group Ltd; HLH Group Limited (previously known as PDC Corp Ltd); and Fu Yu Corporation Ltd

Past directorships held over the preceding three years: NIL

8 MR NIRUMALAN S/O V KANAPATHI PILLAI

INDEPENDENT DIRECTOR, 62

CHAIRMAN, REMUNERATION COMMITTEE

MEMBER, AUDIT COMMITTEE AND NOMINATING COMMITTEE

Date of first appointment as a director: 1 June 2005
Date of last re-appointment as director: 25 April 2012

Mr Nirumalan s/o V Kanapathi Pillai is the Senior Director of Global Law Alliance LLC (incorporating Niru & Co). Global Law Alliance LLC is a corporate law firm representing leading global banking and financial institutions, major international companies including Fortune 500 companies, private equity groups, venture capitalists and global asset management companies. In the late 1990s, Niru & Co was associated with CMS Cameron McKenna, a top-tier law firm with headquarters in London. Mr Pillai has been in legal practice for more than 30 years, specialising in insurance, reinsurance, shipping, libel and slander, corporate, commercial and civil litigation. He qualified as a Barrister-at-Law (England and Wales) and was admitted to the Honourable Society of the Inner Temple in 1976. He has been practising as an Advocate and Solicitor of the Supreme Court of Singapore since 1978 and was admitted as a Barrister and Solicitor of the Supreme Court of Victoria, Australia, in 1990.

Mr Pillai holds a LLM from the University of Melbourne, Australia and a LLM (with Distinction) from the Nottingham Trent University, United Kingdom. He is also a Fellow of the Chartered Institute of Arbitrators, United Kingdom and the Singapore Institute of Arbitrators. Until 2008, he was also an Adjunct Associate Professor in the Faculty of Engineering, National University of Singapore.

Present directorships in other listed companies: NIL
Past directorships held over the preceding three years: NIL

9 MR TAN BOEN ENG

INDEPENDENT DIRECTOR, 82

CHAIRMAN, NOMINATING COMMITTEE

MEMBER, AUDIT COMMITTEE AND REMUNERATION COMMITTEE

Date of first appointment as a director: 25 June 2002
Date of last re-appointment as director: 28 April 2014

Mr Tan Boen Eng has extensive experience in both the public and private sectors. He has held and is currently holding directorships in several listed and non-listed companies from various industries, including business consultancy, training and management consultancy. Mr Tan was the President of the Institute of Certified Public Accountants of Singapore from 1995 to April 2009. He was a member of the Nanyang Business School Advisory Committee, Nanyang Technological University and is currently a Board member of Singapore Institute of Accredited Tax Professionals. He has previously held the positions of Senior Deputy Commissioner of the Inland Revenue Authority of Singapore, Director of Singapore Pools Pte Ltd and Board Member of the Accounting and Corporate Regulatory Authority. He also served as Chairman of the Securities Industries Council and was a member of the Singapore Sports Council.

Mr Tan holds a Bachelor of Arts in Economics (Honours) from the University of Malaya in Singapore. He is also a Fellow of the Institute of Singapore Chartered Accountants and CPA Australia. He received the Public Administration Medal (Silver) in 1975.

Present directorships in other listed companies:
TEE International Limited

Past directorships held over the preceding three years: NIL

OUR KEY MANAGEMENT

MS ONG WEI WEI

GROUP FINANCIAL CONTROLLER

OKP HOLDINGS LIMITED

Ms Ong Wei Wei joined OKP Holdings Limited in 2002. She oversees the Group's finance and corporate functions covering financial reporting, treasury, tax, legal and corporate secretarial duties and investor relations. Before joining the Group, she was a corporate advisory manager with an accounting firm.

She is a Fellow of the Institute of Singapore Chartered Accountants and Association of Chartered Certified Accountants (United Kingdom). She is also a member of the Institute of Internal Auditors, Inc. (Singapore Chapter) and an associate member of the Singapore Institute of Directors.

Ms Ong was conferred the Best Chief Financial Officer Award at the Singapore Corporate Awards 2012 under the category for companies with less than $300 million in market capitalisation.

MR OR YEW WHATT

EXECUTIVE DIRECTOR

ENG LAM CONTRACTORS CO. (PTE) LTD

Mr Or Yew Whatt joined the Group in 1989. He is currently the Project Director of Eng Lam Contractors Co. (Pte) Ltd, one of the Group's principal subsidiaries. He is responsible for the supervision of projects and resolving of site issues and is involved in the project tender process. He has more than 24 years of experience in the construction industry.

He holds a Certificate in Pavement Construction and Maintenance from the Building and Construction Authority.

Mr Or is the nephew of Mr Or Kim Peow, who is the Group Chairman. He is the brother of Mr Oh Enc Nam, who is the Executive Director.

MR OH KIM POY

EXECUTIVE DIRECTOR

ENG LAM CONTRACTORS CO. (PTE) LTD

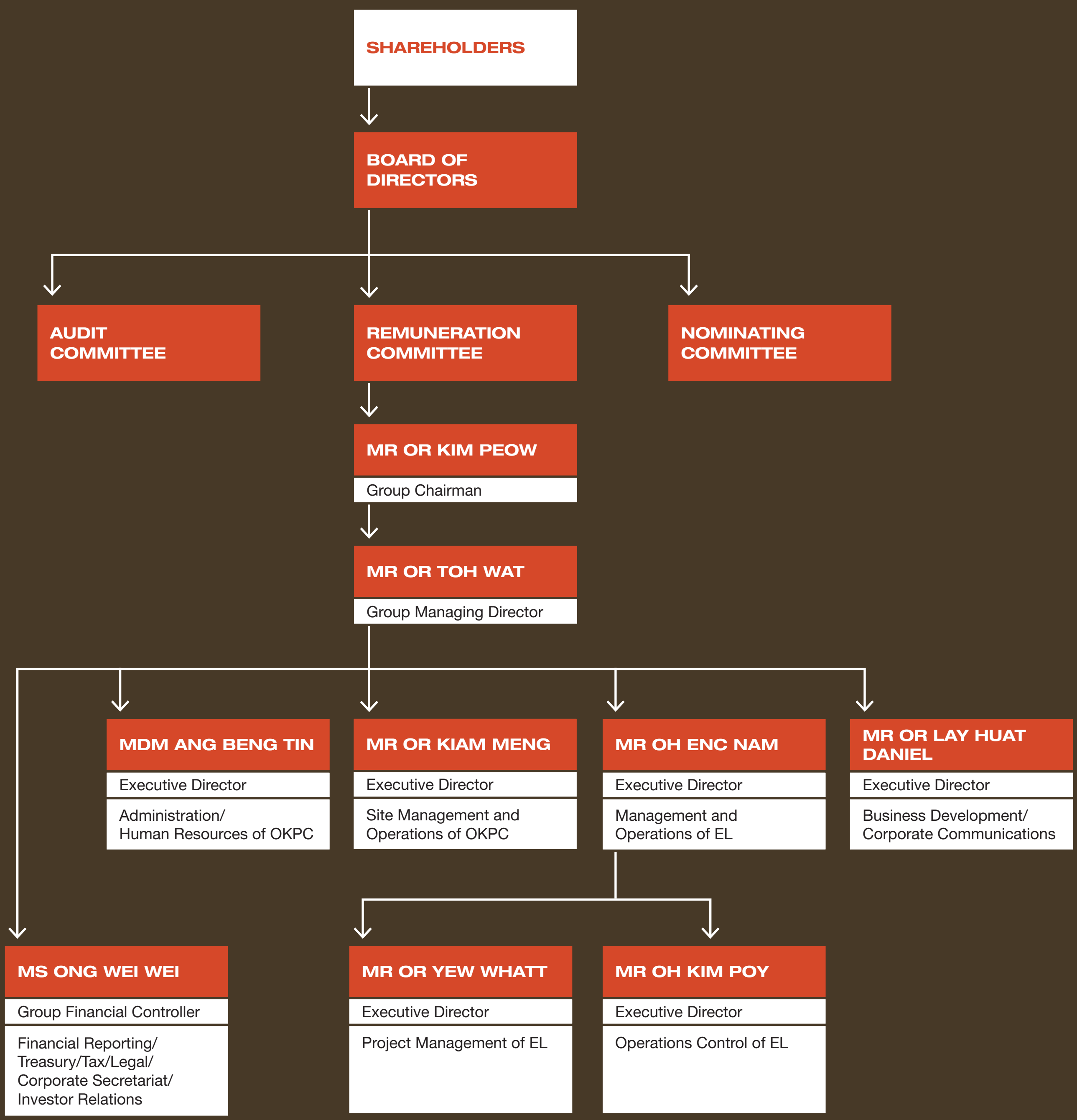
Mr Oh Kim Poy joined the Group in 1977. He is currently the Operations Director of Eng Lam Contractors Co. (Pte) Ltd, one of the Group's principal subsidiaries. He is responsible for supervising and monitoring of projects.

Mr Oh has more than 40 years of experience in the construction industry.

He is the brother of Mr Or Kim Peow, who is the Group Chairman.

OUR ORGANISATION CHART

OKPC: Or Kim Peow Contractors (Pte) Ltd
EL: Eng Lam Contractors Co. (Pte) Ltd



OUR GROUP STRUCTURE

- Subsidiaries
- Joint Venture
- Associate

OKP HOLDINGS LIMITED
UEN: 200201165G

- 100% **OR KIM PEOW CONTRACTORS (PTE) LTD** — UEN: 197701891R
  - 50% **FORTE BUILDER PTE. LTD.** — UEN: 201025925M
  - 20% **UNITED SINGAPORE BUILDERS PTE. LTD.** — UEN: 201322256C
- 100% **ENG LAM CONTRACTORS CO. (PTE) LTD** — UEN: 199206337G
- 100% **OKP TECHNICAL MANAGEMENT PTE LTD** — UEN: 200202135E
  - 50% **CS – OKP CONSTRUCTION AND DEVELOPMENT PTE. LTD.** — UEN: 200922422E
- 100% **OKP INVESTMENTS (CHINA) PTE. LTD.** — UEN: 200307117G
- 100% **OKP (OIL & GAS) INFRASTRUCTURE PTE. LTD.** — UEN: 200703711W
- 100% **OKP LAND PTE. LTD.** — UEN: 201129780N
  - 10% **CS AMBER DEVELOPMENT PTE. LTD.** — UEN: 200916566C
  - 10% **LAKEHOMES PTE. LTD.** — UEN: 201322086K
- 100% **OKP TRANSPORT & TRADING PTE. LTD.** — UEN: 201212052G
- 55% **UNITED PAVEMENT SPECIALISTS PTE. LTD.** — UEN: 200606820Z

OUR CORPORATE INFORMATION

BOARD OF DIRECTORS

Group Chairman
Mr Or Kim Peow

Group Managing Director
Mr Or Toh Wat

Executive Directors
Mdm Ang Beng Tin
Mr Or Kiam Meng
Mr Oh Enc Nam
Mr Or Lay Huat Daniel

Lead Independent Director
Dr Chen Seow Phun, John

Independent Directors
Mr Nirumalan s/o V Kanapathi Pillai
Mr Tan Boen Eng

AUDIT COMMITTEE

Chairman
Dr Chen Seow Phun, John

Members
Mr Nirumalan s/o V Kanapathi Pillai
Mr Tan Boen Eng

NOMINATING COMMITTEE

Chairman
Mr Tan Boen Eng

Members
Dr Chen Seow Phun, John
Mr Nirumalan s/o V Kanapathi Pillai

REMUNERATION COMMITTEE

Chairman
Mr Nirumalan s/o V Kanapathi Pillai

Members
Dr Chen Seow Phun, John
Mr Tan Boen Eng

COMPANY SECRETARY

Mr Vincent Lim Bock Hui
LL.B (Hons)

REGISTERED OFFICE

UEN: 200201165G
30 Tagore Lane
Singapore 787484
T: (65) 6456 7667
F: (65) 6459 4316
W: www.okph.com

DATE OF INCORPORATION

15 February 2002

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01
Singapore Land Tower
Singapore 048623
T: (65) 6536 5355
F: (65) 6536 1360

SHARE LISTING

OKP was listed on the Singapore Exchange Dealing and Automated Quotation System (Sesdaq), now renamed Catalist, on 26 July 2002. Its listing was upgraded from the Catalist to the SGX Mainboard with effect from 25 July 2008.

INDEPENDENT AUDITOR

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants
100 Beach Road
#30-00 Shaw Tower
Singapore 189702
T: (65) 6534 5700
F: (65) 6534 5766

Director-in-charge
Mr Low See Lien

Financial year appointed
31 December 2013

INTERNAL AUDITOR

HLS Risk Advisory Services Pte Ltd
15 Hoe Chiang Road
#12-02 Tower Fifteen
Singapore 089316
T: (65) 6423 9969
F: (65) 6423 9979

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited
63 Chulia Street
#06-00 OCBC Centre East
Singapore 049514
T: (65) 6530 8356
F: (65) 6533 2217
(65) 6532 2359

Malayan Banking Berhad
Maybank Tower
2 Battery Road
Singapore 049907
T: (65) 6550 7409
F: (65) 6535 6155

DBS Bank Ltd
12 Marina Boulevard
#43-03
DBS Asia Central
@ MBFC Tower 3
Singapore 018982
T: (65) 6878 8704
F: (65) 6534 4080

United Overseas Bank Limited
80 Raffles Place
#11-00 UOB Plaza 1
Singapore 048624
T: (65) 6539 2786
F: (65) 6438 1712

Citibank, N.A. Singapore Branch
8 Marina View
#17-01
Asia Square Tower 1
Singapore 018960
T: (65) 6657 5875
F: (65) 6657 6044

INVESTOR RELATIONS

For enquiries, please contact the Investor Relations Department at:
T: (65) 6456 7667
F: (65) 6459 4316
E: okpir@okph.com

STOCK DATA

Stock Code
Bloomberg: OKP SP EQUITY
Reuters: OKPH.SI
SGX: 5CF

ISIN Code
SG1M55904841

SGX Sector Classification
Construction

PLANTING STRATEGIC GROWTH

ENHANCING OUR COMPETITIVENESS

WE RECOGNISE THE IMPORTANCE OF MOVING AHEAD OF OUR COMPETITITERS AND WILL CONTINUE TO PLAN FOR STRATEGIC GROWTH BY EXPLORING NEW GROWTH OPPORTUNITIES.

OUR OPERATING AND FINANCIAL REVIEW

One of OKP's joint venture companies, Forte Builder Pte. Ltd. has completed the construction of TwentyTwo Angullia Park in Orchard Road in 2014.
>>

OPERATING REVIEW

BUSINESS SEGMENTAL BREAKDOWN

I. CONSTRUCTION

Completed Construction Projects
During the year under review, there were four completed construction projects, which had been secured since December 2010 and completed in 2014. The construction segment continued to be the major contributor to our Group's total revenue, contributing 65.0 per cent at nearly $71.1 million in 2014.

List of Completed Construction Projects

No	Description of completed construction projects	Customer	Date of Commencement	Date of Completion	Contract Value ($)
1.	Construction of a condominium housing development comprising one block of 36-storey residential flat development (total 54 units) with sky terraces, two basement carparks, a swimming pool and communal facilities at Angullia Park (CSK/JH/ss/S/377/08/82)	Angullia Development Pte Ltd	December 2010	April 2013 (Extended till 2014)	83,500,000
2.	Widening of Old Choa Chu Kang Road from Sungei Tengah Road to Lim Chu Kang Road (ER201)	Land Transport Authority	February 2011	February 2014	28,527,000
3.	Design and build of interchange at TPE/ Sengkang West Road/Seletar Aerospace Way (ER368)	Land Transport Authority	April 2011	October 2014	61,727,000
4.	Construction of East (North) Aircraft Parking Apron, associated taxiways and ancillary works at Seletar Airport (ED/SAP/2012/2)	Changi Airport Group	November 2012	December 2014	39,827,000

OKP is involved in the construction of Stamford Diversion Canal (Tanglin and Kim Seng).

Ongoing Construction Projects

During the year, we won two construction projects – widening of Tanah Merah Coast Road from the Land Transport Authority, and construction of Stamford Diversion Canal Contract 1 – Tanglin and Kim Seng from the Public Utilities Board. In February 2015, we won another two contracts from the Land Transport Authority – for the Walk2Ride Programme. In 2014 and early 2015, we continued the execution of several ongoing construction projects, which had been secured since August 2011.

List of Ongoing Construction Projects

No	Description of ongoing construction projects	Customer	Date of Commencement	Date of Completion	Contract Value ($)
1.	Proposed sewers from Tuas South Avenue 14 to Tuas South Avenue 12 (JTC C04202011)	JTC Corporation	August 2011	July 2012 (extended till 2015)	4,927,000
2.	Improvement to Alexandra Canal (between Zion Road and Kim Seng Road) (1110425)	Public Utilities Board	September 2011	March 2014 (Extended till 2015)	46,827,000
3.	Expansion of the CTE/TPE/SLE Interchange (ER391)	Land Transport Authority	March 2012	August 2015	75,270,000
4.	Widening of Tanah Merah Coast Road (ER458)	Land Transport Authority	April 2014	May 2017	37,270,000
5.	Construction of Stamford Diversion Canal Contract 1 – Tanglin and Kim Seng (1140278)	Public Utilities Board	June 2014	December 2017	50,627,000

No	Newly awarded construction projects in 2015	Customer	Date of Commencement	Date of Completion	Contract Value ($)
6.	Walk2Ride Programme (ER442)	Land Transport Authority	February 2015	December 2018	60,963,500
7.	Walk2Ride Programme (ER443)	Land Transport Authority	February 2015	February 2019	82,963,500

OUR OPERATING AND FINANCIAL REVIEW

OKP is involved in the expansion of the CTE/TPE/SLE Interchange.

II. MAINTENANCE

Completed Maintenance Projects

We completed three maintenance projects in the year under review. These projects comprised mainly improvements to roadside drains, improvement works to Stamford Canal and dredging works. In addition to providing a steady and recurrent income stream for us, our maintenance segment is an important part of the services that we provide to our clients. This segment has been increasing its revenue in recent years, contributing $38.4 million, which comprised 35.0 per cent of the Group's total revenue in 2014. This amount was up 35.5 per cent compared to the previous financial year.

List of Completed Maintenance Projects

No	Description of completed maintenance projects	Customer	Date of Commencement	Date of Completion	Contract Value ($)
1.	Dredging of Sungei Api Api (1130108)	Public Utilities Board	March 2013	September 2014	6,677,000
2.	Improvement works to Stamford Canal (from Napier Road to Marina Reservoir) (1130343)	Public Utilities Board	July 2013	October 2014	6,727,000
3.	Improvement to roadside drains at Chai Chee Road/New Upper Changi Road (1140106)	Public Utilities Board	December 2013	September 2014	3,997,000

OKP is involved in ad hoc repairs and upgrading of roads, road-related facilities and road structure in Central Singapore.

Ongoing Maintenance Projects

During the year under review, we won one new maintenance contract from the Public Utilities Board – improvements to roadside drains at Lorong 101-108 Changi Road/Langsat Road, Hillview Avenue and Thomson Road. Besides this new maintenance contract, we are working on four other ongoing maintenance projects.

List of Ongoing Maintenance Projects

No	Description of ongoing maintenance projects	Customer	Date of Commencement	Date of Completion	Contract Value ($)
1.	Improvement to roadside drains IV Contract 4-2 (Joo Chiat areas) (1130159)	Public Utilities Board	April 2013	October 2015	10,237,000
2.	Improvement to roadside drains EUP Batch 7 Contract 2 – Lucky Heights Estate (Eastern Sector) (1130371)	Public Utilities Board	June 2013	June 2015	14,977,000
3.	Term contract ad hoc repairs and upgrading of roads, road-related facilities and road structure in Central Singapore (RP286C)	Land Transport Authority	July 2013	July 2015	18,227,000
4.	Improvement to roadside drains IV Contract 4-3 (Geylang areas) (1130288)	Public Utilities Board	July 2013	July 2015	13,557,000
5.	Improvement to roadside drains at Lorong 101-108 Changi Road/Langsat Road, Hillview and Thomson Road (1140206)	Public Utilities Board	April 2014	October 2016	19,227,000

OUR OPERATING AND FINANCIAL REVIEW

OKP has completed the design and build of interchange at TPE/ Sengkang West Road/Seletar Aerospace Way in 2014.

FINANCIAL REVIEW

Income Statement

	FY2014 $'000	Restated* FY2013 $'000	Change $'000	Change
Revenue				
– Construction	71,113	78,677	(7,564)	(9.6%)
– Maintenance	38,363	28,317	10,046	35.5%
Total revenue	**109,476**	**106,994**	**2,482**	**2.3%**
Cost of works	(100,716)	(95,823)	(4,893)	5.1%
Gross profit	**8,760**	**11,171**	**(2,411)**	**(21.6%)**
Gross profit margin	8.0%	10.4%		
Other income	1,573	1,268	305	24.1%
Expenses				
– Administrative	(8,170)	(8,129)	(41)	0.5%
– Finance	(54)	(59)	5	(8.5%)
– Share of results of associates and joint ventures (net of tax)	91	1,066	(975)	(91.5%)
Profit before income tax	**2,200**	**5,317**	**(3,117)**	**(58.6%)**
Income tax credit/(expense)	339	(508)	847	(166.7%)
Net profit	**2,539**	**4,809**	**(2,270)**	**(47.2%)**
Net profit margin	2.3%	4.5%		
Profit attributable to:				
Equity holders of the Company	2,541	4,812	(2,271)	(47.2%)
Non-controlling interests	(2)	(3)	1	33.3%
	2,539	**4,809**	**(2,270)**	**(47.2%)**

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

REVENUE

Our Group registered a revenue of $109.5 million for the financial year ended 31 December 2014 (FY2014) compared to $107.0 million recorded in the financial year ended 31 December 2013 (FY2013). The increase in revenue was contributed by revenue growth of 35.5 per cent from the maintenance segment, partially offset by a 9.6 per cent decrease in revenue from the construction segment.

The increase in revenue from the maintenance segment was largely attributable to a higher percentage of revenue recognised from a number of existing and newly-awarded maintenance projects as they progressed to a more active phase in FY2014.

The decrease in revenue from the construction segment was largely attributable to the substantial completion of some existing construction projects in FY2014 coupled with a lower percentage of revenue recognised from a few construction projects which were secured during FY2014.

The construction segment continued to be the major contributor to our Group's revenue. On a segmental basis, our core construction segment and maintenance segment accounted for 65.0 per cent (2013: 73.5 per cent) and 35.0 per cent (2013: 26.5 per cent) of our Group's revenue respectively for FY2014.

COST OF WORKS

Our cost of works increased by 5.1 per cent or $4.9 million from $95.8 million for FY2013 to $100.7 million for FY2014. The increase in cost of works was due mainly to:

(a) an increase in labour costs due to levy and salary adjustments during FY2014; and

(b) an increase in the cost of construction material due to increases in the prices of raw material and utilisation of material in line with the higher revenue during FY2014.

GROSS PROFIT AND GROSS PROFIT MARGIN

Consequently, despite recording a higher revenue, our gross profit for FY2014 decreased by 21.6 per cent or $2.4 million from $11.2 million for FY2013 to $8.8 million for FY2014.

Our gross profit margin declined from 10.4 per cent for FY2013 to 8.0 per cent for FY2014.

The lower gross profit margin was largely attributable to lower profit margins for new and some current construction projects as a result of a more competitive pricing environment, rising manpower costs, increased construction material costs and additional works incurred for some construction projects.

OKP is involved in improvement to roadside drains at Lorong 101-108 Changi Road/Langsat Road, Hillview and Thomson Road.

OKP has completed the dredging of Sungei Api Api in 2014.

OUR OPERATING AND FINANCIAL REVIEW

OKP is involved in the expansion of the CTE/TPE/SLE Interchange.

OTHER INCOME

Other income increased by $0.3 million or 24.1 per cent from $1.3 million for FY2013 to $1.6 million for FY2014. The increase was largely attributable to the higher gain from disposal of property, plant and equipment and the receipt of wage credit, enhanced special employment credit and Productivity and Innovation Credit bonus from the government and sale of construction materials during FY2014. The increase was partially offset by lower interest from bank deposits and interest earned from financial assets during FY2014.

ADMINISTRATIVE EXPENSES

Administrative expenses increased marginally by $41,000 or 0.5 per cent from $8.13 million for FY2013 to $8.17 million for FY2014. The increase was largely attributable to (1) an increase in professional fees arising from legal services engaged for an on-going suit against a sub-contractor, (2) an increase in tender charges due to tenders for more complex projects and (3) an increase in staff costs due to salary adjustments during FY2014. The increase was partially offset by lower directors' remuneration (including profit sharing) accrued as a result of the lower profit generated by the Group for FY2014.

FINANCE EXPENSES

Finance expenses decreased marginally by $5,000 due mainly to repayment of finance leases during FY2014.

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES (NET OF TAX)

	FY2014 $'000	FY2013 $'000
Share of profit of joint ventures [a]	315	1,072
Share of loss of associated companies [b]	(224)	(6)
	91	1,066

(a) **Share of profit of joint ventures**
The share of profit of joint ventures decreased by $0.8 million due mainly to the share of lower profits recognised by Forte Builder Pte Ltd (FBPL). The building construction project undertaken by FBPL had been substantially completed during FY2014.

(b) **Share of loss of associated companies**
The share of loss of associated companies was due mainly to the operating expenses incurred by the Group's 20 per cent held associated company, United Singapore Builders Pte Ltd and operating losses incurred by the Group's 10 per cent held associated company, CS Amber Development Pte Ltd, during FY2014.

PROFIT BEFORE INCOME TAX

Profit before income tax decreased by $3.1 million or 58.6 per cent from $5.3 million for FY2013 to $2.2 million for FY2014. The decrease was due mainly to the decrease in gross profit of $2.4 million and decrease in the share of profit of investments of $1.0 million, which were partially offset by the increase in other income of $0.3 million, as explained above.

INCOME TAX CREDIT/(EXPENSE)

Income tax expense decreased by $0.8 million or 166.7 per cent from an income tax expense of $0.5 million for FY2013 to an income tax credit of $0.3 million for FY2014.

The income tax credit of $0.3 million for FY2014 arose from (1) deductible temporary differences of $0.3 million between the carrying value of assets and value of assets for tax purposes, (2) refund of the overprovision of tax amounting to $57,000 and (3) an adjustment for over-provision of deferred tax of $98,000. The income tax credit was partially offset by a provision for current tax of $0.1 million made for FY2014.

NON-CONTROLLING INTERESTS

Non-controlling interests related to losses incurred by a subsidiary for FY2014.

NET PROFIT

Our Group reported net profit of $2.5 million for FY2014. Net profit dropped by $2.3 million or 47.2 per cent, from $4.8 million for FY2013 to $2.5 million for FY2014 following the decrease in profit before income tax of $3.1 million which was partially offset by the decline in income tax expense of $0.8 million, as explained above.

Our net profit margin decreased from 4.5 per cent for FY2013 to 2.3 per cent for FY2014.

STATEMENT OF FINANCIAL POSITION

CURRENT ASSETS

Current assets decreased by $1.0 million, from $75.1 million as at 31 December 2013 to $74.1 million as at 31 December 2014. The decrease was attributable to:

(a) a decrease in cash and cash equivalents of $3.6 million. This was due mainly to the cash used in operations for FY2014 of $1.1 million, cash used in investing activities of $0.6 million and cash used in financing activities of $1.9 million,

which was partially offset by:

(b) an increase in trade and other receivables of $2.2 million following higher revenue recognised for FY2014 coupled with higher amount of deposits made to suppliers during FY2014; and

(c) an increase in construction contract work-in-progress of $0.4 million following the increase in revenue and business activities in FY2014.

OKP is involved in the widening of Tanah Merah Coast Road.

OKP has completed Improvement to roadside drains at Chai Chee Road/ New Upper Changi Road in 2014.

OUR OPERATING AND FINANCIAL REVIEW

NON-CURRENT ASSETS

Non-current assets decreased by $1.0 million, from $59.5 million as at 31 December 2013 to $58.5 million as at 31 December 2014. The decrease was due mainly to:

(a) a decrease in the financial assets, available-for-sale of $0.7 million resulting from the sale of a financial asset, available-for-sale and fair value adjustments during FY2014;

(b) a decrease in property, plant and equipment of $0.6 million resulting from depreciation and disposal of property, plant and equipment, which were partially offset by the purchase of new plant and equipment during FY2014;

(c) a decrease in intangible assets of $0.1 million resulting from amortisation of computer software licences during FY2014; and

(d) a decrease in the financial assets, held-to-maturity of $0.5 million resulting from an early redemption of the financial asset, held-to-maturity during FY2014,

which were partially offset by:

(e) an increase in other receivables of $0.7 million, comprising mainly (1) $0.2 million arising from a notional fair value adjustment of loan extended to a joint venture, Lakehomes Pte Ltd, and (2) $0.5 million relating to interest receivable from the loan extended to an associated company, CS Amber Development Pte Ltd, during FY2014;

(f) an increase in investment in joint ventures of $0.1 million resulting from the share of profit of joint ventures and notional fair value adjustment during FY2014; and

(g) the fair value gain of $0.1 million arising from the revaluation of some of the investment properties in FY2014.

CURRENT LIABILITIES

Current liabilities decreased by $2.7 million, from $34.9 million as at 31 December 2013 to $32.2 million as at 31 December 2014. The decrease was due mainly to:

(a) a decrease in trade and other payables of $2.4 million due mainly to lower accrued operating expenses relating to project costs and settlement of some major trade payables during FY2014; and

(b) a decrease in current income tax liabilities of $0.3 million due mainly to tax payments, which was partially offset by lower tax provision for lower profits generated in FY2014.

NON-CURRENT LIABILITIES

Non-current liabilities decreased by $0.9 million, from $3.0 million as at 31 December 2013 to $2.1 million as at 31 December 2014. The decrease was due mainly to:

(a) a decrease in finance lease liabilities of $0.5 million as a result of repayment of finance lease liabilities during FY2014; and

(b) a decrease in deferred tax liabilities of $0.4 million which arose from deductible temporary differences between the carrying value of assets and value of assets for tax purposes in FY2014.

SHAREHOLDERS' EQUITY

Shareholders' equity, comprising share capital, other reserves, retained profits and non-controlling interests, increased by $1.6 million, from $96.7 million as at 31 December 2013 to $98.3 million as at 31 December 2014. The increase was largely attributable to:

(a) the profit generated from operations of $2.5 million in FY2014,

which was partially offset by:

(b) the dividend payments to shareholders of $0.9 million during FY2014.

OKP is involved in improvement to roadside drains at Lorong 101-108 Changi Road/Langsat Road, Hillview and Thomson Road.

STATEMENT OF FINANCIAL POSITION

	FY2014 $'000	Restated* FY2013 $'000	Change $'000	Change
Current assets				
– Cash and cash equivalents	34,009	37,577	(3,568)	(9.5%)
– Trade and other receivables	34,113	31,934	2,179	6.8%
– Construction contract work-in-progress	5,954	5,541	413	7.5%
Non-current assets				
– Investments in joint ventures	3,262	3,118	144	4.6%
– Investments in associated companies	71	95	(24)	(25.3%)
– Investment properties	5,140	5,020	120	2.4%
– Other receivables	28,722	28,054	668	2.4%
– Financial asset, held-to-maturity	–	500	(500)	n.m.
– Financial asset, available-for-sale	995	1,713	(718)	(41.9%)
– Property, plant and equipment	18,487	19,121	(634)	(3.3%)
– Intangible assets	1,828	1,899	(71)	(3.7%)
Total assets	**132,581**	**134,572**	**(1,991)**	**(1.5%)**
Current liabilities				
– Trade and other payables	(31,309)	(33,667)	(2,358)	(7.0%)
– Finance lease liabilities	(722)	(738)	(16)	(2.2%)
– Current income tax liabilities	(171)	(470)	(299)	(63.6%)
Non-current liabilities				
– Finance lease liabilities	(1,513)	(2,004)	(491)	(24.5%)
– Deferred income tax liabilities	(561)	(990)	(429)	(43.3%)
Total liabilities	**(34,276)**	**(37,869)**	**(3,593)**	**(9.5%)**
Net assets	**98,305**	**96,703**	**1,602**	**1.7%**
Total shareholders' equity	98,255	96,651	1,604	1.7%
Minority interests	50	52	(2)	(3.8%)
Total equity	**98,305**	**96,703**	**1,602**	**1.7%**

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

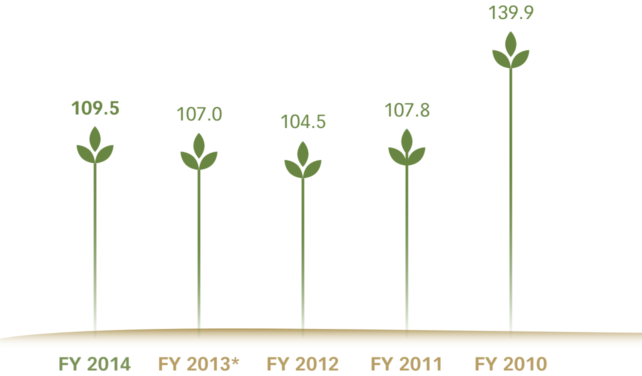
OKP completed the dredging of Sungei Api Api in 2014.

OKP completed improvement works to Stamford Canal (from Napier Road to Marina Reservoir) in 2014.

OUR OPERATING AND FINANCIAL REVIEW

REVENUE

Revenue
$'Million

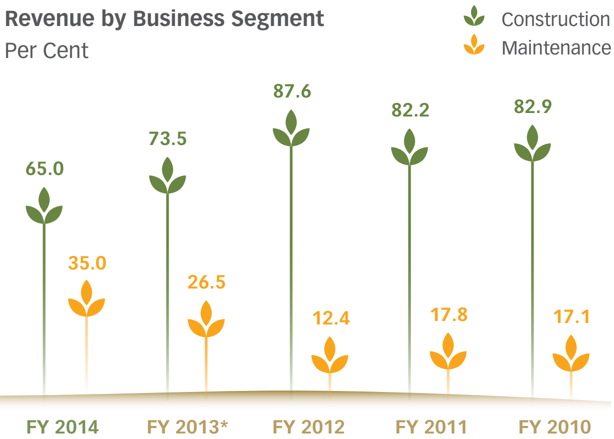


Revenue in FY2014 increased by 2.3 per cent to $109.5 million compared to $107.0 million in FY2013. The increase in revenue was due to revenue growth of 35.5 per cent of the maintenance segment, partially offset by a 9.6 per cent decrease in revenue from the construction segment.

The increase in revenue from the maintenance segment was mainly due higher percentage of revenue recognised from a number of existing and newly-awarded maintenance projects as they progressed to a more active phase in FY2014.

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

Revenue by Business Segment
Per Cent



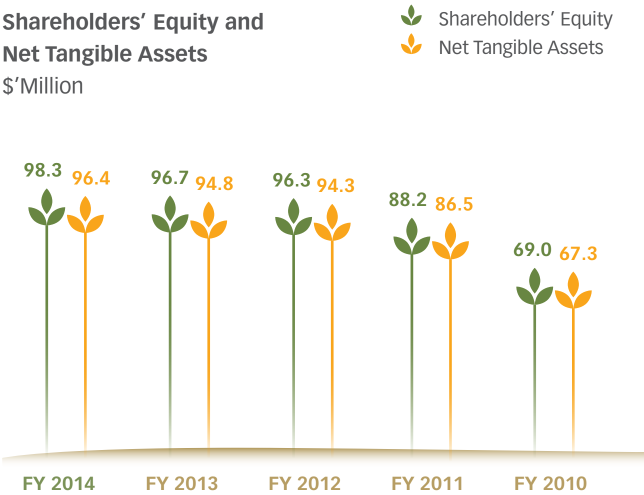
The construction segment continued to be the major contributor to our Group's revenue, contributing $71.1 million in FY2014, a drop of 9.6 per cent from FY2013's figure. Revenue from the maintenance segment rose by 35.5 per cent to $38.4 million.

On a segmental basis, our construction segment accounted for 65.0 per cent of total revenue while the remaining 35.0 per cent came from the maintenance segment.

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

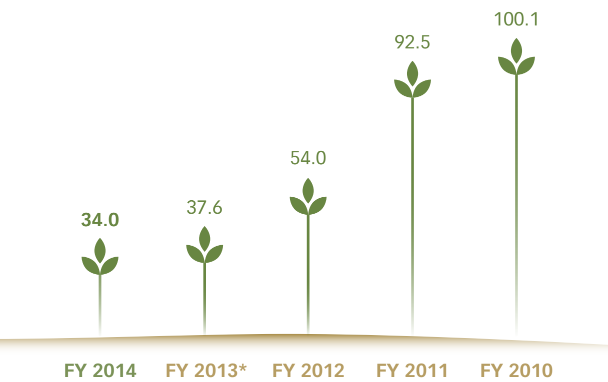
BALANCE SHEET

Shareholders' Equity and Net Tangible Assets
$'Million



For FY2014, both shareholders' equity increased to $98.3 million and net tangible assets increased to $96.4 million.

Cash and Cash Equivalents
$'Million

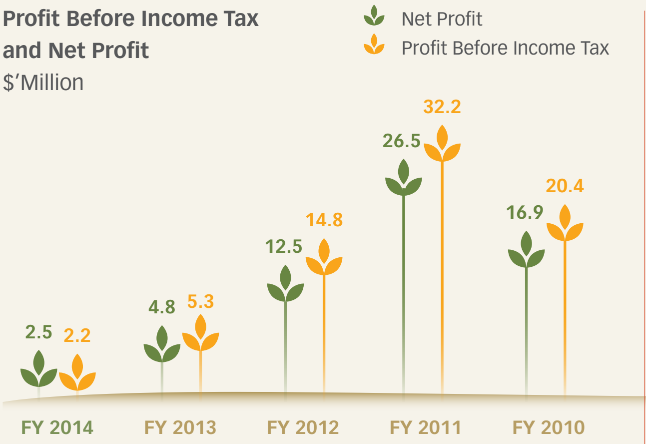


We continue to have a stable cash flow for FY2014. Our cash and cash equivalents stood at $34.0 million as at 31 December 2014.

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

PROFITABILITY

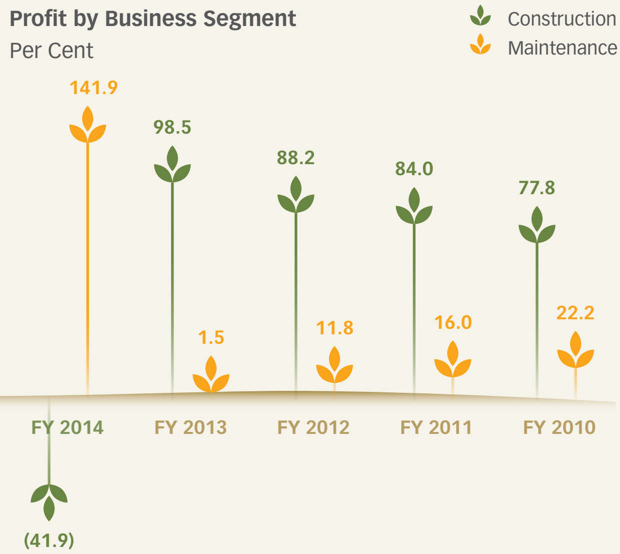
Profit Before Income Tax and Net Profit
$'Million



Profit before income tax decreased by $3.1 million from $5.3 million in FY2013 to $2.2 million in FY2014. The decrease was due mainly to the decrease in gross profit of $2.4 million and decrease in the share of profit of investments of $1.0 million, which were partially offset by an increase in other income of $0.3 million.

Net profit dropped by $2.3 million from $4.8 million for FY2013 to $2.5 million for FY2014 following the decrease in profit before income tax of $3.1 million. This decrease was partially offset by the decline in income tax expense of $0.8 million.

Profit by Business Segment
Per Cent



The losses incurred by the construction segment arose from the additional costs resulting from the extension of the completed periods, which gave rise to the actual cost exceeding internal projections and a change in the requirements of temporary works in some of the construction projects. The maintenance segment was the profit contributor in FY2014. The higher profit was due to the improvement in gross profit as the result of our continuous and stringent cost-saving efforts and better project management in FY2014.

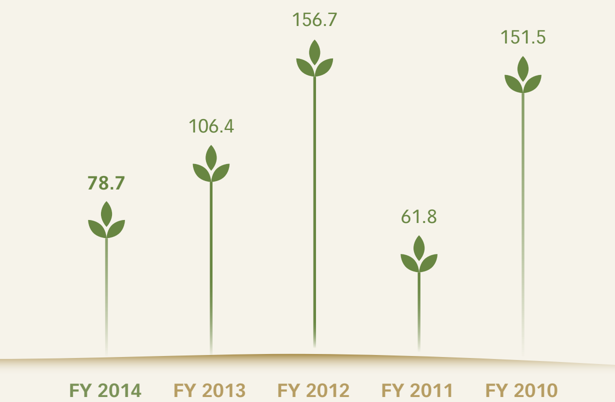
BALANCE SHEET

Capital Expenditure
$'Million

Capital expenditure for FY2014 was mainly for the purchase of new plant and equipment to support existing and newly-awarded projects.

* Excluded building cost of $3.3 million and land cost of $2.1 million which were transferred from "building under construction" in FY2012.

Market Capitalisation
$'Million

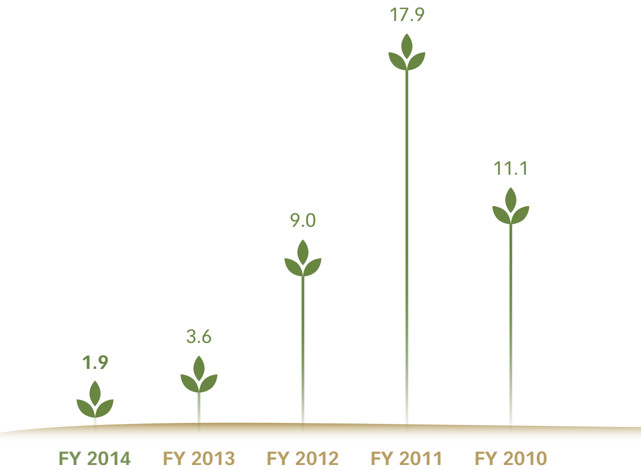


The Group's market capitalisation stood at $78.7 million as at 31 December 2014 compared to $106.4 million as at 31 December 2013.

OUR OPERATING AND FINANCIAL REVIEW

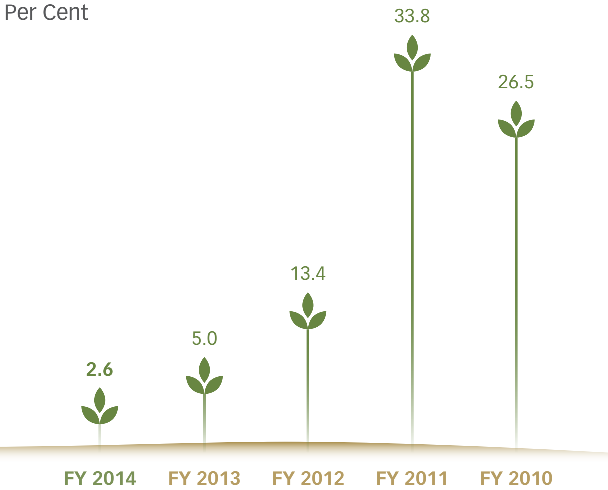
FINANCIAL RATIOS: PROFITABILITY

Return on Assets
Per Cent



Due to the lower net profit, return on assets decreased from 3.6 per cent in FY2013 to 1.9 per cent in FY2014.

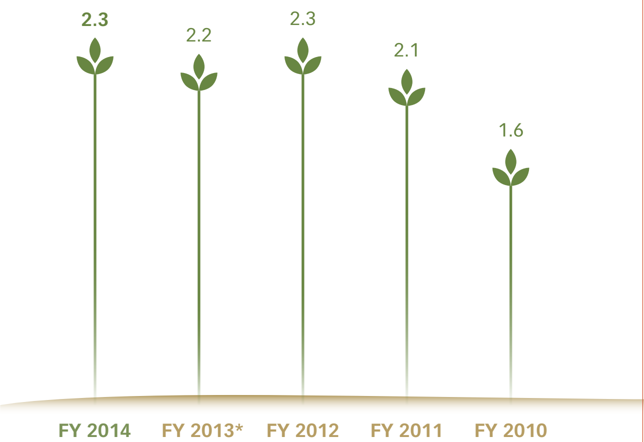
Return on Equity
Per Cent



Due to the lower net profit, return on equity decreased from 5.0 per cent in FY2013 to 2.6 per cent in FY2014.

FINANCIAL RATIOS: LIQUIDITY

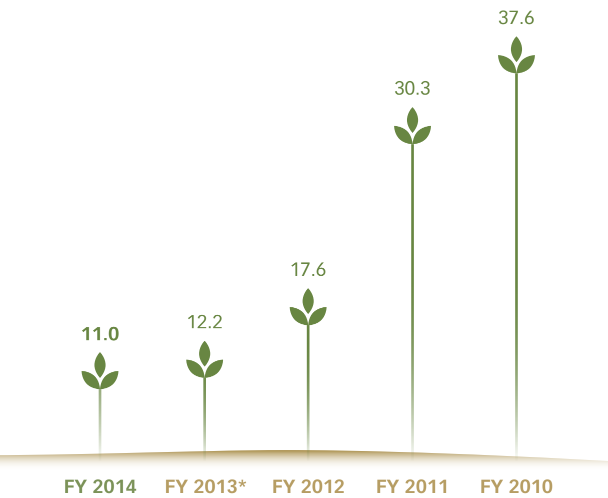
Current Ratio
Times



The Group continued to be strong in its short-term financial position as the current ratio stood at 2.3 times for FY2014.

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

Cash Per Share
Cents

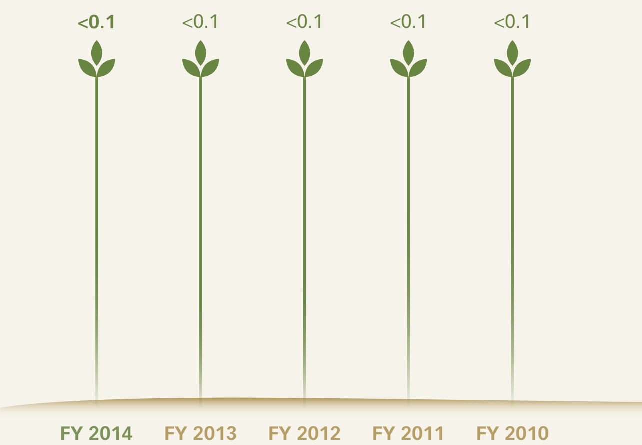


With a lower cash and cash equivalent, cash per share decreased from 12.2 cents per share as at 31 December 2013 to 11.0 cents per share as at 31 December 2014.

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

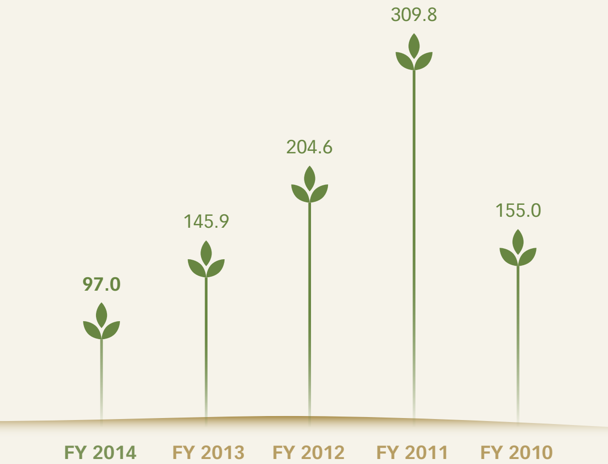
FINANCIAL RATIOS: LEVERAGE

Total Debt to Total Equity Ratio
Times



Our debt to equity ratio has maintained at less than 0.1 times since FY2010.

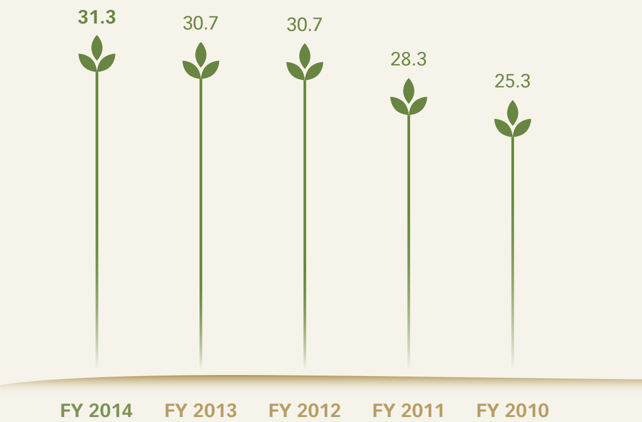
Interest Cover
Times



Our interest cover ratio has decreased from 145.9 times in FY2013 to 97.0 times in FY2014 due to lower profits reported in FY2014.

FINANCIAL RATIOS: LIQUIDITY

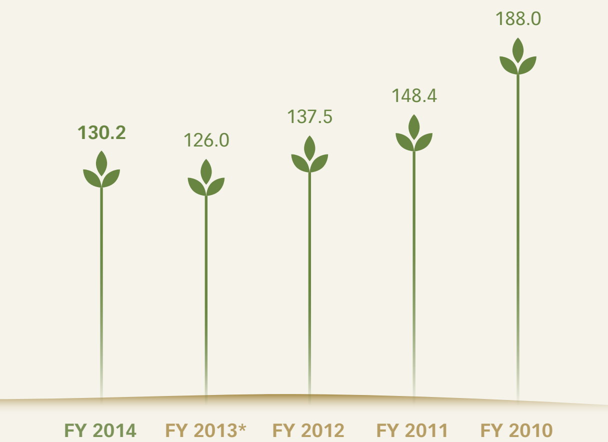
Net Tangible Assets Per Share
Cents



The Group's net tangible assets increased by 1.7 per cent from $94.8 million to $96.4 million as at 31 December 2014. Net tangible assets per share grew to 31.3 cents as at 31 December 2014 compared to 30.7 cents as at 31 December 2013.

FINANCIAL RATIO: PRODUCTIVITY

Revenue Per Employee
$'000



Revenue per employee was $130,200 in FY2014.

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

GROUP'S QUARTERLY RESULTS

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Full Year
	$'000	% of Year	$'000	% of Year	$'000	% of Year	$'000	% of Year	$'000
Revenue									
2014	30,206	27.6%	27,458	25.1%	26,158	23.9%	25,654	23.4%	109,476
2013 (restated)*	26,561	24.8%	24,905	23.3%	25,954	24.3%	29,574	27.6%	106,994
EBITDA									
2014	1,749	33.4%	1,165	22.2%	1,104	21.1%	1,222	23.3%	5,240
2013	3,440	40.0%	1,542	17.9%	1,177	13.7%	2,449	28.4%	8,608
Profit before income tax									
2014	1,039	47.2%	424	19.4%	338	15.4%	399	18.0%	2,200
2013	2,701	50.8%	764	14.5%	339	6.3%	1,513	28.4%	5,317
Profit attributable to shareholders									
2014	1,066	42.0%	345	13.7%	281	11.0%	849	33.3%	2,541
2013	2,375	49.4%	711	14.9%	288	5.9%	1,438	29.8%	4,812

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

The first three quarters in FY2014 reported higher revenue as compared to their corresponding quarters in FY2013. The higher revenue was due mainly to the higher percentage of revenue recognised from a number of existing and newly-awarded maintenance projects as they progressed to a more active phase in FY2014.

Lower EBITDA were recorded in all quarters in FY2014 as compared to their corresponding quarters in FY2013.

All the quarters in FY2014 reported lower profit before income tax as compared to the corresponding quarters in FY2013. The decrease in profit before income tax was due mainly to lower profit margins for new and some current projects as a result of a more competitive pricing environment, rising manpower costs, increased construction material costs and additional works incurred for some construction projects in FY2014.

Lower profit before income tax led to lower profit attributable to shareholders for all the quarters in F2014.

OKP is involved in the widening of Tanah Merah Coast Road.

OKP has completed improvement to roadside drains at Chai Chee Road/New Upper Changi Road in 2014.

CORPORATE LIQUIDITY AND CASH RESOURCES

Group's Consolidated Statement of Cash Flows	FY2014 $'000	Restated* FY2013 $'000	FY2012 $'000	FY2011 $'000	FY2010 $'000
Cash flows (used in)/generated from operating activities	(1,116)	(1,466)	(7,041)	5,477	39,053
Cash flows used in investing activities	(586)	(8,751)	(24,883)	(4,640)	(8,036)
Cash flows generated used in financing activities	(1,883)	(5,185)	(6,560)	(8,394)	(8,264)
Net (decrease)/increase in cash and cash equivalents	(3,585)	(15,402)	(38,484)	(7,557)	22,753
Cash and cash equivalents at the beginning of the financial year	32,514	47,916	87,448	95,005	72,252
Cash and cash equivalents at the end of the financial year	**28,929**	**32,514**	**48,964**	**87,448**	**95,005**
Comprise of:					
Cash at bank and on hand	14,330	13,963	17,934	29,842	12,684
Short-term bank deposits	19,679	23,614	36,058	62,682	87,390
	34,009	37,577	53,992	92,524	100,074
Short-term bank deposits pledged to banks	(5,080)	(5,063)	(5,028)	(5,076)	(5,069)
Cash and cash equivalents per consolidated statement of cash flows	**28,929**	**32,514**	**48,964**	**87,448**	**95,005**

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

We maintain a strong balance sheet and cash flow position which enable us to explore larger projects and investments, either here or overseas.

We reported net cash of $1.1 million used in operating activities in FY2014 as compared to net cash used in operating activities of $1.5 million in FY2013. The $0.4 million decrease in net cash used in operating activities was due mainly to a decrease in net working capital outflow of $1.3 million and decrease in income tax paid of $1.6 million during FY2014, which were partially offset by a decrease in cash generated from operating activities before working capital changes of $2.5 million.

Net cash of $0.6 million used in investing activities were related to an investment in an associated company, United Singapore Builders Pte Ltd for $0.2 million and purchase of new property, plant and equipment of $2.0 million, which were partially offset by the proceeds received from the sale of a financial asset, available-for-sale of $0.8 million, redemption of a financial asset, held-to-maturity of $0.5 million and the proceeds received from the disposal of property, plant and equipment of $0.3 million.

Net cash of $1.9 million used in financing activities in FY2014 included repayment of finance lease liabilities of $0.9 million, interest payments of $0.1 million and dividend payments to shareholders amounting to $0.9 million.

Overall, free cash and cash equivalents stood at $28.9 million as at 31 December 2014, a decrease of $3.6 million, from $32.5 million as at 31 December 2013. This works out to cash of 9.38 cents per share as at 31 December 2014 as compared to 10.54 cents per share as at 31 December 2013 (based on 308,430,594 issued shares as at 31 December 2013 and 31 December 2014).

CORPORATE LIQUIDITY AND CASH RESOURCES

Net Indebtedness	FY2014 $'000	FY2013 $'000	FY2012 $'000	FY2011 $'000	FY2010 $'000
Due within one year:					
Finance lease obligations	722	738	524	647	898
Due after one year:					
Finance lease obligations	1,513	2,004	930	482	943
Total debt	**2,235**	**2,742**	**1,454**	**1,129**	**1,841**

The finance lease liabilities are secured by way of corporate guarantees issued by the Company and charged over the property, plant and equipment under the finance leases.

The decrease in debt amount from $2.7 million as at FY2013 to $2.2 million as at FY2014 as a result of repayment of finance lease liabilities in FY2014.

Top
Our property at 2A Sungei Kadut Drive Singapore 729554 is used as a fabrication yard, workshop, office and for the storage of construction materials.

Bottom left
Our investment property at 6 Tagore Drive B1-05/06 Singapore 787623.

Bottom right
Another investment property, The Huntington at Moulmein Road.

VALUE ADDED STATEMENT

	FY2014 $'000		Restated* FY2013 $'000		FY2012 $'000		FY2011 $'000		FY2010 $'000	
Revenue	109,476		106,994		104,482		109,817		139,856	
Less: Purchase of goods and services	(74,002)		(66,243)		(54,917)		(31,148)		(81,157)	
Gross value added from operations	**35,474**		**40,751**		**49,565**		**78,669**		**58,699**	
Other income	1,485		1,182		2,681		1,017		887	
Gain/(loss) on foreign exchange	88		86		(190)		17		(157)	
Share of results of associates and joint ventures	91		1,066		(10)		–		–	
	1,664		2,334		2,481		1,034		730	
Total value added available for distribution	**37,138**		**43,085**		**52,046**		**79,703**		**59,429**	
Distribution:		%		%		%		%		%
To employees										
1. Salaries and other staff costs	30,867	83	29,743	69	27,449	53	29,103	37	25,396	43
(From)/to government										
1. Corporate and property taxes	(233)	(1)	616	2	2,314	4	5,699	7	3,596	6
To providers of capital										
1. Finance costs	54		59		89		114		151	
2. Dividends to shareholders	925		4,626		6,115		15,221		10,585	
	979	**3**	**4,685**	**11**	**6,204**	**12**	**15,335**	**19**	**10,736**	**18**
Balance retained in the business:										
1. Depreciation and amortisation	2,986		3,232		3,354		3,056		2,819	
2. Unappropriated profits	2,541		4,812		12,364		26,559		16,952	
3. Minority interests	(2)		(3)		160		(49)		(70)	
	5,525	**15**	**8,041**	**18**	**15,878**	**30**	**29,566**	**37**	**19,701**	**33**
Non-production costs and income:										
1. Provision for doubtful debts (trade/non-trade)	–	–	–	–	1,474	3	–	–	–	–
2. Reversal of provision for doubtful debts (trade)	–		–		–		–		–	
3. Trade creditors written off	–	–	–	–	(1,273)	(2)				
Total distribution	**37,138**	**100**	**43,085**	**100**	**52,046**	**100**	**79,703**	**100**	**59,429**	**100**
Productivity Analysis										
Number of employees	841		849		760		740		744	
Value added per employee ($'000)	44		51		68		108		80	
Value added per dollar of employment cost	1.2		1.4		1.9		2.7		2.3	
Value added per dollar of investment in fixed assets (before depreciation)	0.8		1.0		1.3		2.0		1.6	
Value added per dollar of revenue	0.3		0.4		0.5		0.7		0.4	

* Certain comparative figures have been restated due to the adoption of FRS111 (new) – "Joint Arrangements."

Total value-added created by the Group in FY2014 amounted to $37.1 million (2013: $43.1 million) due to lower profits reported in Y2014.

In FY2014, about $30.9 million or 83.0 per cent of the value-added was paid to employees in the form of salaries and wages. $0.2 million or 1.0 per cent was received from the government in the form of corporate and property taxes rebates while $4.7 million or 3.0 per cent was paid as dividends and interests to financial institutions. Balance of $5.5 million was retained by the Group for its future growth.

In FY2013, about $29.7 million or 69.0 per cent of the value-added was paid to employees in the form of salaries and wages. $0.6 million or 2.0 per cent was paid to the government in the form of corporate and property taxes while $4.7 million or 11.0 per cent was paid as dividends and interests to financial institutions. Balance of $8.0 million was retained by the Group for its future growth.

HARVESTING GOOD REWARDS

DELIVERING EXCELLENT RESULTS

OUR PURSUIT OF EXCELLENCE IS STEADFAST BECAUSE WE VALUE PEOPLE AS OUR GREATEST ASSET. WE ARE COMMITTED TO NURTURING THEIR POTENTIAL TO HELP US DELIVER EXCELLENT RESULTS AND ACHIEVE OUR BUSINESS GOALS.

SUSTAINABILITY REPORT

STRENGTHENING GOVERNANCE, EMPOWERING PEOPLE AND NURTURING ENVIRONMENT

To fulfil our vision to be the leading transport infrastructure and civil engineering company in Singapore, the region and beyond, OKP is committed to the principles of sustainability reporting.

At OKP, we aim to improve our performance in financial reporting as well as reporting on non-financial areas such as corporate governance, and social and environmental responsibilities. We seek to strengthen our corporate governance, empower our people and communities, and nurture our environment.

We do this by advocating an open and transparent approach in providing relevant information on our performance to all our stakeholders. We make it a point to share appropriate information relating to our business, human resources, environmental impact, corporate social responsibilities and corporate governance so as to keep OKP's stakeholders well informed.

The Group's goals are to grow our business by building new capabilities and enhancing our competitiveness, empowering our people and nurturing the community and the environment. As a public listed company on the Singapore Exchange, OKP aims to sustain its growth, and operate its business ethically and profitably, with a strong commitment to maintaining high standards in corporate governance and judicious risk management. At OKP, we believe in building a sustainable business that delivers long-term value to shareholders and long-term growth for the company.

We constantly seek to strengthen our corporate governance by benchmarking against industry best practices, and taking steps to ensure we conduct our business in full compliance with local laws and regulations.

The Group also aims to empower its people and communities. It seeks to be a responsible and caring employer to its 841 employees by developing them to their fullest potential, and enabling them so that they can excel and enjoy meaningful and satisfying careers within the company. We are committed to providing them with a safe working environment, training and career advancement and a fair and equitable system that rewards their productivity and performance.

As a responsible corporate citizen, we seek to empower people in the community. We believe we should contribute towards the disadvantaged and less fortunate in our society through our donations, sponsorships and voluntary work. In this way, we also enhance our reputation as a good corporate citizen, which takes its corporate social responsibilities seriously.

The Group is also aware of its responsibility in nurturing the environment and mitigating negative environmental consequences at its worksites and the environment where it operates. We have in place safety and environmental awareness programmes to ensure the health and safety of our workers and others who visit or work at our worksites and premises. We also monitor our energy, waste and water management at our work places to ensure that we utilise our resources in a meaningful and responsible way.

In summary, we seek to sustain our business growth by our commitment to strong corporate governance, prudent financial management and efficient operation; and empower our staff by our initiatives to nurture and reward them for good performances. In addition, we aim to support the community by fostering greater corporate social responsibility, and to cultivate a greener environment by implementing environment-friendly measures in all our undertakings.

OUR PEOPLE

Our Executive Director, Mr Or Lay Huat Daniel receiving an acknowledgment for OKP's participation from Mr Quek See Tiat, chairman of the Building and Construction Authority (BCA) at the BCA–Industry Built Environment Scholarships Award Ceremony in 2014.

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At OKP, we recognise that our people play a vital role in achieving our business goals and sustaining our success.

Their valuable contributions and support have reinforced the Group's vision to be one of the leading players in the transport infrastructure and civil engineering industry in Singapore, the region and beyond.

We are aware that our employees are one of our most valuable assets, who play an important role in helping OKP to build new capabilities and enhance its competitiveness. Our guiding principle to our employees is our commitment to providing a safe working environment, training and advancement in their respective fields and a fair and equitable system that rewards their productivity.

Indeed, we are committed to nurturing and developing a strong team of employees, who can strategise, manage and implement the various projects professionally and competently, in order to grow our business and achieve revenues and profits. We believe that it is vital for our company to develop a capable and competent team, who can meet the business challenges of today and in the future. In order to attract and hire the right team of people with the right skills and relevant experience to plan and execute our business plans, we have put in place a human resources strategy and programme. We identify with our people's aspirations, motivate them to perform well and enable them to progress through the ranks and retain them. We also continuously seek to improve our human resources and people development practices in order to attract and retain the best people.

The workforce in OKP comprises corporate executives, administrative support staff, project managers, civil engineers, site supervisors and general construction workers. Our people also come from diverse backgrounds and nationalities including Hong Kong, China, Taiwan, Malaysia, India, Myanmar, Philippines, Thailand and Bangladesh. Such varied backgrounds provide a real challenge to the Group's management, who has to instill common goals and core values in order to build a strong and effective team. An effective recruitment, training and development process is therefore important to ensure the long-term success and financial stability of OKP for the future.

ORIENTATING NEW STAFF

To help new employees to adapt easily to OKP's culture and environment, the Group has established a tried-and-tested staff orientation programme, which helps them to understand policies as well as OKP's ethical and safety standards. Our staff orientation policy seeks to integrate new staff by making them aware of the company's core values and standards so that they can fit in smoothly and quickly to OKP's ways of working internally and externally with various stakeholders.

By following this methodology, new hires can start to make immediate contributions when joining OKP. Our past experience has made us realise that a good orientation programme also contributes greatly to staff retention, as we have observed that new employees usually decide to remain with an organisation within the first six months of their employment.

DEVELOPING OUR PEOPLE

At OKP, we seek to develop our people to their fullest potential so that the team can help the Group to achieve sustainable and steady growth. We place a strong emphasis on employee learning and training. As such, we are committed to equipping them with the required knowledge and skills to help them perform their jobs competently. Over the years, we have invested substantially in developing our people. We do this by organising relevant training and development courses to continuously upgrade them with key competencies and skills so that they can perform effectively in their current job functions. In addition, they are also well prepared to meet the future requirements of OKP's business.

OKP's executive directors giving a toast at OKP Annual Dinner 2014.

Staff having a good time at OKP Annual Dinner 2014.

We seek to develop our people's talents fully so that they can grow their careers within OKP. Thus, our emphasis is on helping our employees to develop their full potential as part of OKP's team so that they can find job satisfaction and enjoy the advantages of working in a progressive company, which they are proud to be part of. Our human resources management policy provides a distinct career path for each individual staff member, a competency framework for each job level, and a performance system linking individual contributions, business objectives and rewards to performance.

PROVIDING SPONSORSHIPS AND SCHOLARSHIPS

Looking ahead in terms of securing the right talent, the Group has been offering educational scholarships and sponsorships to students, who may be our potential hires in the future. We have awarded a scholarship to one student at the National University of Singapore, and sponsored three students (one at the National University of Singapore and two at Nanyang Technological University) for the academic year 2014/2015 under the umbrella of the Building and Construction Authority. One of these OKP-sponsored undergraduates has started her industrial attachment with the Group in May 2014 for a duration of 10 weeks.

In 2012, OKP sponsored two project engineers for a Master of Science (Civil Engineering) degree with specialisation in infrastructure project development at the National University of Singapore. In 2014, these two project engineers have successfully completed their Master programme, and their newly acquired knowledge will certainly add to the talent pool within OKP.

ENSURING OCCUPATIONAL HEALTH AND SAFETY

- **Incidents of industrial Injuries**
  Our guiding principle is to provide a safe working environment for our staff at the construction sites. In order to ensure first-rate safety standards, the Group promotes work safety and good environmental awareness at all times and at all its construction sites. We emphasise and practise good safety management throughout the various stages of the projects, starting at the project management stage, and during the construction and site management stage till the successful completion of the projects.

  In promoting and maintaining a healthy, safe and secure working environment for our staff and workers, we do not just focus on our staff. Our subcontractors and various partners are just as important as they also play an important role in maintaining good occupational health and safety. We work very closely with them to ensure that they share the same commitment and work together to strengthen safety standards. A safe job site not only reduces unnecessary risks and exposure in a project, it also boosts staff morale and increases client satisfaction levels. It is the Group's policy that all incidents are monitored and reported as soon as possible, and not just those that result in actual injuries. We emphasise this procedure to all our supervisory staff and general workers so that we can learn from and rectify past mistakes, and achieve our aim of zero injuries.

  Since 2006, OKP has been receiving safety awards for maintaining a high standard of health and safety awareness at its various worksites. Its latest awards were in 2014, when OKP received three safety awards. The Group received a Certificate of Recognition from the Land Transport Authority (LTA) at its Annual Safety Award 2014. The award is in "Category 2 (Civil contract value not exceeding $120 million)" for companies that have achieved more than 250,000 accident-free man hours for Contract ER368.

  We also received a Certificate of Recognition from the LTA for "Category 2 (Civil contract value not exceeding $120 million)" for companies that have achieved more than 250,000 accident-free man hours for Contract ER391. In addition, the Group received a Certificate of Participation

OUR PEOPLE

from the LTA for the "Major Category (Civil contract value between $20 million and $50 million)" for Contract ER368.

- **Absenteeism**
  One of our aims at OKP is to prevent and discourage absenteeism for all staff. Absenteeism from work affects direct and indirect costs. But it also indicates a low level of job satisfaction and a lack of commitment to the company. Moreover, absenteeism also disrupts operations at the office premises and construction sites. To achieve a low level of staff absenteeism, OKP aims to provide a positive working environment and support its employees' performance at work with effective guidance and proper supervision.

Functional	FY2014	FY2013	FY2012
Management & Supervisory (M&S)			
Local	6%	5%	7%
Foreign	2%	1%	2%
Finance & Administration (F&A)			
Local	1%	1%	1%
Foreign	1%	1%	1%
Site Operations (S&O)			
Local	7%	7%	9%
Foreign	83%	85%	80%
	100%	**100%**	**100%**

Years of Service	FY2014	FY2013	FY2012
More than 15 years	7%	5%	5%
10 years to 14 years	13%	6%	12%
6 years to 9 years	16%	19%	16%
3 years to 5 years	27%	31%	26%
Less than 3 years	37%	39%	41%
	100%	**100%**	**100%**

Educational Qualification	FY2014	FY2013	FY2012
Degree & Above	8%	8%	9%
Diploma & Equivalent	4%	4%	3%
"O" & "A" Level & Equivalent	2%	3%	2%
Trade Certificate & Equivalent	23%	23%	28%
Secondary Level & Lower	63%	62%	58%
	100%	**100%**	**100%**

Gender	FY2014	FY2013	FY2012
Male	95%	96%	95%
Female	5%	4%	5%
	100%	**100%**	**100%**

1 M&S – Directors, financial controller, managers, engineers and quantity surveyors
2 F&A – Administration clerks and accounts executives
3 S&O – Site supervisors, site clerks, site inspectors, foreman, machine operators, general workers and drivers, environmental control officers, public relations officers and land surveyors

BEING PEOPLE-CENTRIC

To fulfil our mission to be the first and preferred civil engineering contractor for various industries in Singapore and beyond, and maintain OKP's position as a market leader in the public sector construction industry, we need to be a people-centric company. This is because we are dependent on the effective performance and dedication of all employees to achieve our business goals and attain financial profitability.

With the aim of becoming an excellent people-centric company, we have been increasing our organisational effectiveness and simplifying our communication across all levels and between the various business units. The Group has a review-and-feedback process in place, which has proven to be effective in understanding our staff's concerns and addressing their issues. We make it a priority to hold regular dialogue sessions so that management and supervisory staff can work together as a team with the administrative and support staff, and general construction workers in terms of planning and executing projects.

As a people-oriented company, we have many welfare benefits such as our Annual Dinner, Chinese New Year lunch and regular luncheons. Our staff enjoy other benefits such as medical benefits, transport allowance, subscriptions to relevant societies and various forms of insurance such as personal accident insurance and travel insurance. The Group not only provides maternity leave but also paternity leave for all staff.

CORPORATE SOCIAL RESPONSIBILITY

As a good corporate citizen, the Group recognises the importance of being a responsible business organisation that contributes positively to the community where it operates. We demonstrate this by taking our corporate social responsibility (CSR) seriously.

The Group seeks to uphold the best practices in all its business operations, and this involves giving back to the community and seeking to contribute to the disadvantaged and less fortunate in society. We do this by championing charitable causes and encouraging our employees to volunteer and support worthy causes.

Over the past years, CSR awareness in Singapore and the region is seen to be increasing. It is gaining acceptance in many organisations, which are making CSR activities part and parcel of their business. According to Singapore Compact, a national society promoting CSR in Singapore: "Today consumers, investors, governments and even employees have become more sophisticated and more aware of good corporate behavior, or lack thereof. In this new business environment, a company's reputation has become one of its most valuable assets, and CSR has become one of the key components of corporate reputation. Positive CSR experiences build confidence and goodwill with stakeholders. Many organisations have developed clear CSR efforts as strategic branding and management approach in achieving a win-win outcome. Their number continues to grow."

Many companies share the view that by having a focus on CSR, they can reap benefits and improve profits. Thus, adopting CSR practices can bring about many intangible benefits such as a good reputation for the company, high morale among employees and improved performance, thereby attracting investors. Employees will also take greater pride in their company and this will boost productivity.

At OKP, we are committed to being a supporting force for good in the communities we operate. Thus, we promote and implement CSR initiatives such as our annual Charities of the Year programme. Through this initiative, we actively support multiple charities, offering our employees opportunities to be public-spirited citizens by participating in fund-raising initiatives for specific causes and needs. Through the various fund-raising events and charities, we are able to reach out to various needy groups within the communities that we serve.

The Group renders support and assistance to the following charities and community organisations:

- Educational scholarships and sponsorships as OKP awarded a scholarship to one student at the National University of Singapore, and sponsored three students (one at the National University of Singapore and two at Nanyang Technological University) for the academic year 2014/2015 under the umbrella of the Building and Construction Authority;
- Singapore Children's Society's 1000 Enterprises for Children-in-Need Project, that helps protect and nurture children and youths, particularly those who are abused, neglected, and those from dysfunctional families;
- Dyslexia Association of Singapore, a society with its team of psychologists and specialist teachers providing help to over 1,000 dyslexic children from more than 250 schools;
- Ang Mo Kio-Thye Hua Kwan Hospital, a leading voluntary welfare organisation running a 200-bed hospital providing rehabilitation and geriatric care;
- Singapore Heart Foundation, which advocates health and plays a proactive role in helping heart patients and their families and in equipping the community with information and skills for better heart care;
- Community Chest, the fundraising division of the National Council of Social Service that raises funds for the many charities that it supports in aid of the disadvantaged in society;
- Disabled People's Association, a self-funded voluntary welfare organisation that helps people with disabilities to become valuable, contributing members of the society;
- Handicaps Welfare Association, an organisation that is run by people with disabilities, for people with disabilities, to promote self-help and provide mutual support among the disabled in Singapore;
- Kidney Dialysis Foundation, a non-profit charitable organisation providing subsidised dialysis treatment to patients who could not afford treatment due to financial difficulties;
- Leukemia & Lymphoma Foundation helps pay for, either fully or partially, all costs related to the treatment of leukemia, lymphoma and similar blood-related disorders in its patients;
- Teen Challenge Singapore, an organisation that provides counselling, drop-in facilities for youth requiring close supervision, and residential care for individuals recovering from various forms of life-controlling problems, including teenage and adult drug and alcohol abusers;
- Yellow Ribbon Fund, a project to help rebuild lives of ex-offenders released from the various prisons and drug rehabilitation centres; and
- Singapore Gymnastics, the national sports association for gymnastics in Singapore, with funds raised for running and administering its various gymnastics programmes.

In addition, OKP sponsored various organisations such as Citizen's Consultative Committees, Community Development Council, People's Association and Land Transport Authority to raise funds for charities through golf tournaments and other projects.

SAFETY AND ENVIRONMENTAL AWARENESS

Drilling safety measures to workers at the worksites.

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INSTILLING SAFETY AND ENVIRONMENTAL AWARENESS

The Group is committed to developing and instilling a culture of safety and good environmental awareness within the organisation. Indeed, enhancing safety standards and creating environmental awareness are vital aspects of OKP's core values and work environment. One of our guiding principles to our employees is our commitment to providing them with a safe working environment and ensuring that they go home safe.

Our policy is to ensure a minimal risk work environment and we hold the view that all accidents are preventable. We are committed to ensuring that the health and safety of our people is a top priority as it is our duty to provide a working environment that exceeds health and safety regulatory obligations.

At OKP, we are committed to fostering and improving vision zero with regards to injuries, work-related illnesses and environmental impact for all our workplaces locally and internationally. Setting vision zero is not about focusing solely on meeting a numerical target of zero injuries, zero risks at the workplace or zero harm to the environment. Rather, it is about adopting a mind-set that strives for zero harm in the workplace and to the environment. Thus, enhancing a safety culture and environmental awareness are vital aspects of OKP's core values and efficient work environment.

Adapting safety standards and environmental control measures in OKP goes beyond removing risks at work and reduce adverse impact to the environment. It is about creating the right environment and greater awareness, whereby each individual from top management to the workers can contribute fully towards achieving vision zero. The Group places emphasis on workplace safety, health and environmental protection at every phase of the project cycle from conceptualisation to the construction and management stages. This ensures that potential workplace safety, health and environmental risks are addressed early, thereby minimising or eliminating risks downstream.

Safety meetings are held regularly at the worksites to ensure occupational health and safety.

Going through safety measures for workers at the worksites.

We believe accident prevention and environmental protection is not only a moral obligation but also a good business practice. By detecting and directing our resources to address hazards and safe guard the environment, we seek continually to reduce our incident rates, costs associated with accidents and environmental footprint achieve. Maintaining and ensuring a safe working and sustainable environment for our employees and all stakeholders are therefore an important aspect of our efforts to achieve good performances, strengthen our corporate image and enhance our competitiveness.

ENSURING HIGH STANDARDS

Quality, environmental, health and safety issues are key areas in OKP's overall business management. The management team sets a strong foundation by providing clear direction within the organisation of the value of an effective occupational health and safety management approach to prevent safety-related and health incidents, and foster risk-free and environment-friendly premises. This management approach also complies with relevant laws and regulatory requirements, and ensures a capable and well-trained workforce across the Group.

Thus, OKP makes it a priority to ensure the highest standards of Quality, Environmental, Health and Safety (QEHS) performance, especially at our worksites. To achieve this objective, we make QEHS responsibility an essential and crucial aspect of the way we conduct our business with our stakeholders such as clients, sub-contractors and suppliers.

The Group also adopts bizSAFE's five-step programme by the Workplace Safety Health Council, which assists companies to improve their workplace safety health capabilities so as to achieve high safety and health standards at the workplace. Since 2014, OKP has appointed only contractors and vendors with bizSAFE Level 3 and above for its projects.

The Group fully recognises that its employees and sub-contractors' employees working onsite are its key assets. Therefore, we emphasise the safety and well-being of all employees and we do not compromise on our employees' safety at the expense of costs or time because every employee matters. As an industry leader, our goal is to be a health and safety benchmark, in the same way that we are now a benchmark for the quality of our expertise and the solutions we implement.

To stay abreast in this competitive industry, in early 2013, we conducted a comprehensive review and revised our QEHS Management System in order to further improve and optimise our operations. By reviewing and revising our QEHS procedures, we not only enhance our workplace safety and health standards but also fine-tune our operational procedures, thus improving the organisation's efficiency. A renewal audit of our organisation's QEHS Management System conducted by Building and Construction Authority (BCA) was carried out in July 2013. The audit's objective was to ascertain that the Group's integrated management system had been implemented according to the ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 requirements. Audit findings showed that OKP has a robust system and strong commitment in

SAFETY AND ENVIRONMENTAL AWARENESS

ensuring continuous quality, and environmental, safety and occupational health improvements. We successfully obtained re-certification of our ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certificates in August 2013.

In addition, OKP has attained the Green and Gracious Builders Award conferred by the BCA since May 2012. The scheme was introduced to raise the environmental consciousness and professionalism of builders. It is also a benchmark of a builder's corporate social responsibility to the environment and the general public. Apart from setting standards for green practices, it also sets standards for gracious practices. These gracious practices will improve the image of builders and the construction industry, particularly among neighbours and residents, some of whom may have been affected by construction activities near them.

The Group is committed to protecting and preserving our natural environment through a variety of ongoing programmes. Subscribing to the environmental mantra of Reduce, Reuse, Recycle, we contribute to the protection of our environment by:

- waste management;
- energy conservation; and
- water conservation

Being gracious means that we provide a pleasant environment for our clients and for all members of our society. Thus, OKP undertakes to do its part by:

- working to reduce and control construction site noise and vibration in order to provide a more pleasant environment for the public, our client and our employees;
- providing a work environment where all people from diverse backgrounds can work together and have a sense of fulfilment;
- enabling everyone to work together to achieve an injury-free environment. We are dedicated to providing the tools, knowledge and resources to keep all who are on or near our construction sites safe. Everyone goes home healthy from all of their jobs every day.

Work-At-Height is a rising concern in the construction industriy at a time when there is increased complexity in when construction designs and activities. To further improve our fall prevention plan, OKP has also engaged the assistance of Work-At-Height specialists, who have developed a comprehensive fall arrest system for the organisation's work-at-height activities.

To further demonstrate our commitment to safety, both our subsidiary companies Or Kim Peow Contractors (Pte) Ltd and Eng Lam Contractors Co. (Pte) Ltd have achieved the Workplace Safety and Health Council's bizSAFE STAR status. This is the highest level awarded to enterprises for their commitment to maintaining a good Risk Management and Workplace Safety system.

Safety banners at our various construction sites.

WINNING QEHS RECOGNITION AND AWARDS

In 2014, the Group's commitment and emphasis on QEHS have once again yielded good results. This can be seen in the numerous awards that OKP has received in recognition of its workplace health management and occupational safety focus. These include:

- Certificate of Recognition from the Land Authority Transport Authority (LTA) at its Annual Safety Award 2013. The award is in "Category 2 (Civil contract value not exceeding $120 million with more than 250,000 accident-free man hours)" for Contract ER368;

- Certificate of Recognition from the LTA at its Annual Safety Award 2013. The award is in "Category 2 (Civil contract value not exceeding $120 million with more than 250,000 accident-free man hours)" for Contract ER391;
- Certificate of Merit from the LTA at its Construction Environmental Award 2013. The award is in "Major Category (Civil contract value between $20 million and $50 million)" for Contract ER201;
- Certificate of Merit from the LTA at Annual Safety Award 2012 in "Major Category (Civil Contracts between $20 million and $50 million)" for Contract ER368;
- Certificate of Recognition from the LTA at its Annual Safety Award 2012 in "Category 2 (Civil contract value not exceeding $120 million with more than 250,000 accident-free man hours)" for Contract ER368;

Works-At-Height's training with Singapore Civil Defence Force.

- Green and Gracious Builder (Excellent) Award from the Building and Construction Authority (BCA) for wholly-owned subsidiary, Or Kim Peow Contractors (Pte) Ltd.;
- Green and Gracious Builder (Merit) Award from the BCA for wholly-owned subsidiary, Eng Lam Contractors Co. (Pte) Ltd;
- Certificate of Recognition, from the LTA at its Annual Safety Award 2011 for "Category 2 (Civil contracts less than $120 million") for companies that have achieved more than 0.25 million accident-free man hours for Contract ER288;
- Certificate of Excellence from the LTA at its Annual Safety Award 2010 in "Major Category (Civil Contracts between $20 million and $50 million)" in recognition of the company's outstanding performance in occupational safety and health management for Contract ER194;
- Certificate of Excellence from the LTA at its Annual Safety Award 2009 in "Minor Category (Civil Contracts less than $20 million)" in recognition of the company's outstanding performance in occupational safety and health management for Contract ER213;
- Housing & Development Board Safety Award 2006 for construction of roads at Yishun Street 31 (between Yishun Ring Road and Yishun Avenue 6); and
- Certificate of Merit from the LTA at its Annual Safety Award 2006 for "Major Category" for Contract PE100.

Whilst the construction sector remains the top contributor of workplace fatal injuries, OKP has maintained zero fatality at all its worksites for the past six years. We will continue to strive to ensure that all our worksites maintain a zero injury record.

MAINTAINING QEHS SUSTAINABILITY

One of the Group's biggest challenges continues to be maintaining the high standards of our QEHS system, especially in a dynamic and rapidly changing environment. Our focus on sustainability involves many aspects of how we conduct ourselves and implement our QEHS Management System. We believe QEHS sustainability is essential to our customers, employees, shareholders, and community, and is also a long-term business driver. By focusing on specific efforts that address safety, health and environmental challenges and maintaining a good QEHS track record, we can minimise risks and enhance our competitiveness for all our future business ventures.

We have made great strides in promoting and executing our QEHS programme in our business practices well. At OKP, we ensure that our work practices are environmentally-friendly and protect the safety and well-being of our employees at all times and in all situations.

We make it a point to regularly update our Legal Register to ensure that OKP is up-to-date with all applicable legal requirements. With the aid of the updated Legal Register, OKP would be able to keep up with changes and proposed legislations. The Legal Register also ensures that we are more aware of and understand the implications of core legislations and other requirements that can influence or affect our operations. This is a vital element to ensure that we stay compliant with local regulatory requirements as well as international standards.

At OKP, we also seek to reduce pollution levels at all our worksites so that our workers can enjoy a higher quality of life in the construction-related surroundings and environment in which they work.

When recruiting new staff and engaging partners, OKP also looks into their QEHS experience and track record. Our ability to attract, develop and retain qualified employees, consultants and sub-contractors with good QEHS track records has greatly contributed to our business' success and sustainability.

SAFETY AND ENVIRONMENTAL AWARENESS

During these unpredictable times with crises such as haze and monsoon rains, and unavoidable disease outbreaks, OKP has set up its Business Continuity Plans. We have carried out risk assessments to ensure that the business functions and operations can continue without comprising our employees' safety and health.

All these established practices are aimed at achieving high quality standards, thus providing a strong and stable foundation for future generations of management and staff to emulate and further improve the QEHS standards.

Emergency drills are conducted regularly at our worksites to ensure that everyone is well-prepared to handle any potential accidents such as fires.

PROMOTING A SAFETY CULTURE

The Group remains committed to enhancing and achieving a strong and sound safety culture and instiling a positive mindset among our employees that encourage responsibility towards oneself and one's co-workers. Safety management starts from the project planning stage and is practised through the various stages of design, construction and management till the projects are completed. By being good role models, our management staff have instilled and championed a strong safety culture within the organisation.

Over the past years, our comprehensive construction safety programme has evolved and the principles and processes behind this programme have also been fine-tuned.

Some of these include:

- a rigorous sub-contractor and supplier selection and approval process, which shortlists companies with good, which shortlists safety track records;
- risk assessment procedures to identity, among other things, situations and processes that may potentially cause injury to people. After identification, we will evaluate the likelihood of the risk and the severity of its impact, and then determine the preventive measures to put in place; and
- field regular safety audits at construction worksites.

In addition, OKP continuously implements various additional initiatives to further strengthen safety awareness at all its workplaces. One of the key initiatives was the introduction of Behavioural Based Safety (BBS) programmes at our worksites. This is a safety approach that concentrates on the behaviour of workers as the cause of most work-related injuries and illnesses. By conducting reviews and surveys of current work practices and collating data from interviews and observations, trained observers would identify the root cause of the respective group's or worker's unsafe behaviour. The results are usually fed back to the group or worker, and safe or model behaviours would be developed. Through the BBS programmes, OKP is able to improve its safety performance and culture and achieve a sustained adjustment of attitudes towards safety.

The Group has also embarked on another effort to further improve the current Safety Promotion Programme so as to promote safety awareness at all organisational levels and enhance its aim to make employee safety a top priority. Our Safety Promotion Programme aims to encourage employees to improve their own safety behaviour and that of their fellow workers, and support OKP's Safety, Health and Environmental goals and aims. Various safety promotional activities were carried out. These included the "Your Hands are Important" safety campaign, Dengue Prevention campaign (jointly conducted with LTA and the National Environment Agency (NEA), monthly mass safety talks and regular incentives to employees with good safety performance/behaviour.

Another initiative is implementing a systematic way of identifying and monitoring newly recruited workers. At OKP, we ensure a new worker is paired up with an experienced worker for proper guidance, training and orientation. An assessment of the new worker's performance and safety knowledge will be made after a three-month probation period prior to allowing them to execute work independently.

Another effort that the Group has embarked on is the installation of CCTV for its heavy machinery with cameras mounted at strategic locations. This is to ensure that the heavy machinery operators obtain a maximum view of their surroundings while in operation, thus eliminating any possible blind spots.

At all our worksites, emergency drills are conducted regularly to reinforce emergency preparedness to handle any potential incident such as fires, chemical spillages and fall-from-height incidents. The Group conducts coordinated joint exercises such as rescue drills at its worksites with external agencies such as the Singapore Civil Defence Force. Such activities help to increase safety awareness and knowledge of all OKP employees. This demonstrates OKP's commitment towards the safety and well-being of all its employees, clients, sub-contractors and suppliers.

DEVELOPING QEHS TRAINING AND COMPETENCY

At OKP, we believe that our employees are vital to the successful implementation of our workplace safety and health management system. Significant resources are deployed to attract, develop and retain extraordinary talent and fully promote each employee's capabilities. We have carefully identified and developed specific training plans for all our employees to fully equip them with the knowledge to effectively execute their responsibilities. Our employees are our best assets. Building people to their highest potential galvanises and enhances our competitive edge.

We train and develop our staff at all levels, equipping them for the challenging construction environment through programmes offered by the Ministry of Manpower (MOM) approved training centres. All management staff and engineers are required to attend safety-related courses such as the "Construction Safety Course for Project Managers" and "Risk Management Course". These courses enable them to be fully aware of regulatory requirements to assume the roles of Risk Management Leaders so as to eliminate or lessen risks at source.

As part of the Group's orientation programme, supervisors advise new employees on the highest standards of QEHS requirements. New employees are required to undergo a safety induction programme upon first joining the company. The Group has put in place a standard in-house safety training and education programme for both new and existing employees to equip them with the basic knowledge necessary to carry out their various functions in a safe and competent manner. Specialised and more detailed information and training are given regularly to site safety practitioners. This is to keep them updated on the latest industrial safety and environmental regulations.

Due to the nature of our work and large work area covered by our project sites, we have also gone beyond local regulatory requirements and trained a sufficient number of first-aiders for our projects. The trained first-aiders are deployed strategically at each work area to ensure that any person who sustains an injury can receive first-aid treatment quickly.

In line with the new Works at Height (WAH) Regulations which was introduced in 2013, OKP is also progressively sending its workers, supervisors and safety assessors for the relevant works at height training. This is to ensure that that OKP's work-at-height activities are carried out in the safest possible manner.

PROMOTING A GREEN ENVIRONMENT

To reduce environmental hazards and be environmentally-friendly, OKP seeks to carry out its daily business in a socially responsible way and contribute positively to the communities in which it operates.

The Group makes every effort to protect the environment in its business activities through good environmental practices. Some of these ongoing green efforts for all its worksites include the following activities:

- Reducing the environmental impact of work activities by implementing action plans aimed at cutting consumption of natural resources and reusing and recycling construction waste wherever possible;
- Managing and disposing construction waste properly;
- Reduce/ reuse/ recycle construction materials such as timber, reinforcement and concrete debris;
- Maintaining construction machinery regularly to minimise carbon emissions;
- Implementing and maintaining effective earth control measures onsite to prevent silty water from polluting public drains;
- Reducing and treating waste water from construction activities in treatment plants before releasing into the public drainage system;
- Minimising water consumption and emissions;
- Using eco-friendly innovations such as solar-powered devices and de-sanding machines to separate sand from dredging wastes;
- Reducing the usage of timber formwork by using metal formwork;
- Evaluating sub-contractors' green practices before award of project;
- Evaluating a product's impact on the environment and considering if the product has a Green Label before selecting the supplier's products;
- Using more environmental-friendly products which are non-toxic; and
- Implementing promotional activities onsite to encourage green practices.

We are also committed to complying with all applicable environmental laws and regulations.

OUR CUSTOMERS

Our Group Managing Director, Mr Or Toh Wat (back row, extreme left) attended a safety event organised by one of OKP's customers.

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The Group fully recognises that its ability to grow and sustain its business through the years is due mainly to the steadfast and continuing support of its customers. At OKP, we acknowledge that our customers are vital to our success. Indeed, our partnerships with them have enabled OKP to grow from a sole-proprietorship in 1966 to a public listed company today.

Our long-term relationships with our customers have brought mutual benefits – our customers receive our commitment and very best services while we are able to build new capabilities, broaden our expertise and skills, and grow our business. Our customers' loyalty, trust and confidence in OKP have helped the Group to be acknowledged as a reputable civil engineering contractor in Singapore and the region today.

MEETING OUR CUSTOMERS' NEEDS COMPETENTLY

Our guiding principle to our clients is our commitment to providing them with superior service that meets their time schedule; exceeds their expectations in quality, reliability and safety; and is within their budget.

All staff are fully aware of this commitment to deliver on this service promise. In seeking to fulfil this service promise to our customers competently, our team work together to achieve our vision to be a leading transport infrastructure and civil engineering company in Singapore, the region and beyond.

At the operational level, we fulfil this service promise by training and empowering our staff to support our customers to the best of their capabilities at all times. We emphasise to our staff the importance of actively listening to our customers and working with them to better understand their business needs. We also give our staff the necessary autonomy, support and resources to explore and initiate new ideas to address our customers' requirements and concerns.

At our worksites, we work closely with our customers to ensure safety standards, which comply with all government rules and regulations. For both customers and OKP, delivering a project on time and on budget is very important for the successful completion of all projects. To achieve this, we endeavour to work diligently with our customers to ensure the projects are completed within the stipulated contract terms.

DELIVERING ON OUR PROMISE TO OUR CUSTOMERS

In the highly competitive business environment in Singapore and the region, customer satisfaction becomes increasingly important. At OKP, customer satisfaction has been a key success factor for our business. Putting a focus on our customers, the Group's management team and supervisors work towards ensuring a high level of engagement with them for the smooth completion of all projects.

We believe that when we consistently deliver on our contracts on time, on budget, and in a more-than-satisfactory way, customers will develop greater trust and confidence in OKP. Thus, we strive to build up this trust and confidence by ensuring that we deliver on our projects with the highest levels of reliability, integrity and efficiency.

Through our many years of operational experience, we have established some key targets to ensure a high level of customer service. These targets help OKP to build and maintain strong relationships with our customers in order to keep them satisfied.

We aim to provide:

- prompt response to customers' needs and in developing solutions for their problems;
- honest and ethical business practices that put our customers' interests first;
- high standards of service quality and standards;
- excellent safety standards at building and construction sites;
- effective management to complete projects on time and within budget; and
- results that meet customers' requirements and expectations.

GROWING OUR CUSTOMER BASE

To grow and sustain our business in the long term, we need to maintain as well as grow our customer base. Our customers come from a wide-ranging group of organisations in the public and private sectors, including those from industries such as energy, utilities, transport, housing and town planning.

The Group has established its reputation in the public sector as a reliable and well-regarded infrastructure contractor in Singapore. Some of our public sector clients include the Changi Airport Group, Housing & Development Board, JTC Corporation, Land Transport Authority, National Parks Board, Public Utilities Board and Urban Redevelopment Authority. In the private sector, our clients include ExxonMobil, Foster Wheeler Asia Pacific Pte Ltd, WorleyParsons Pte Ltd and Angullia Development Pte. Ltd.

We aim to actively expand this list of customers as we bid for new projects and grow the business in Singapore and the region. We have grown our customers through joint ventures with several partners to develop property projects. To build new capabilities and enhance its competiveness, OKP has also invested in a joint venture in 2014 to tender for Mass Rapid Transit (MRT) projects and undertake MRT projects if awarded.

With our vast expertise, strong track record and reputation for delivering results, the Group is confident that it will be able to succeed in expanding its customer base and grow its business in the long term.

SECURING CONTRACTS FROM REPEAT CUSTOMERS

The Group focuses on a holistic approach in our customer service, which is characterised by long-term and enduring relationships with our customers. We treasure each customer relationship, looking at it as a long-term association to be cultivated at all levels and all times. We believe that developing and enhancing sustainable relationships with customers are the foundation of the Group's success.

Following this methodology, OKP has made it a priority to build up and strengthen many strong and stable partnerships with our customers over the years. The solid relationships we enjoy with our customers have been rewarding as the Group has won many repeat contracts from various customers since it first started business a sole proprietorship in 1966.

The Group is very appreciative of these long-term and supportive customers, who have stood by OKP through the ups and downs of the business cycle. These repeat contracts testify to our customers' satisfaction with OKP's high quality and service standards.

Having a high portion of returning customers is not mere coincidence. The repeat business is the result of OKP's competitive cost position and good past performances, which we believe are two most important criteria for winning new contracts. We also believe that the time and efforts we invest in nurturing and building relationships play an important role in winning such contracts. In addition, our staff's focus in delivering high standards and quality projects to our customers is equally significant in helping to clinch contracts.

PARTNERING TO BOOST OUR CUSTOMERS' EFFICIENCIES

Today's business environment is very tough and competitive due to uncertainties in the global economic climate, which of course impacts Singapore's economy. Our customers are constantly placed in situations where they have to take decisive actions to improve productivity, reduce costs, and create added value to their businesses, very often with limited financial and physical resources.

As the Group continues to build its capabilities, enhance its competitiveness and grow a sustainable business in Singapore and the region, it aims to help customers to maximise their efficiencies. We do this by being a valuable partner, who understands and helps them to attain their financial and operational aims. At OKP, we ensure that our contracts are priced accurately and fairly to reflect current market conditions. With our strong track record in civil engineering infrastructure works and as a market leader in public sector construction projects, OKP is in a strong position to deliver such value-added services to our customers.

ENGAGING OUR CUSTOMERS IN COMMUNITY SERVICE

The Group does not just engage with its customers professionally through our business activities at building sites and meetings. We also believe in engaging them in other ways such as supporting them through providing sponsorships, and organising and hosting joint events in the respective industries.

INVESTOR RELATIONS

Our Group Managing Director, Mr Or Toh Wat receiving Best Managed Board (Bronze) award in the "Companies with less than $300 million in market capitalisation" category at the Singapore Corporate Awards 2012 from President Tony Tan Keng Yam.

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At OKP, we work to ensure that all investors are provided with reliable and accurate information on the Group's operational and financial performance so that they can make informed investment decisions. To achieve this aim, we use multiple channels to communicate effectively with our shareholders. In addition, our senior management and investor relations (IR) team actively keep communication channels open with the investment and financial community, and the media.

Our guiding principle in relation to our shareholders is our commitment to maximising their return on investment while maintaining excellence in our products and services. We are committed to creating and growing long-term value for all our shareholders and investors. Over the years, we have built new capabilities and expanded our knowledge, experience and skills in order to fulfill our vision to be a leading transport infrastructure and civil engineering company in Singapore and overseas. This approach has enabled OKP to sustain growth in its business and continue to deliver stable results and develop its potential – to meet the expectations of our shareholders and investors.

To enhance its competitiveness and stay ahead as an industry leader, OKP monitors the external business and macroeconomic environment affecting its business closely, and makes the right responses accordingly as the need arises. In addition, OKP keeps track of and seeks to implement best practices internally by ensuring that effective management practices are institutionalised, with sound operational procedures to facilitate efficient and practical workflow. To our staff, we emphasise the importance of delivering superior customer service as this helps us to meet and exceed our customers' expectations.

PRACTISING GOOD CORPORATE GOVERNANCE

As a listed company, OKP is committed to ensuring good corporate governance, which is the practice whereby the Group manages, steers and balances the interests of all its shareholders, customers, employees, suppliers, business partners and the general public. In the light of constantly developing demands for better disclosure, greater transparency and good corporate governance in the financial and business areas, we believe sound corporate governance is vital in gaining and retaining investors' trust and confidence in OKP, as well as attracting the interest of new shareholders.

The Group has established several processes to consolidate its corporate governance framework to allow greater transparency and fast-track management decision-making processes, and strengthen management oversight. One way we do this is by adopting the criteria used to score the Governance and Transparency Index administered by the National University of Singapore Business School's Corporate Governance and Financial Reporting Centre. The index, which is divided into two broad categories – Governance and Transparency, and IR – has a set of criteria that assesses the governance and transparency of companies based on their annual announcements. The governance section covers board matters, remuneration matters, and accountability and audit, while the transparency section focuses on how companies communicate with their shareholders. We seek to achieve the best possible score in all these areas, thus improving our standards in corporate governance.

We also aim to proactively engage the investment community by disclosing accurate and timely corporate and financial information. OKP emphasises greater transparency to shareholders, investors and other interested parties so that they are being updated on corporate developments and able to make more informed and intelligent decisions with regard to their investments. We believe that this transparency contributes towards a better understanding of our company and activities, and allows the investing public to assess how well we perform.

As a responsible company which is committed to good corporate governance, OKP fully supports the Corporate Governance Week organised annually by the Securities Investors Association (Singapore). Its focus on building and implementing excellence in corporate governance resonates with the way we manage our business and how we communicate with our shareholders.

- **Investor Relations policy**
  At OKP, we have a very clear IR policy. We want to ensure fair, open and ethical business dealings with all our stakeholders including shareholders, customers, employees, suppliers, business partners and the general public. We ensure that OKP discloses relevant and material information according to these basic principles, in accordance with the Singapore Exchange's rules. We are proactive in providing shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the movement of OKP's share price.

  The Group has been well acknowledged for its excellence in IR and commitment to good corporate governance. This can be demonstrated by the numerous awards and accolades which OKP has won in recent years, namely:

  – Merit for the Singapore Corporate Governance Award under Mainboard Small Caps Category; and Runner-up for the Most Transparent Company Award in the Constructions & Materials Category – at Securities Investors Association (Singapore) 15th Investors' Choice Awards 2014;

Our Executive Director, Mr Or Lay Huat Daniel (right) and Mr Lim Chee Onn at the Singapore Corporate Awards 2008 where OKP bagged the Best Investor Relations Award (Gold) and the Best Annual Report Award (Silver).

  – Best Investor Relations (Bronze) in the "Companies with less than $300 million in market capitalisation" category at Singapore Corporate Awards (SCA) 2013;

  – Winner of the Most Transparent Company Award under Mainboard Small Caps Category at Securities Investors Association (Singapore) 14th Investors' Choice Awards 2013;

  – Winner of the Most Transparent Company Award under Mainboard Small Caps Category at Securities Investors Association (Singapore) 13th Investors' Choice Awards 2012;

  – Best Investor Relations (Bronze) in the "Companies with less than $300 million in market capitalisation" category at Singapore Corporate Awards (SCA) 2012;

  – Best Investor Relations Award (Gold) at SCA 2009 in the "Companies with less than $300 million in market capitalisation" category; and

  – Best Investor Relations Award (Silver) at SCA 2008 in the Small Market Capitalisations category.

Our Group Managing Director, Mr Or Toh Wat with Mr K Shanmugan, Minister for Foreign Affairs and Minister for Law at the Singapore Corporate Awards 2013 where OKP won the Best Managed Board (Silver).

- **Dividend policy**
  The Group does not have a formal dividend policy. The form, frequency and amount of dividend payable on our shares will depend on our financial position, results of operations, capital needs, plans for expansion, and other factors as our Board of Directors may deem appropriate.

  We have maintained our dividend payout of 19.2 per cent to 76.9 per cent over the past five years.

INVESTOR RELATIONS

SINGAPORE CG WEEK SIAS Towards Excellence in Corporate Governance 2014

ENGAGING ACTIVELY WITH SHAREHOLDERS

We recognise the importance of engaging and communicating effectively with shareholders, investors and other stakeholders, especially in the framework of frequently evolving requirements of better disclosure, transparency and corporate governance. To achieve this, OKP uses multiple communication channels to promote and facilitate communications with existing and potential investors, financial analysts and the media. These channels include group briefings to analysts, investors and the media; one-to-one meetings with shareholders and potential investors; and the investor relations section of our corporate website. Some of our initiatives include the following activities:

- **Annual General Meeting**
  One of the key channels to communicate with investors is the annual general meeting (AGM). Besides providing an opportunity for investors to raise concerns and seek clarification, the AGM also enables the Board of Directors and senior management team to respond directly to them. All Board members attend and answer questions from shareholders relating to the past, current and future directions of the Group's business, explain decisions made and address any concerns raised. We take full advantage of the AGM to inform shareholders of OKP's latest developments and provide an opportunity for shareholders to ask questions. All directors are expected to attend the AGM, especially the Chairpersons of the Audit, Nominating and Remuneration committees. Shareholders may also submit written questions relating to the statutory audit report and the Group will respond in a timely manner to their questions.

- **Announcements of corporate developments**
  We keep our investors up-to-date on OKP's developments by issuing announcements on new contracts, strategic developments and other important information through SGXNET, press releases, email alerts and OKP's investor-friendly website.

  Our investor relations website is a key resource for corporate, financial and stock information, and announcements of significant business developments. It also houses OKP's quarterly results and annual reports. Since 2003, OKP's website features webcasts comprising videos of full-year results messages plus presentation slides. All OKP's announcements are posted immediately on its website, following its release to the Singapore Exchange to ensure fair, equal and prompt dissemination of information. Thus, all shareholders and investors can keep abreast of OKP's latest business developments very quickly and effectively.

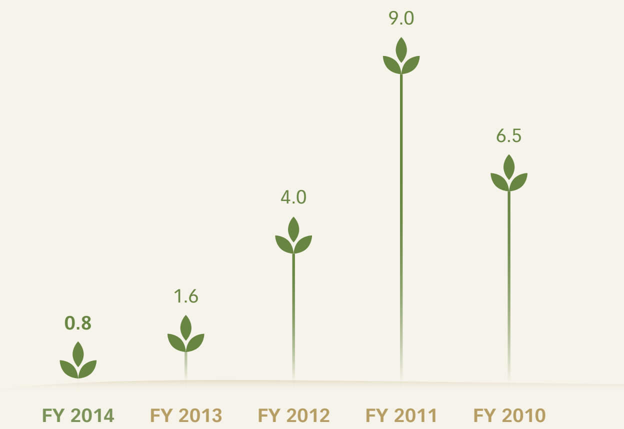
- **Analyst and media briefings**
  During the release of OKP's quarterly results, the senior management team avail themselves to meet with analysts to answer their questions and clarify any concerns. Outside of the financial results announcement periods, where necessary and appropriate, the senior management team would also meet analysts and fund managers, who seek to understand OKP's operations better. Where appropriate and when opportunities arise, we also conduct media interviews to give shareholders and the public deeper insights into our business and management thinking. In addition, we have also conducted tours to some of our facilities for interested analysts and the media.

The Group was featured in various newspapers, journals, magazines and broadcast media. These included The Business Times, Lianhe Zaobao, The Straits Times, The Edge Singapore, Singapore Business Review, Today Online, Shares Investment, Biz Daily Online, Reuters and Channel NewsAsia.

OKP's website.

INVESTOR'S RATIOS

Basic Earnings Per Ordinary Share
Cents

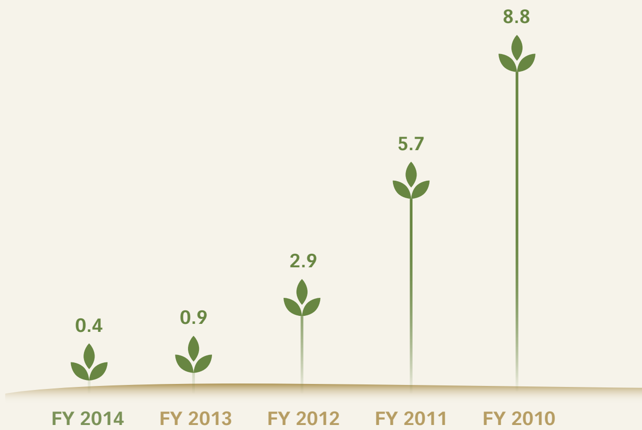


As a result of the decrease in profit after tax, basic earnings per ordinary share decreased to 0.8 cents in FY2014.

Gross Dividend Per Ordinary Share
Cents

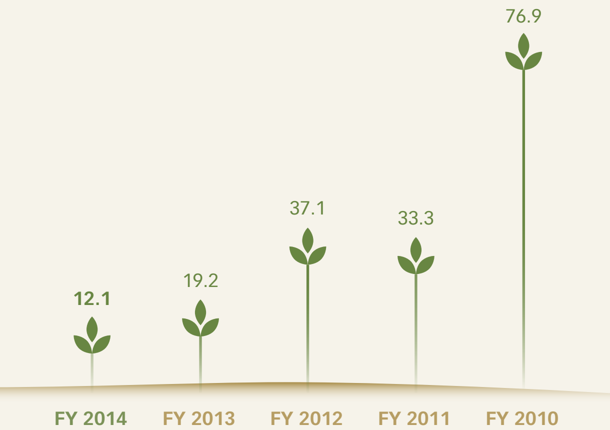
The dividend proposed for FY2014 was a final dividend of 0.1 cents per share (subject to the approval of shareholders at the forthcoming annual general meeting of the Company).

Gross Dividend Yield
Per Cent



The gross dividend yield of 0.4 per cent is calculated based on the share price of 25.5 cents as at 31 December 2014.

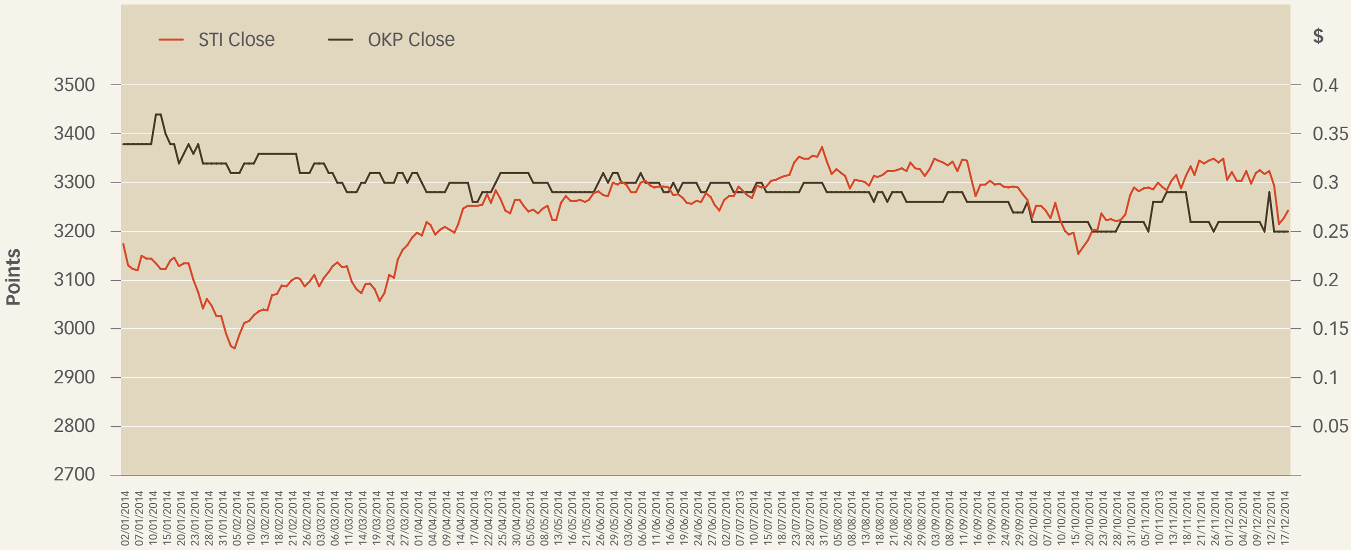
Gross Dividend Payout
Per Cent



We proposed total dividends of 0.1 cents per share for FY2014 representing a dividend payout ratio of 12.1 per cent.

INVESTOR RELATIONS

OKP SHARE PRICE VS STI 2014



	2010	2011	2012	2013	2014
Highest Price	$0.59	$0.68	$0.66	$0.56	$0.37
Lowest Price	$0.42	$0.52	$0.49	$0.32	$0.25
31 December Closing Price	$0.57	$0.53	$0.51	$0.34	$0.25

FINANCIAL CALENDAR

FY2015	
16 February	Announcement of full year results for financial year 2014
2 April	Despatch of Annual Report
27 April	Thirteen Annual General Meeting
7 May	Books Closure for Dividend Entitlement
27 May	Proposed Payment of FY2014 Final Dividend (subject to Shareholders' approval at AGM)
May	Announcement of first quarter results for financial year 2015
July/August	Announcement of second quarter and half year results for financial year 2015
October/November	Announcement of third quarter results for financial year 2015

FY2014	
24 February	Announcement of full year results for financial year 2013
1 April	Despatch of Annual Report
28 April	Twelfth Annual General Meeting
5 May	Announcement of first quarter results for financial year 2014
9 May	Books Closure for Dividend Entitlement
27 May	Payment of FY2013 Final Dividend
7 August	Announcement of second quarter and half year results for financial year 2014
27 October	Announcement of third quarter results for financial year 2014

CORPORATE GOVERNANCE REPORT

At OKP, we are committed to ensuring high standards of corporate governance. We believe that sound corporate governance principles and practices will improve corporate transparency, accountability, performance and integrity, and at the same time, protect and enhance shareholder value.

The Monetary Authority of Singapore had issued a revised Code of Corporate Governance on 2 May 2012 (the Code), which replaced the Code of Corporate Governance issued in July 2005. The Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) requires all listed companies to describe, in their annual reports, their corporate governance practices, with specific reference to the principles of the Code.

We have presented our corporate governance policies and practices on each of the principles of the Code in a tabular form, stipulating each principle and guideline, and explaining any deviations from the Code, and taking into consideration the Disclosure Guide provided by the SGX-ST on 29 January 2015. The Board of Directors is pleased to confirm that for the financial year ended 31 December 2014, the Company has adhered to the principles and guidelines of the Code as well as the Listing Manual of the SGX-ST where appropriate.

1. BOARD MATTERS

<u>**The Board's Conduct of its Affairs**</u>

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

Our Policy and Practices:

The principal functions of the Board, apart from its statutory responsibilities, are:

Guideline 1.1 of the Code: The Board's role

- Reviewing and approving the corporate policies, strategies, budgets and financial plans of the Company;
- Monitoring financial performance, including approval of the full year and quarterly financial reports of the Company;
- Approving major investment and funding decisions;
- Reviewing the evaluation process on the adequacy of internal controls, risk management, financial reporting and compliance;
- Overseeing the business and affairs of the Company, establishing the strategies and financial objectives to be implemented by the Management and monitoring the performance of the Management; and
- Assuming responsibilities for corporate governance.

The Board is made up of one-third Independent Directors who are independent of the Management and have the appropriate core competencies and diversity of experience to enable them, in their collective wisdom, to contribute effectively. Every Director is expected, in the course of carrying out his or her duties and responsibilities, to act in good faith, provide insights and consider at all times the interests of the Company.

Guideline 1.2 of the Code: Directors to act in the interests of the Company

The Board oversees the management of the Company. It focuses on strategies and policies, with particular attention paid to growth and financial performance. It delegates the formulation of business policies and day-to-day management to the Executive Directors.

The Board has established three board committees (Board Committees) to assist in the execution of its responsibilities. They are the Audit Committee (AC), the Remuneration Committee (RC) and the Nominating Committee (NC). The terms of reference and composition of each Board Committee are presented in the following sections of this Report.

Guideline 1.3 of the Code: Disclosure on delegation of authority by Board to Board Committees

The Board held four scheduled meetings in the financial year ended 31 December 2014. Ad hoc Board meetings are also held whenever the Board's guidance or approval is required, outside of the scheduled Board meetings.

Guideline 1.4 of the Code: Board to meet regularly

CORPORATE GOVERNANCE REPORT (cont'd)

The attendance of the Directors at scheduled meetings of the Board and Board Committees during the financial year ended 31 December 2014 is disclosed below:-

	Board	Board Committees		
		Audit	Remuneration	Nominating
Number of scheduled meetings held	4	4	1	1
Name of Directors				
Mr Or Kim Peow	4	*4	*1	*1
Mr Or Toh Wat	4	*4	*1	*1
Mdm Ang Beng Tin	4	*4	*1	*1
Mr Or Kiam Meng	4	*4	*1	*1
Mr Oh Enc Nam	4	*4	*1	*1
Mr Or Lay Huat Daniel	4	*4	*1	*1
Dr Chen Seow Phun, John	4	4	1	1
Mr Nirumalan s/o Kanapathi Pillai	4	4	1	1
Mr Tan Boen Eng	4	4	1	1

(*) – attendance by invitation of the relevant Committee

Dates of Board, Board Committee and annual general meetings are scheduled in advance in consultation with the Directors to assist them in planning their attendance. A Director who is unable to attend a Board meeting can still participate in the meeting via telephone conference, video conference or other similar means of communication. Telephonic attendance and conference via audio communication at Board meetings are allowed under Article 120(2) of the Company's Articles of Association.

We believe that contributions from each Director can be reflected in ways other than the reporting of attendances of each Director at Board and/or Board Committee meetings. A Director would have been appointed on the strength of his or her calibre, experience and stature, and his or her potential to contribute to the proper guidance of the Group and its businesses.

To focus on a Director's attendance at formal meetings alone may lead to a narrow view of a Director's contribution. It may also not do justice to his or her contribution which can be in many different forms, including Management's access to him or her for guidance or exchange of views outside the formal environment of Board meetings. In addition, he or she may initiate relationships strategic to the interests of the Group.

Guideline 1.5 of the Code: Matters requiring Board approval

The Company has adopted internal guidelines setting forth matters that require the Board's approval. Under the guidelines, all new investments, any increase in investment in businesses and subsidiaries, and any divestments by any of the Group's companies, and all commitments to term loans and lines of credit from banks and financial institutions by the Company require the approval of the Board.

Guidelines 1.6 of the Code: Directors to receive appropriate training

The Board recognises the importance of appropriate orientation training and continuing education for its Directors. Every Executive Director receives appropriate training to develop individual skills in order to discharge his or her duties. The Group also provides information about its history, mission and values to the Directors. The Directors may, at any time, visit the Group's construction sites in order to gain a better understanding of business operations. There are also update sessions to inform the Directors on new legislations and/or regulations which are relevant to the Group. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or Directors' disclosure obligations, Directors are briefed at Board meetings. During the financial year, the Directors were briefed by Nexia TS Public Accounting Corporation on the developments in financial reporting standards and the changes that affect the Group. In addition, the Company has signed up for a corporate membership with the Singapore Institute of Directors (SID) for three years, effective from 2013. The objective is to be involved in SID's activities and enable the use of SID's one-stop corporate governance resources centre in order to improve OKP's corporate governance standards.

All the Directors are informed and encouraged to attend seminars, courses and other programmes, particularly on relevant new laws, regulations and changing commercial risks, from time to time, in order to discharge their duties as directors. All the costs are borne by the Company. Some of the Directors attended the SID Conference 2014.

Newly-appointed Directors will be briefed on the business and organisation structure of the Group and its strategic plans and objectives. All Directors are appointed to the Board by way of a formal letter of appointment or service agreement setting out the scope of their duties and obligations. Directors may, at any time, request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business issues from the Management.

Guideline 1.7 of the Code: Formal letter to be provided to Directors setting out their duties

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

Our Policy and Practices:

Currently, the Board consists of nine Directors of whom three are considered independent by the Board. There is a strong independent element on the Board, with independent Directors constituting one-third of the Board. This enables the Management to benefit from their external, diverse and objective perspective of issues that are brought before the Board. It also allows the Board to interact and work with the Management through a constructive exchange of ideas and views to shape the strategic process.

Guideline 2.1 of the Code: One-third of directors to be independent

The Group Chairman, Mr Or Kim Peow, and the Group Managing Director, Mr Or Toh Wat, are immediate family members as well as part of the Management. The Board is of the opinion that based on the Group's current size and operations, it is not necessary to have independent directors make up at least half of the Board. The NC is of the view that no individual or small group of individuals dominate the Board's decision-making.

Guideline 2.2 of the Code: Independent directors to make up at least half of the Board in certain circumstances

The independence of each Director is reviewed by the NC on an annual basis. Annually, each independent Director is required to complete a checklist to confirm his/her independence. The checklist is drawn up based on the guidelines provided in the Code. The NC adopts the Code's definition of what constitutes an independent Director in its review. The NC takes into account, among other things, whether a Director has business relationships with the Company, its related companies, its 10% shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company.

Guideline 2.3 of the Code: Disclosure of Directors considered to be independent

One of the Directors, Mr Nirumalan s/o V Kanapathi Pillai is the Senior Director of Global Law Alliance LLC (incorporating Niru & Co), which provides legal and professional services to the Group from time to time. The NC is of the view that the business relationship with Global Law Alliance LLC will not interfere with the exercise of independent judgement by Mr Niru in his role as an Independent Director as matters involving the Group are usually handled by the other directors of Global Law Alliance LLC. As such, the NC considers Mr Niru to be independent. No services were rendered by and no payment was made to Global Law Alliance LLC in the financial year ended 31 December 2014.

CORPORATE GOVERNANCE REPORT (cont'd)

The NC and the Board determine annually whether a Director who has served on the Board beyond nine years from the date of his first appointment, is independent. The Board is of the opinion that based on the Group's current size and operations, it is not necessary for progressive refreshing of the Board. The Board observes that the Independent Directors who have served on the Board for more than nine years have been exercising independent judgement in the best interests of the Company in the discharge of their duties and should be deemed independent. The Board recognises the contribution of the Independent Directors who over time have developed deep insights into the Group's business and operations, and who are therefore able to provide invaluable contributions to the Board as a whole. It is also noted that each of them is able to exercise objective judgement on commercial and corporate governance matters independently. They seek clarification as they deem necessary, with direct access to the Management. As such, the Board would exercise its discretion to extend the term and retain the services of the Director rather than lose the benefit of his or her contribution. After due consideration and careful assessment, the NC and the Board are of the view that Dr Chen Seow Phun, John, Mr Nirumalan s/o V Kanapathi Pillai and Mr Tan Boen Eng continue to be considered independent, notwithstanding that they have served on the Board for more than nine years from the date of their first appointment.

Guideline 2.4 of the Code: Independence of Director who has served on the Board beyond nine years should be subject to rigorous review

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company.

Guideline 2.5 of the Code: Board to determine its appropriate size

The Board reviews its composition from time to time and seeks to maintain a diversity of expertise, skills and attributes among the Directors. The Board comprises businessmen with vast business or management experience, industry knowledge, strategic planning experience and includes professionals with financial, accounting and legal backgrounds. Profiles of the Directors are found in the "Board of Directors" section of the Annual Report. The NC is satisfied that the current Board comprises persons who, as a group, provide core competencies, such as accounting or finance, business or management experience, industry knowledge and strategic planning experience, required for the Board to be effective.

Guideline 2.6 of the Code: Board to comprise Directors with core competencies

The Independent Directors are non-executive Directors of the Company. They constructively challenge and assist in the development of proposals on strategy, and assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance.

Guideline 2.7 of the Code: Role of non-executive directors

The Independent Directors meet amongst themselves without the presence of the Management when necessary.

Guidelines 2.8 of the Code: Regular meetings of non-executive directors

<u>**Chairman and Chief Executive Officer**</u>

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

Our Policy and Practices:

The Company believes that a distinct separation of responsibilities between the Group's Chairman ("Group Chairman") and the Group's Managing Director (Group MD) will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The posts of Group Chairman and Group MD are held by Mr Or Kim Peow and Mr Or Toh Wat respectively. Mr Or Toh Wat is the son of Mr Or Kim Peow. Both are Executive Directors.

Guideline 3.1 of the Code: Chairman and CEO should be separate persons

Note:
(1) According to the Code, an "independent" Director is defined as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company

As Group Chairman, Mr Or Kim Peow is primarily responsible for overseeing the overall management and strategic development of the Group. His responsibilities include:

Guideline 3.2 of the Code: Chairman's role

- Determining the Group's strategies;
- Promoting high standards of corporate governance;
- Ensuring effective succession planning for all key positions within the Group;
- Scheduling of meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- Setting the meeting agenda (in consultation with the Group MD);
- Assisting in ensuring the Group's compliance with the Code;
- Ensuring that Board meetings are held when necessary; and
- Reviewing relevant board papers before they are presented to the Board.

As Group MD, Mr Or Toh Wat is responsible for effectively managing and supervising the day-to-day business operations in accordance with the strategies, policies and business plans approved by the Board. Mr Or Toh Wat executes the strategic plans set out by the Board and ensures that the Directors are kept updated and informed of the Group's businesses. His responsibilities include:

- Executing and developing the Group's strategies and business objectives;
- Reporting to the Board on all aspects of the Group's operations and performance;
- Providing quality leadership and guidance to employees of the Group; and
- Managing and cultivating good relationship and effective communication with the media, shareholders, regulators and the public.

Both the Group Chairman and the Group MD exercise control over the quality, quantity and timeliness of information flow between the Board and the Management, and between the Executive Directors and Independent Directors.

Both the Group Chairman and the Group MD also ensure effective communication with shareholders. They take a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretary and the Management. The Group MD, assisted by the Management, makes strategic proposals to the Board and after constructive board discussion, executes the agreed strategy, manages and develops the Group's businesses, and implements the Board's decision.

In view that the Group Chairman and the Group MD are immediate family members, the Board has appointed Dr Chen Seow Phun, John as Lead Independent Director (LID) to lead and coordinate the meetings and activities of the Independent Directors. The LID is available to shareholders where they have concerns for which contact through the normal channels of the Group Chairman or Group MD has failed to resolve or for which such contact is inappropriate.

Guideline 3.3 of the Code: Appointment of LID

The Independent Directors, led by the LID, meet amongst themselves without the presence of the other Directors where necessary, and the LID will provide any feedback to the Group Chairman after such meetings.

Guideline 3.4 of the Code: Led by the LID, independent directors to meet periodically

CORPORATE GOVERNANCE REPORT (cont'd)

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Our Policy and Practices:

The NC was formed on 10 July 2002 and comprises entirely Independent Directors, namely:

Guideline 4.1 of the Code: NC to recommend all Board appointments

Mr Tan Boen Eng (Chairman)
Dr Chen Seow Phun, John (Member)
Mr Nirumalan s/o V Kanapathi Pillai (Member)

The key terms of reference of the NC are as follows:

- To make recommendations to the Board on relevant matters relating to the review of board succession plans for Directors
- To review nominations for the appointment and re-appointment of Directors to the Board and the various Board Committees;
- To decide on how the Board's performance may be evaluated, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director;
- To decide, where a Director has multiple board representations, whether the Director is able to and has been adequately carrying out his duties as Director of the Company;
- To ensure that all Directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years; and
- To determine on an annual basis whether or not a Director is independent.

The NC is charged with the responsibility of re-nominating the Directors. Pursuant to Article 107 of the Company's Articles of Association, one-third of the Directors (except the Group MD) shall retire from office at least once every three years at the Company's Annual General Meeting (AGM). In addition, Article 109 provides that the retiring Directors are eligible to offer themselves for re-election. Directors of over 70 years of age are required to be re-appointed every year at the AGM under Section 153(6) of the Companies Act before they can continue to act as a Director. Article 112 provides that each term of appointment of the Group MD shall not exceed five years. The NC reviews the training and professional development programmes for the Board.

Guideline 4.2 of the Code: NC to recommend to the Board on certain relevant matters

The NC is also charged with determining annually whether or not a Director is independent. Annually, each Independent Director is required to complete a checklist to confirm his independence. The checklist is drawn up based on the guidelines provided in the Code. The NC is of the view that the non-Executive Directors are independent.

Guideline 4.3 of the Code: NC to determine Directors' independence annually

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC information on their other commitments. In addition, Directors should consult the NC before accepting any new directorship of listed companies. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

Guideline 4.4 of the Code: Ensure Directors with multiple board representations give sufficient time and attention to the Company

Currently, the Company does not have alternate directors.

Guideline 4.5 of the Code: Boards should avoid approving the appointment of alternate directors.

When the need for a new Director arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills or to replace a retiring Director, the NC will be responsible for nominating the new Director. The NC has put in place a process for the selection of new Directors and re-election of incumbent Directors to increase transparency of the nominating process in identifying and evaluating nominees. The NC leads the process and makes recommendations to the Board as follows:

Guideline 4.6 of the Code: Description of process for selection and appointment of new Directors to be disclosed

(a) the NC will evaluate the candidates skilled in core competencies such as technical, financial or legal expertise and experience in a similar or related industry, determine the selection criteria in consultation with the Board, and select candidates with the appropriate expertise and experience for the position, taking into account the value of gender diversity on the Board;

(b) the NC will use external help, which includes the Company's auditors, its human resources consultants and the Singapore Institute of Directors, to source for potential candidates if needed. Directors and the Management may also make recommendations;

(c) the NC meets the shortlisted candidates to assess suitability and ensure that candidates are aware of the expectation and the level of commitment required; and

(d) the NC then makes recommendations to the Board for approval.

Information in respect of the academic and professional qualification, and directorship or chairmanship, both present and those held over the preceding three years in other listed companies, is set out in the "Board of Directors" section of the Annual Report. In addition, information on shareholdings in the Company and its related companies held by each Director is set out in the "Directors' Report" section of the Annual Report.

Guideline 4.7 of the Code: Key information regarding directors

The dates of initial appointment and last re-election of each of the Directors are set out below:

Name	Age	Position	Date of initial appointment	Date of last re-election
Mr Or Kim Peow	80	Group Chairman	15 February 2002	28 April 2014
Mr Or Toh Wat	47	Group Managing Director	15 February 2002	Not Applicable
Mdm Ang Beng Tin	59	Executive Director	20 March 2002	25 April 2012
Mr Or Kiam Meng	50	Executive Director	20 March 2002	28 April 2014
Mr Oh Enc Nam	59	Executive Director	20 March 2002	30 April 2013
Mr Or Lay Huat Daniel	37	Executive Director	1 August 2006	30 April 2013
Dr Chen Seow Phun, John	61	Lead Independent Director	25 June 2002	28 April 2014
Mr Nirumalan s/o V Kanapathi Pillai	62	Independent Director	1 June 2005	25 April 2012
Mr Tan Boen Eng	82	Independent Director	25 June 2002	28 April 2014

Mdm Ang Beng Tin is the wife of Mr Or Kim Peow. Mr Or Toh Wat, Mr Or Kiam Meng and Mr Or Lay Huat Daniel are the sons of Mr Or Kim Peow. Mr Oh Enc Nam is the nephew of Mr Or Kim Peow.

Mr Or Kim Peow and Mr Tan Boen Eng, who are each over the age of 70 years, will retire at the forthcoming AGM and be subject to re-appointment by the Company's shareholders pursuant to Section 153(6) of the Companies Act, Chapter 50.

Mdm Ang Beng Tin and Mr Nirumalan s/o V Kanapathi Pillai will retire by rotation at the forthcoming AGM pursuant to Article 107 of the Company's Articles of Association and be subject to re-election by the Company's shareholders.

CORPORATE GOVERNANCE REPORT (cont'd)

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

Our Policy and Practices:

We believe that the Board's performance is ultimately reflected in the performance of the Company. The Board should ensure compliance with applicable laws and Board members should act in good faith, with due diligence and care in the best interests of the Company and its shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities: setting strategic directions and ensuring that the Company is ably led and managed. The Board's performance is also tested through its ability to lend support to the Management, especially in times of crisis and to steer the Group in the right direction.

Based on the recommendations of the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole and the effectiveness of individual Directors.

Guidelines 5.1 and 5.2 of the Code: Board to implement process to address how the Board's performance may be evaluated and disclose the process in Annual Report

(a) Evaluation of the effectiveness of the Board as a whole
The NC assesses the Board's effectiveness as a whole by completing a Board Assessment Checklist. The Board Assessment Checklist takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal control, and the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The selected performance criteria will not change from year to year unless they are deemed necessary and the Board is able to justify the changes. The NC has reviewed and is satisfied with the performance and effectiveness of the Board as a whole for the financial year ended 31 December 2014.

(b) Evaluation of the effectiveness of individual Directors
At the end of each financial year, the NC will evaluate the performance of each Director. The criteria include the level of participation in the Company such as his or her commitment of time to the Board and Board Committee meetings and his or her performance of tasks delegated to him or her. The NC has reviewed and is satisfied with the contribution by individual Directors to the effectiveness of the Board for the financial year ended 31 December 2014.

The NC is of the view that the primary objective of the assessment exercise is to create a platform for the Board members to encourage exchange of feedback on the Board's strengths and shortcomings with a view to strengthening the effectiveness of the Board as a whole. The assessment exercise also assists the Directors to focus on their key responsibilities. It also helps the NC in determining whether to re-nominate Directors who are due for retirement at the next AGM, and in determining whether Directors with multiple board representatives are able to and have adequately discharge their duties as Directors of the Company.

Guidelines 5.3 of the Code: Evaluation of each Director whether he/she continues to contribute effectively

The NC had conducted its assessments of the Board and the individual Directors in respect of the financial year ended 31 December 2014.

Access to Information

Principle 6: **In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.**

Our Policy and Practices:

We believe that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to be effective in the discharge of its duties. The Management is expected to provide the Board with information concerning the Company's progress or financial targets and other information relevant to the strategic issues facing the Company.

Guidelines 6.1 and 6.2 of the Code: Board should have separate and independent access to Management; Management obliged to provide Board with adequate and timely information and include background and explanatory information

The Management provides members of the Board with quarterly management accounts, as well as relevant background information relating to the matters that are discussed at the Board meetings. Such reports keep the Board informed of the Group's performance, financial position and prospects, and consist of the consolidated financial statements, major operational updates, background or updates on matters before the Board for decision or information, minutes of the previous Board meeting, and minutes of meetings of all committees of the Board held since the previous Board meeting. Detailed board papers are sent out to the Directors at least three working days before the scheduled meetings so that the Directors may better understand the issues beforehand, allowing for more time at such meetings for questions that Directors may have. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed.

All the Independent Directors have unrestricted access to the Management including the Group Financial Controller, other key management and the Company Secretary via telephone, e-mail and meetings. Any additional materials or information requested by the Directors to make informed decisions are promptly furnished.

Directors have separate and independent access to the Company Secretary. The role of the Company Secretary is clearly defined and includes responsibility for ensuring that the Board's procedures are followed and that applicable rules and regulations are complied with. The Company Secretary administers, attends and prepares minutes of meetings of the AC, the RC, the NC and the Board and assists the Board in ensuring that the Company complies with the relevant requirements of the Companies Act, Securities and Futures Act and the Listing Manual of the SGX-ST. He also advises the Board on corporate governance matters. He is also the channel of communications between the Company and the SGX-ST.

Guidelines 6.3 of the Code: Directors should have separate and independent access to Company Secretary; role of Company Secretary to be clearly defined

The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Guidelines 6.4 of the Code: Appointment and removal of Company Secretary

Each member of the Board has direct access to the Group's independent professional advisors as and when necessary to enable each member to discharge his responsibility effectively. Any cost of obtaining professional advice will be borne by the Company.

Guideline 6.5 of the Code: Procedure for Board to take independent professional advice at company's cost

CORPORATE GOVERNANCE REPORT (cont'd)

2. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Our Policy and Practices:

We believe that a framework of remuneration for the Board and key executives should be linked, among other things, to the development of the Management's and key executives' strengths to ensure that there is a continual development of talent and renewal of strong and sound leadership for the continued success of the Company.

The RC was formed on 10 July 2002 and comprises entirely Independent Directors, namely:

Guideline 7.1 of the Code: RC to consist entirely of non-executive Directors

Mr Nirumalan s/o V Kanapathi Pillai (Chairman)
Dr Chen Seow Phun, John (Member)
Mr Tan Boen Eng (Member)

The key terms of reference of the RC are as follows:

- To recommend to the Board a framework of remuneration for Board members and key management personnel;
- To recommend to the Board the specific remuneration packages for each Director and key management personnel, which cover all aspects of remuneration including directors' fees, salaries, allowances, bonuses and benefits-in-kind;
- To determine the appropriateness of the remuneration of non-Executive Directors taking into consideration the level of their contribution; and
- To review and recommend to the Board the terms of renewal of the service contracts of Directors.

None of the RC members or Directors is involved in deliberations in respect of any remuneration, compensation or any form of benefit to be granted to him.

The RC recommends to the Board a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate senior management to run the Company successfully in order to maximise shareholder value. The members of the RC do not participate in any decisions concerning their own remuneration.

Guideline 7.2 of the Code: RC to review and recommend to the Board a general framework of remuneration for the Board and key management personnel

The RC members are familiar with executive compensation matters as they manage their own businesses and/or are holding directorships in the boards of other listed companies. The RC has access to appropriate external expert advice in the field of executive compensation if necessary.

Guideline 7.3 of the Code: RC to seek expert advice

The RC reviews the fairness and reasonableness of the termination clauses of the service agreements of the Executive Directors and key management personnel. The RC will obtain advice from external consultants for benchmarking, where necessary.

Guideline 7.4 of the Code: RC to review the Company's obligations in event of termination of executive directors and key management personnel

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

Our Policy and Practices:

Guideline 8.1 of the Code: Package should align Executive Directors' interest with shareholders' interest

The Company has a staff remuneration policy which comprises a fixed component and a variable component. The fixed component comprises basic salary plus other fixed allowances. The variable component is linked to the performance of the Company and the individual. In the financial year ended 31 December 2014, variable or performance related income/bonus made up 5.0% to 8.0% of the total remuneration of each Director. The remuneration package is designed to enable the Company to stay competitive and allows the Company to better align executive compensation with shareholder value creation.

In setting remuneration packages, the RC ensures that the Directors are adequately but not excessively remunerated as compared to the employment conditions in the industry and in comparable companies. The Company benchmarks the Directors' annual fixed salary at the market median with the variable compensation being performance driven.

Guideline 8.2 of the Code: Long-term incentive schemes are encouraged

Currently, the Company does not have any long-term incentive schemes.

Guideline 8.3 of the Code: Remuneration of non-executive directors dependent on contribution, effort, time spent and responsibilities

All Independent and non-Executive Directors have no service agreements with the Company. They are paid Directors' fees, which are determined by the Board based on the effort, time spent and responsibilities of the Independent Directors. The Directors' fees are subject to approval by the shareholders at each AGM of the Company. Except as disclosed, the Independent and non-Executive Directors do not receive any remuneration from the Company.

Guidelines 8.4 of the Code: To consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors

The RC has reviewed and approved the service agreements of all the Executive Directors. Each of the Executive Directors has a formal service agreement which is automatically renewed on a yearly basis. There are no excessively long or onerous removal clauses in these service agreements. The service agreements may be terminated by the Company giving the Executive Director one month's notice in writing, or in lieu of notice, payment of one month's salary based on the Executive Director's last drawn salary. Executive Directors are not paid directors' fees.

There are no termination or retirement benefits that are granted to the Directors. The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

CORPORATE GOVERNANCE REPORT (cont'd)

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the Company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Our Policy and Practices:

Guidelines 9.1, 9.2 and 9.3 of the Code: Remuneration of Directors and top 5 key management personnel

The Board has not included a separate annual remuneration report to shareholders in the Annual Report on the remuneration of Directors and the top five key management personnel (who are not Directors of the Company) as the Board is of the view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in this Corporate Governance Report and in the financial statements of the Company.

To maintain the confidentiality of the remuneration policies of the Company, the Board is of the view that it is in the best interests of the Company not to fully disclose the remuneration of each individual Director and key management personnel.

A breakdown showing the level and mix of each individual Director's remuneration in the financial year ended 31 December 2014 is as follows:

The level and mix of remuneration of each of Directors for the financial year ended 31 December 2014

Remuneration Band & Name of Director	Base/fixed salary *	Variable or performance related income/ bonuses	Directors' fees **	Directors' Allowance	Benefits-in-kind	Total
$500,000 to $749,999						
Mr Or Kim Peow	76%	5%	–	15%	4%	100%
$250,000 to $499,999						
Mr Or Toh Wat	73%	8%	–	15%	4%	100%
Mdm Ang Beng Tin	73%	8%	–	15%	4%	100%
Mr Or Kiam Meng	73%	8%	–	15%	4%	100%
Mr Oh Enc Nam	75%	8%	–	16%	1%	100%
Mr Or Lay Huat Daniel	73%	8%	–	15%	4%	100%
Below $250,000						
Dr Chen Seow Phun, John	–	–	100%	–	–	100%
Mr Nirumalan s/o V Kanapathi Pillai	–	–	100%	–	–	100%
Mr Tan Boen Eng	–	–	100%	–	–	100%

Notes:

* Inclusive of Central Provident Fund contributions

** These fees are subject to the approval of the shareholders at the forthcoming AGM

*** The Company has no share-based compensation scheme or any long-term scheme involving the offer of shares or options in place.

The Group has three key management personnel (who are not Directors of the Company).

A breakdown showing the level and mix of the three key management personnel (who are not Directors of the Company) in the financial year ended 31 December 2014 is as follows:

The level and mix of remuneration of each of the key management personnel for the financial year ended 31 December 2014

Remuneration Band & Name of Key Executive	Base/fixed salary *	Variable or performance related income/bonuses	Benefits-in-kind	Total
Below $250,000				
Ms Ong Wei Wei	72%	24%	4%	100%
Mr Or Yew Whatt (1), (3)	64%	36%	–	100%
Mr Oh Kim Poy (2), (3)	68%	29%	3%	100%

* Inclusive of allowances and Central Provident Fund contributions

*** The Company has no share-based compensation scheme or any long-term scheme involving the offer of shares or options in place.

(1) Mr Or Yew Whatt is the nephew of Mr Or Kim Peow, the Group Chairman and the brother of Mr Oh Enc Nam, the Executive Director.
(2) Mr Oh Kim Poy is the brother of Mr Or Kim Peow, the Group Chairman.
(3) Both Mr Or Yew Whatt and Mr Oh Kim Poy are directors of a subsidiary of the Company.

The total remuneration paid to the above key management personnel for the financial year ended 31 December 2014 was $651,754.

Guideline 9.4 of the Code: Disclosure of remuneration of employees who are immediate family members of Director and whose remuneration exceeds $50,000

Save as disclosed above, there was no employee of the Company and its subsidiaries who was an immediate family member of a Director and whose remuneration exceeded $50,000 during the financial year ended 31 December 2014. “Immediate family member” means spouse, child, adopted child, step-child, brother, sister and parent.

Guideline 9.5 of the Code: Details of employees share schemes

Currently, the Company does not have any employee share schemes.

Guideline 9.6 of the Code: To disclose information on the link between remuneration paid to the Executive Directors and key management personnel, and performance.

Executive Directors do not receive directors’ fees. The Company advocates a performance-based remuneration system for Executive Directors and key management personnel that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus which is based on the Group’s performance and the individual’s performance such as management skills, process skills, people skills and business planning skills. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

For the financial year ended 31 December 2014, all the Executive Directors were entitled to receive the incentive bonuses under their respective service agreements according to the performance conditions met.

CORPORATE GOVERNANCE REPORT (cont'd)

3. ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

Our Policy and Practices:

The Board has always believed that it should conduct itself in ways that deliver maximum sustainable value to the shareholders. The Board promotes best practices as a means to build an excellent business for the shareholders. The Board is accountable to shareholders for the Company's performance.

Guideline 10.1 of the Code: Board's responsibility to provide balanced, understandable assessment of Company's performance and position on interim basis

Prompt fulfilment of statutory reporting requirements is but one way to maintain the shareholders' confidence and trust in the Board's capability and integrity. The Board provides the shareholders with a detailed and balanced explanation and analysis of the Company's performance, position and prospects on a quarterly basis. This responsibility extends to reports to regulators. Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNET, press releases and the Company's website. The Board will review and approve the financial reports before their release. The Board will also review and approve any press releases concerning the Company's financial results. The Company's Annual Report is available on request and accessible on the Company's website.

The Board reviews operational and regulatory compliance reports from the Management to ensure compliance with all of the Group's operational practices and procedures and relevant regulatory requirements.

Guideline 10.2 of the Code: Board to take adequate steps to ensure compliance with legislative and regulatory requirements

The Management currently provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a quarterly basis. Furthermore, the Management has been providing all the Executive Directors (who represent more than 60 per cent of the Board) with monthly consolidated financial reports. However, such monthly consolidated financial reports may not always be reflective of the true and fair view of the financial position of the Group.

Guideline 10.3 of the Code: Management should provide Board with management accounts on a monthly basis

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Our Policy and Practices:

The Board is responsible for the governance of risk and sets the direction for the Group in the way risks are managed in the Group's businesses. In addition, the Company's approach to risk management is set out in the "Risk Assessment and Management" section on pages 102 to 111 of this Annual Report.

Guideline 11.1 of the Code: Board to determine the Company's levels of risk tolerance and risk policies

The Board approves the key risk management policies and ensures a sound system of risk management and internal controls. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems. In addition, the Board sets the appropriate risk tolerance limits for each risk by considering the relative importance of the objectives.

The AC reviews the adequacy of the Group's risk management framework and internal control systems including financial, operational, compliance and information technology controls on an annual basis. In August 2012, the AC also engaged an external risk management consultant, Nexia TS Risk Advisory Pte Ltd, to conduct an independent review of the effectiveness and adequacy of the Group's risk management policies and processes and make recommendations to enhance the internal controls over the risk management processes.

Guideline 11.2 of the Code: Board to review adequacy of risk management and internal control systems

On an annual basis, the internal auditors will conduct a review of the risks identified by the external risk consultants. Any material non-compliance or lapses in internal controls, together with recommendations for improvement are reported to the AC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. In addition, major control weaknesses on financial reporting, if any, are highlighted by the external auditors in the course of their statutory audit.

Guideline 11.3 of the Code: Board to comment on the adequacy and effectiveness of the internal controls

The Management has made reference to the report prepared in August 2012 and reported to the AC for the financial year ended 31 December 2014, on the Group's risk profile, the status of the risk mitigation action plans and updates on the following areas:

- Description of the procedures and systems in place to identify and assess risks to the Group's businesses;
- Identify the gaps in the risk management processes and action plans to address the gaps; and
- Plan/actions undertaken by the Management to manage the key risk areas.

Based on (i) the Group's framework of risk management control; (ii) the internal control policies and procedures established and maintained by the Group; (iii) the work performed by the internal and external auditors; (iv) the written confirmation from the Group Chairman and the Group MD that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal control systems are effective, the Board, with the concurrence of the AC, is satisfied with the adequacy of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, as at 31 December 2014.

SGX Listing Rule 1207 (10)

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC. The AC engaged an external risk management consultant, Nexia TS Risk Advisory Pte Ltd, to assist in carrying out its responsibility.

Guideline 11.4 of the Code: Board to assess appropriate means to assist in carrying out its responsibility of overseeing the Company's risk management framework and policies

<u>Audit Committee</u>

Principle 12: The Board should establish an Audit Committee (AC) with written terms of reference which clearly set out its authority and duties.

Our Policy and Practices:

The AC of the Company was formed on 10 July 2002 and comprises entirely Independent Directors, namely :

Dr Chen Seow Phun, John (Chairman)
Mr Nirumalan s/o V Kanapathi Pillai (Member)
Mr Tan Boen Eng (Member)

Guideline 12.1 of the Code: AC should comprise at least three directors, all non-executive, and the majority of whom, including the Chairman, are independent

CORPORATE GOVERNANCE REPORT (cont'd)

The AC members were selected based on their expertise and prior experience in the area of financial management. Dr Chen Seow Phun, John is a businessman. Mr Nirumalan s/o V Kanapathi Pillai is the Senior Director of a law firm and Mr Tan Boen Eng is a certified public accountant by profession. The Board is of the view that all members of the AC have the relevant accounting or related financial management expertise and experience to discharge their responsibilities as members of the AC.

Guideline 12.2 of the Code: Board to ensure AC members are qualified

The AC is authorised to investigate any matter within its terms of reference, and has full access to, and cooperation of, the Management. The AC has full discretion to invite any Director or executive officer to attend its meetings, as well as access to reasonable resources to enable it to discharge its functions properly. In performing its functions, the AC also reviews the assistance given by the Company's officers to the independent auditors.

The AC met four times in the financial year ended 31 December 2014 and the Executive Directors were invited to attend the meetings.

Guideline 12.3 of the Code: AC to have explicit authority to investigate and have full access to Management and reasonable resources

The AC has written terms of reference that are approved by the Board and clearly set out its responsibilities. The AC carries out its functions in accordance with the Companies Act and the Code. The key terms of reference of the AC are as follows:

Guideline 12.4 of the Code: Duties of AC

- To review audit plans of the Company's external auditors and internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls;
- To review the annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with relevant financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
- To review the cooperation given by the Management to the external auditors;
- To ensure that the internal audit function is adequately resourced and review the adequacy and effectiveness of the internal audit function at least annually;
- To review the cost effectiveness of the external audit, and where the external auditors provide non-audit services to the Company, to review the nature, extent and costs of such services and the independence and objectivity of the external auditors;
- To review the periodic consolidated financial statements of the Group before submission to the Board for approval for release of the results announcement to the SGX-ST;
- To recommend to the Board the appointment, re-appointment or removal of the external auditors and approve the remuneration and terms of engagement of the external auditors; and
- To review all interested person transactions to ensure that each has been conducted on an arm's length basis.

The AC met with the external auditors four times during the financial year ended 31 December 2014 and once in February 2015 without the presence of the Management. These meetings enable the external auditors to raise issues encountered in the course of their work directly to the AC. The AC also met with the internal auditor without the presence of the Management once during the financial year ended 31 December 2014.

Guideline 12.5 of the Code: AC to meet external and internal auditors without the presence of management, annually

The AC has reviewed and is satisfied with the standard of the external auditors' work. The fees paid by the Company to the external auditors for audit and non-audit services amounted to $135,000 (2013:$129,500) and $30,300 (2013:$26,200) respectively. The AC has undertaken a review of all non-audit services provided to the Company by the external auditors and, in the AC's opinion, they would not affect the independence of the external auditors. As such, the AC has recommended the re-nomination of the external auditors.

Guideline 12.6 of the Code: AC to review independence of external auditors annually

Some of the joint venture companies and associated companies of the Group are being audited by independent auditors other than those of the Company. The AC is satisfied that the scope of the audit performed by these other independent auditors is adequate.

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to its external auditors.

Whistle-Blowing Policy

Guideline 12.7 of the Code: AC to review arrangements for staff to raise concerns/ possible improprieties to AC

The Company has put in place a whistle-blowing policy in December 2006 to provide employees with an avenue to raise concerns about possible improprieties in financial reporting or other matters, and the AC is satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

Following the implementation of the whistle-blowing policy, a set of fraud policy which was reviewed by the AC and approved by the Board, was issued to assist the AC in managing allegations of fraud, corruption, dishonest practices or other misconduct which may be made, so that:

(a) All cases reported are objectively investigated, treated fairly and, to the extent possible, be protected from reprisal;
(b) Appropriate remedial measures are taken where warranted; and
(c) Appropriate action is taken to correct the weaknesses in the existing system of internal processes and policies which allowed the perpetration of the fraud and/or misconduct, and to prevent a recurrence.

A whistle-blower email address is created for reporting suspected fraud, corruption, dishonest practices or other similar matters. Details of the whistle-blowing policies and arrangements have been made available to all employees of the Company.

Guideline 12.8 of the Code: AC to keep updated on changes to accounting standards

The external auditors present to the AC the audit plan and updates relating to any change of accounting standards which have a direct impact on the financial statements before an audit commences. During the financial year ended 31 December 2014, the changes in accounting standards did not have any significant impact on the Company's financial statements.

Guideline 12.9 of the Code: Director of Company's existing auditing firm should not act as member of the AC

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Our Policy and Practices:

Guideline 13.1 of the Code: IA to report to AC Chairman

The AC selects and approves the appointment of the internal auditors (IA). The Company has outsourced its internal audit function to HLS Risk Advisory Services Pte Ltd during the financial year ended 31 December 2014. The IA reports directly to the AC and has full access to all the Company's documents, records, properties and personnel.

Guideline 13.2 of the Code: AC to ensure internal audit function is adequately resourced

The Board recognises that it is responsible for maintaining a system of internal controls to safeguard shareholders' investments and the Company's businesses and assets, while the Management is responsible for establishing and implementing the internal control procedures. The role of the IA is to assist the AC in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high risk areas. The AC is satisfied that the internal audit function is adequately resourced and has appropriate standing within the Company.

The AC is satisfied that the IA is staffed by suitably qualified and experienced personnel.

Guideline 13.3 of the Code: Internal audit function staffed with relevant experienced personnel

The AC had reviewed and approved the internal audit plan and reviewed the results of the internal audit. The AC is satisfied that the internal audit work is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

Guideline 13.4 of the Code: IA should meet standards set by internationally-recognised professional bodies

The internal auditor plans its internal audit schedules in consultation with, but independent of, the Management. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit work.

Guideline 13.5 of the Code: AC to ensure adequacy and effectiveness of the internal audit function

The AC reviews the activities of the internal auditors on a regular basis, including overseeing and monitoring the implementation of the improvements required on internal control weaknesses identified. During the year, the IA adopted a risk-based approach with the overall objective to focus on control weaknesses which had been highlighted by Nexia TS Risk Advisory Pte Ltd, the external risk management consultant, who had been engaged by the Company in 2012 to conduct an independent review of the effectiveness and adequacy of the Group's risk management policies and processes. The AC reviews the adequacy and effectiveness of the internal audit function on an annual basis and is satisfied with its adequacy and effectiveness.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Our Policy and Practices:

The Company believes in regular and timely communication with shareholders as part of its organisational development to provide clear and fair disclosure of information about the Group's business developments and financial performance which would have a material impact on the share price or value of the Company. All shareholders are treated fairly and equitably. To facilitate the exercise of shareholders' rights, the Company ensures that all information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNET.

Guideline 14.1 of the Code: To facilitate the exercise of ownership rights by all shareholders

Shareholders are informed of general meetings through notices published in the newspapers and reports or circulars sent to all shareholders and via the Company's website. The Company encourages shareholders' participation during the general meetings. Shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters during the general meetings. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures.

Guideline 14.2 of the Code: Company to ensure the shareholders have the opportunity to participate effectively in and vote at general meetings

Registered shareholders, including corporations, who are unable to attend the general meetings are entitled to appoint up to two proxies. The Company will consider amending its Articles of Association to allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

Guideline 14.3 of the Code: Company to allow certain corporations to appoint more than two proxies

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Our Policy and Practices:

The Company has a dedicated Investor Relations (IR) team which regularly communicates with shareholders, analysts or investors through e-mail communication and telephone to update them on the latest corporate development and at the same time address their queries. For details on the Group's IR activities, please refer to the IR section on pages 76 to 80 of this Annual Report.

Guidelines 15.1 and 15.2 of the Code: Company to devise an effective investor relations policy to regularly convey pertinent information to shareholders and disclose information on a timely basis through SGXNET

The Board is mindful of the obligation to provide shareholders with information on all major developments that affect the Group in accordance with the SGX-ST's listing rules. Information is communicated to shareholders on a timely basis through:

- Annual reports that are prepared and issued to all shareholders within the mandatory period;
- SGXNET and the media;
- The Company's website at http://www.okph.com; and
- Online Q&A forum via the investor relations channel on the financial portal at http://www.shareinvestor.com.

The Company's IR team communicates with the shareholders and analysts on a regular basis and attends to their queries or concerns. The Company provides an email address for shareholders or analysts at okpir@okph.com and contact details of the IR team via the Company's website. During the financial year ended 31 December 2014, the Company received a number of email enquiries from shareholders, investors and analysts which were attended to within a stipulated period.

Guideline 15.3 of the Code: Company to establish and maintain regular dialogue with shareholders

The Company holds post-results briefings with analysts to announce the full year financial results annually. The key management team which includes the Group MD, an Executive Director and the Group Financial Controller avail themselves to meet analysts after the release of the Group's full year results. Outside of the financial results announcement periods, where necessary and appropriate, the Management would also meet analysts and fund managers who seek a better understanding of the Group's operations. In addition, the Management also conduct media interviews to give shareholders and the public deeper insights of the Group's business and management thinking when opportunities present themselves.

Guideline 15.4 of the Code: Steps that the Company takes to solicit and understand the views of the shareholders

Dividend policy

The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.

Guideline 15.5 of the Code: Companies are encouraged to have a dividend policy

Over the past five years, the Group has declared total annual dividends at the rate of approximately 12.1% to 76.9% of the net profit after tax based on the audited consolidated financial statements. Any dividend payments are clearly communicated to shareholders via announcements on SGXNET.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

CORPORATE GOVERNANCE REPORT (cont'd)

Our Policy and Practices:

Guideline 16.1 of the Code: Shareholders should be allowed to vote in absentia

The Company strives to maintain a high standard of transparency and to promote better investor communications. The Board supports active shareholder participation at AGMs and extraordinary general meetings and views such general meetings as the principal forum for dialogue with shareholders. Shareholders are encouraged to attend the AGMs to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The full Annual Report is despatched to all shareholders and is also available on the Company's corporate website or upon request. Notices of general meetings will also be published in the Business Times and/or other newspapers.

The Company believes in encouraging shareholder participation at general meetings. The Articles of Association of the Company allow a shareholder to appoint up to two proxies to attend and vote in his or her place at general meetings. For those who hold their shares through CPF nominees and who are not registered as shareholders of the Company, the Company welcomes them to attend the AGM as observers.

Guideline 16.2 of the Code: Company should avoid "bundling" resolutions

The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principle regarding "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications.

Guideline 16.3 of the Code: Committee Chairman and external auditors to be present at AGM

The Group Chairman, Group MD, Directors, Group Financial Controller and Company Secretary are in attendance at AGMs to take questions and feedback from shareholders. The members of the AC, NC and RC are also present at AGMs to answer questions relating to the work of these committees. The external auditors, Nexia TS Public Accounting Corporation, are also invited to attend AGMs and will assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditors' report.

Guideline 16.4 of the Code: Minutes to be available to shareholders

The Company prepares minutes of general meetings and makes these minutes of the discussion at the general meetings available to shareholders upon their request.

Guideline 16.5 of the Code: Company to put all resolutions to vote by poll

The Company puts all resolutions to vote by poll and makes an announcement of the detailed results after the conclusion of the AGM.

5. SECURITIES TRANSACTIONS

The Company has adopted an Internal Code of Conduct on Dealing in the Company's securities. The Code has been modelled along the Rule 1207(19) of the Listing Manual of the SGX-ST in respect of dealings in securities.

Directors and all key executives are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's quarterly results or one month before the announcement of the Company's full year results, and ending on the date of the announcement of the results. Directors and all key executives are also reminded to be mindful of the law on insider trading and to ensure that their dealings in securities do not contravene the laws on insider trading under the Securities and Futures Act, and the Companies Act.

6. MATERIAL CONTRACTS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, the Company confirms that there were no material contracts of the Group involving the interests of any Director or controlling shareholder, either still subsisting at the end of financial year ended 31 December 2014 or if not then subsisting, entered into since the end of the financial year ended 31 December 2013.

7. INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons and has procedures established for the review and approval of the Group's interested person transactions.

The AC meets quarterly to review if the Company will be entering into any interested person transaction. If the Company intends to enter into an interested person transaction, the Board will ensure that the Company complies with the requisite rules under Chapter 9 of the SGX-ST Listing Manual on interested person transactions.

There was no interested person transaction, as defined in Chapter 9 of the SGX-ST Listing Manual, above $100,000 entered into by the Group during the financial year ended 31 December 2014. However, the following is disclosed for completeness:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year ended 31 December 2014 (excluding transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions during the financial year ended 31 December 2014 conducted under shareholders' mandate pursuant to Rule 920 $'000
Or Lay Tin – Deposit and rental paid for employees' accommodation	27	–

Note:

(a) The rented premises is owned by Ms Or Lay Tin, who is the daughter of Mr Or Kim Peow, the Group Chairman of the Company.

8. UTILISATION OF PROCEEDS

Exercise of 59,928,802 warrants at $0.20 for each share as at 31 December 2014 raising net proceeds of $11.99 million

Use of proceeds	Amount allocated ($'million)	Amount utilised ($'million)	Balance amount ($'million)
To be used as general working capital for the Company	11.99	10.72	1.27

The unutilised proceeds are deposited with a bank pending deployment. The above utilisation of net proceeds is consistent with the disclosure made in the SGXNET announcement.

RISK ASSESSMENT AND MANAGEMENT

Risks are inherent in all business enterprises, and therefore, managing risks is a vital aspect of business management. At OKP, we actively monitor and manage our exposure to risks relating to our industry. We are committed to strengthening our risk management framework in order to provide reasonable assurance that risks are minimised. We do this by pro-actively ensuring the integrity of our financial reporting, integrating management control into daily operations, and ensuring compliance with legal requirements.

Like many business enterprises, the Group faces various risks arising from economic, market, business, financial and political factors and developments. We believe in managing our risks holistically. As such, our management has put in place various risk management policies and procedures to manage and mitigate the risks arising from the normal course of operations. We review our risk management and mitigation plans regularly to ensure that OKP responds readily to any change in market conditions and the activities of the Group.

We have identified the following 24 risks that we face to and explain below how we address them:

No	Description of Risks	Our Risk Management
Risks Relating to Our Industry		
1.	**Dependence on the construction industry in Singapore** We are exposed to cyclical fluctuations in the economy as the construction business depends largely on the health of the infrastructure market in Singapore. This is in turn subject to the general health of the Singapore economy. An economic downturn could dampen general sentiments in the infrastructure market and reduce construction demand. This would invariably have an adverse effect on our business and financial performance.	The Singapore market has remained our primary source of revenue since our inception. The prevailing general economic, political, legal and social conditions would affect our financial performance and operations. As a major part of our revenue is derived from public sector projects, we would be likely to benefit from any pump priming by the Government. On the other hand, the reverse is also true and any move by the Government to scale back on expenditure relating to road construction and maintenance could have a negative effect on our business. We seek to diversify our earnings in order to mitigate against our dependence on Government spending in Singapore.
2.	**Impact from changes to applicable government policies** Our services mainly relate to building safety and design standards in connection with the construction of infrastructure projects such as roads and expressways. Any change to the laws, regulations and policies affecting the construction industry, including the infrastructure market in Singapore, may affect our business and operations. As we operate in Singapore, we are subject to the laws and regulations of the land and any change in government regulations in the course of a project, for example, increasing controls over worksite safety and building standards could result in our Group incurring additional costs to comply with the new regulations. Also any changes in government regulations or policies of those countries where our suppliers are located may affect the supply of construction materials and cause disruptions to the operations of our Group. All these could have an adverse effect on our project costs and financial performance.	To mitigate these risks, we would send our project staff regularly for training to keep them updated on changes in government regulations or policies in Singapore and other relevant countries, as well as on new safety and building standards imposed by the regulatory authorities or clients.

No	Description of Risks	Our Risk Management
Risks Relating to Our Industry		
3.	**Guidelines and regulations by the Building and Construction Authority (BCA)** We are guided and regulated by the BCA that also functions as an administrative body for tenders relating to public sector construction projects. The BCA grading is laid out in the BCA Contractors Registry System (CRS). There are seven major registration heads, namely, Construction Workheads (CW), Construction Related (CR) Workheads, Mechanical & Electrical (ME) Workheads, Maintenance Workheads (MW), Trade Heads (TR), Supply Workheads (SY), and Regulatory Workheads (RW). Within each workhead, there are different financial grades which determine a contractor's eligibility to tender for projects of stipulated values. This is based on the BCA's assessment of the financial health of companies through its credit rating system. The different grades serve as a supplementary indicator of the financial standing of construction firms with those of larger firms accorded the top categories of A1, A2 and B1. Our wholly-owned subsidiary, Or Kim Peow Contractors (Pte) Ltd, is an A1-grade contractor, making it eligible for tenders of unlimited values. Another wholly-owned subsidiary, Eng Lam Contractors Co. (Pte) Ltd was upgraded to an A2-grade contractor in 2009, making it eligible to tender for public sector construction projects with contract values of up to $85.0 million each.	In the event that we are unable to maintain our BCA grading status, our Group would not be able to tender for public projects of the stipulated contract values on the CRS. This could have an adverse impact on our financial performance. However, we have been able to maintain our position over the last several decades. We also continually review our financials and take the necessary measures to improve our financial management where necessary.
4.	**Increased competition could adversely affect our competitive position** Our business is project-based and contracts are generally awarded through a tender process. Most of our projects are undertaken on a non-recurring basis. It is critical that we are able to continuously and consistently secure new projects of similar value and volume. The nature of our business is such that the number and value of projects that we succeed in securing fluctuate from year to year. There is no assurance that we will continue to secure new projects that are profitable. Should we fail to do so, our financial performance will be adversely affected. In addition, as we face increased competition in the tender process, we may be forced to lower our tender prices to secure projects, and this could affect our profit margins. A majority of our projects are secured through open tenders. There is an increase in the number of qualified competitors, including foreign companies entering the Singapore market for the civil engineering projects, thus intensifying competition. If our competitors are more aggressive in pricing or respond faster to changes in market conditions than OKP, this may cause us a loss of tender bids or the lowering of our profit margin to help us stay competitive. Thus, our financial performance and financial conditions may be adversely affected in the face of greater competition.	Price is often cited as a key factor affecting the award of a contract although experience, reputation, availability, equipment and safety record are just as important. We believe that OKP's solid expertise and extensive experience in road construction and road maintenance put us in a strong position to tender competitively for both government and private sector projects. The Group has a long operating history and an excellent track record and over the years, we have shown distinctively that we are able to deliver superior quality, value-added services on time and within budget.

RISK ASSESSMENT AND MANAGEMENT (cont'd)

No	Description of Risks	Our Risk Management
Risks Relating to Our Industry		
5.	**Price fluctuations and availability of construction materials** We are exposed to fluctuations in the prices of construction materials, which include granite, cement, ready-mix concrete, asphalt and reinforced steel bars. Fluctuations in the prices of these construction materials are a function of demand and supply, here and overseas. In addition, changes in government policies or regulations in respect of the construction industry or construction materials may also result in price movements. Should there be a significant increase in the prices of construction materials or should the Group fail to secure the requisite supply of construction materials at reasonable price levels, the Group's business and profitability will be affected.	We are continually mindful of this risk and are constantly looking for the most competitive pricing from our suppliers for the raw materials we require. Where possible, we would lock in the prices of the raw materials for each project. Otherwise, we would include a fluctuation clause in the contract, granting us the right to adjust raw material prices should a price increase occur in the course of the project. These moves help to limit our exposure in the event of price fluctuations.
6.	**Dependence on the performance of the property sector** In Singapore, the property development industry is very competitive, with various small to medium-sized property developers and a few large established players. These developers may have stronger brand names and reputations, larger land banks, more prime land sites and more resources which help them to bid higher prices for more desirable land sites. They may thus undertake more profitable and attractive property development projects. As such, there is no assurance that our Group's business and operations in property development will be sustainable in the long term. We are also subject to various regulatory requirements and government policies in Singapore. To promote and maintain a stable property market, the Government monitors the property market diligently and may introduce new policies, or amend or remove existing policies at any time. If the Government regulates the property market with stringent measures, our operations and financial performance may be adversely affected. There is also no certainty that there will be demand for our projects despite our projections and expectations. This may affect our business objectives and sales target, thus impacting our profitability.	Our core business is still in civil construction and although we are growing the property development business, it is not our key business.

No	Description of Risks	Our Risk Management
Risks Relating to Our Industry		
7.	**Reliance on key personnel to develop and grow our business** Our continued success is dependent to a large extent on our ability to retain the services of our key employees and to put in place succession plans for young leaders to eventually take over the helm. The management and leadership team at OKP is robust. Our experienced and committed management team comprises our Group Chairman, Mr Or Kim Peow; Group Managing Director, Mr Or Toh Wat; and four Executive Directors – Mdm Ang Beng Tin, Mr Or Kiam Meng, Mr Oh Enc Nam and Mr Or Lay Huat Daniel. Mr Or Kim Peow, who is the founding member of the Group, has more than 55 years of experience in the infrastructure and civil engineering business. He is primarily responsible for overseeing the overall management and strategic development of the Group include determining its strategies and ensuring effective succession planning for all key positions within OKP. Group Managing Director, Mr Or Toh Wat who has more than 23 years' experience in the construction industry, is responsible for effectively managing and supervising the day-to-day business operations in accordance with the strategies, policies and business plans approved by the Board. Mr Or Kiam Meng has more than 29 years and Mr Oh Enc Nam more than 35 years in the construction industry respectively. Mdm Ang Beng Tin has worked for more than 40 years' of experience in administration and human resources. The Group's success and growth now and in the future will also be dependent on its ability to retain the services of our executive team members and key management staff. In the event that OKP loses any of their services without finding timely and suitable replacements, or if we are unable to attract and retain new key staff with relevant qualifications and experience, this will adversely affect our business, financial condition, operational results and prospects. Furthermore, we may lose our business to any of our competitors who have attracted and hired key members of our team, who join them after leaving their positions at OKP. If we need to increase staff compensation in order to attract and retain our existing key employees or hire any additional staff, there would be an adverse impact on our financial performance.	We have included younger members in our management team. For example, Mr Or Lay Huat Daniel, 37 years old, has gained much experience and knowledge since joining the Company in 2003. He is currently responsible for business development and corporate communications. The management is preparing a list of potential successors and is assessing them against a checklist of leadership attributes. Plans are being put in place to develop these candidates via training and development. In addition, we are mindful of providing competitive remuneration and good staff welfare and benefits.
8.	**Dependence on private sector clientele for a portion of our revenue** Over the years, we have tapped on the private sector increasingly for projects so as to lessen our reliance on the public sector. Since early 2006, we have undertaken a number of projects in the oil and gas industry in Singapore. This move sees us reducing our dependence on our public sector clientele but it has also increased the uncertainty over the timeliness of collection of trade receivables.	Our response to this is to adopt a selective approach to our potential clients – favouring those with good credit rating and financial stability – and to apply strict control procedures within a credit approval process.

RISK ASSESSMENT AND MANAGEMENT (cont'd)

No	Description of Risks	Our Risk Management
Risks Relating to Our Industry		
9.	**Liability claims and disputes** We are exposed to potential claims against defective workmanship, non-compliance with contract specifications or disputes over variations. Should we fail to complete any of the projects, which we undertake within the stipulated timeframes, we could be held liable for liquidated damages. If this occurs, financial compensation may have to be paid to our customers. It is a general practice that we provide customers with retention sums or performance bonds of up to 5 per cent of the contract value. In the event that projects are delayed, or if any claims for defects are made, whether or not they are due to our fault or that of our suppliers or sub-contractors, these retention sums or performance bonds could be forfeited or defaulted.	With this in mind, we spare no effort to ensure that all projects are competently managed to the highest standards. One of the ways we do this is to provide staff with regular and relevant training.
10.	**Exposure to cost overruns** Controlling costs is an important aspect of our business as cost overruns could erode our profit margin for a project. Should this occur, our overall profitability could be affected. The following scenarios are some examples of how a cost overrun could occur: (i) When incorrect estimations of costs are made during the tender stage; (ii) When unforeseen circumstances such as adverse ground conditions, unfavourable weather conditions or unanticipated construction constraints at the worksite, arise during the course of construction; and/or (iii) When delays are experienced in the execution of projects.	As such, cost control measures are carried out at various stages along the entire project execution stage to ensure that the projects are kept well within budget. Careful monitoring and quality assurance checks are also performed vigilantly to ensure that project management risks are alleviated as far as possible. We believe that our people have the right project management expertise to manage the costs related to each project effectively.
11.	**Dependence on foreign workers and exposure to labour shortages or changes in labour policies** The construction industry is highly labour-intensive and relies on a large number of skilled foreign workers. Supply and demand for such foreign labour are dependent largely on government policies and the general economic health of the host countries. In Singapore, the supply of foreign workers is subject to the policies imposed by the Ministry of Manpower, as well as the policies of the countries in which these workers are domiciled. Changes in labour policies in these countries of origin may influence the supply of foreign labour and increase hiring costs, causing unnecessary disruptions to our operations and resulting in unwanted delays in the completion of projects. Increases in foreign workers' levies would also affect us and may decrease our earnings.	Although we do face big constraints in hiring foreign labour currently, we make every effort to retain those who are currently with us, for example, by enhancing their skills through periodic training and upgrading. In this way, we can also increase our productivity.

No	Description of Risks	Our Risk Management
Risks Relating to Our Industry		
12.	**Dependence on professional and skilled staff** The construction industry is dependent on skilled and experienced engineers and project staff to ensure the efficient running of projects onsite. If we fail to retain or face difficulties in hiring people with these competencies, our revenue and profitability may be adversely affected. This problem may be more critical during times when the labour market is tight.	We continually review our hiring and compensation policies to ensure fair remuneration packages are given to retain skilled staff and attract new recruits.
13.	**Excessive warranty claims** It is a general practice in the construction industry to provide limited warranty for construction projects, which covers defects and any premature wear-and-tear of the materials used. Rectification and repair works covered under such warranties would not be chargeable to customers. In the event that there are disproportionate warranty claims for rectification and repair works, our financial performance would be adversely affected.	With our strong focus on quality and workmanship, we have not experienced significant warranty claims for the past four financial years.
14.	**Financial risks** The Group's activities expose it to a variety of financial risks, including currency risk, interest risk, credit risk, and liquidity risks. In relation to currency risk, the Group is exposed to foreign exchange risk and currency translation risk on the assets in foreign operations. In relation to interest risk, the Group is also subjected to cash flow and fair value interest rate risks. In the case of credit risk, there is a risk that a counterparty may default on its contract obligations, thus resulting in financial loss to the Group. With regard to liquidity risk, the Group is exposed to such risk of not having sufficient cash or cash equivalents, or not having sufficient amount of committed credit facilities.	More details on how we manage these risks are found on pages 165 to 172 of the Annual Report (under the Notes to the Financial Statements). To mitigate liquidity risk, we maintain sufficient cash and cash equivalents and ensure that we have an adequate amount of committed credit facilities to enable us to meet our normal operating commitments.
15.	**Liability for delays in the completion of projects, and any liquidated damages and additional overheads arising from such delays** From time to time, due to unforeseen circumstances and events beyond our control, delays in the completion of a project may occur. These delays include unfavourable weather situation, shortage of construction materials or labour disputes, breakdown of equipment and machinery and insufficient deployment of resources. Government directives for the temporary stoppage of work may also cause project delays. If the completion of our projects is delayed, and especially if the delay is due to our failure, we may be liable to pay liquidated damages under the contract, and face further claims from our customers for damages, thus incurring additional costs. If this happens, there will be an adverse impact on our business operations, financial condition and financial performance. There can be no assurance that there will not be any delays in our existing and future projects, thus resulting in the payment of liquidated damages that may materially affect our financial performance and financial condition.	We have put in place a capable team of project managers to monitor the projects closely so as to ensure the smooth progress of the projects and to ensure that they are constructed on time and within budget.

RISK ASSESSMENT AND MANAGEMENT (cont'd)

No	Description of Risks	Our Risk Management
Risks Relating to Our Industry		
16.	**Industry hazards, especially in the oil and gas industry** Safety is paramount for all our projects, and this is especially critical in worksites related to the oil and gas industry due to the nature of the operating environment. Our safety controls and guidelines follow strictly to the standards, laws and regulations dictated by clients as well as the regulatory authorities. Our safety policy is based mainly on identifying and applying safe workplace practices at all worksites, for our own as well as sub-contractors' employees. We conduct regular health and safety seminars to inculcate a safety culture for people at all levels, including new recruits, particularly in the first six months of employment. We may be liable for fines and penalties if we breach workplace safety or regulatory requirements and should this come about, our operations and financial performance may be adversely affected.	We have a pool of dedicated safety and environmental control officers, site engineers and site supervisors, who have the responsibility to ensure that all workers and worksites are well equipped with suitable safety management procedures. Fire safety drills are carried out at least twice a year to ensure that our fire safety staff are prepared at all times and in the event that industrial accidents happen. We are committed to maintaining our high quality standards, enhancing productivity, and improving workplace safety at all times.
17.	**Sub-contracting risks** We rely on sub-contractors to provide services for our projects, including piling, asphalt works, painting, thermoplastic markings, metalworks and traffic signage, landscaping and sewer works. These sub-contractors are selected based on their competitiveness in terms of pricing, our working experience with them and their past performance. We cannot assume that the services rendered by these sub-contractors will continue to be satisfactory or that they will meet our requirements for quality at all times. In the event of any loss or damage which arises from the default of the sub-contractors engaged by us, we, being the main contractor, will nevertheless be liable for our sub-contractors' default. Furthermore, these sub-contractors may experience financial or other difficulties that may affect their ability to carry out the work for which they were contracted, thus delaying the completion of or failing to complete our civil engineering projects or resulting in additional costs for us. Any of these factors would have a material adverse effect on our business, financial condition and results of operations.	We identify good and reliable sub-contractors and minimise risks through checks and referrals. We also make it a point to use reliable subcontractors, especially those with whom we have worked effectively in earlier projects.

No	Description of Risks	Our Risk Management
Risks Relating to Our Industry		
18.	**Liability for any design defects or failure in the civil engineering works** Generally, we will engage the services of external consultants such as architects and engineers for design-and-build projects. If there are any design defects in the architectural or engineering design of our civil engineering projects due to these external consultants' negligence and through no fault on OKP's part, although we had exercised reasonable degree of skill and care as the main contractor, we may still be liable to the customer under the contract for such failures. As at 31 December 2014, we have not been made liable for any liabilities arising from any defect in the projects' design, although there is no assurance that such liability will not arise in the future. If customers were successful in obtaining a court judgment or an arbitration award against us for claims on the grounds of design defects, such claims may adversely impact our financial performance and financial condition	We make it a priority to work with reputable architects and engineers, especially those whom we have worked with for a long time or have been referred to us.
19.	**Accidents at our construction sites** Even though we emphasise and have put in place safety measures, accidents may occur at the construction sites for our projects due to the nature of our business. Such mishaps may severely disrupt our operations at the construction sites, and thus, lead to a delay in the completion of a project. This may result in liquidated damages under the contract with our customers. Such accidents may also subject us to claims from workers or other persons involved in such mishaps for damages suffered by them. If there are any significant claims which are not covered by our insurance policies, these claims of liquidated damages by customers may materially have an adverse impact on our business operations and financial performance.	We have a team of experienced safety personnel onsite who monitor closely the construction sites to ensure that workers comply with all safety standards.

RISK ASSESSMENT AND MANAGEMENT (cont'd)

No	Description of Risks	Our Risk Management
Risks Relating to Our Industry		
20.	**Insurance coverage may not be adequate** Due to fire, theft and natural disasters such as floods, we may face the risk of loss or damage to our properties, machinery and building materials. Such events may cause a cessation in our operations at the construction sites.	We have put in place various insurance policies such as those covering losses including workmen compensation insurance, insurance relating to group hospitalisation and surgical insurance, insurance relating to all risks machinery and equipment, fire insurance, motor vehicle insurance and contractor's all-risks insurance. If such loss or damage exceeds the insurance coverage or is not covered by the insurance policies which we have taken up, we may still be liable to cover the shortfall in the amounts being claimed. Thus, such a situation may adversely impact our financial performance.
21.	**Delays in finalisation of the value of additional works under variation orders and in certification of completed works by our customers.** In the course of our projects, we may be instructed and may perform additional works under variation orders before finalisation of the charges for such additional works. As a result, we may have to pay upfront to our suppliers and sub-contractors to carry out these additional works even though our customers may not have paid us. Thus, this may adversely affect our operating cash flow.	We have a team of site staff to monitor the progress of additional works under variation orders as required by our customers. This ensures that works under variation orders are actually documented to avoid disputes.
22.	**Performance bond guarantee** Our ability to secure new projects may depend on us being able to secure performance bond guarantees and other bank facilities. In line with industry practice, certain projects in which we act as the main contractor require a performance bond from a bank to guarantee our contractual performance in the project. Generally, the performance bond covers up to approximately 5.0 per cent of the project's contract value. If we default in our contractual obligations, the project owner would be entitled to call on the bond with the bank and our liquidity and financial position may be adversely affected. For the review period, we have not encountered any problems securing performance bonds for our projects. We have also provided corporate guarantees to secure performance bonds from banks for our ongoing projects. There is no assurance that we can continue to secure performance bonds for our new projects in the future or secure them at favourable terms. If we are unable to secure performance guarantees from our banks, we may be unable to secure new projects, and this would have a material adverse effect on our revenue and profitability.	We seek to build good rapport with and win support from our banks so that they will provide sufficient bankers' guarantees to support newly awarded projects.

No	Description of Risks	Our Risk Management
Risks Relating to Our Industry		
23.	**Successful bidding** Our financial performance is dependent on our successful bidding for new projects and the non-cancellation of secured projects. As most of our projects are undertaken on a non-recurring basis, we need to continuously and consistently secure new projects of similar value and volume. There is no assurance that we will be able to do so. And if we are not able to secure such new projects on favourable terms and conditions, this would adversely impact on our financial performance. In addition, the scope of work in a project will affect our profit margin and our financial performance. If we are to subcontract a material portion of the project work to a third party subcontractor, our profit margin from such project may be reduced. Cancellation or delay in commencing secured projects due to changes in our customers' businesses, poor market conditions and lack of funds by the project owners may adversely affect us. There may also be a lapse of time between a project's completion and the commencement of a subsequent project. Such disruptions could lead to idle or excess capacity. If we are unable to secure replacement projects on a timely basis, the idle or excess capacity may adversely affect our business and financial conditions.	We have a team of experienced project directors, project managers and quantity surveyors, who are committed to analysing and reviewing tender documents. We also have suppliers and subcontractors who provide us with competitive prices for their quality products and services.
24.	**Risk associated with joint ventures** We are subject to risks associated with joint ventures. We expect that we may, as a matter of business strategy, from time to time enter into construction projects through the formation of joint ventures. These joint ventures involve a certain amount of business risks such as the inability or unwillingness of joint venture partners to fulfill their obligations under the joint venture agreements (if any). There is no assurance that we will not, in the future, encounter such business risks which, if financially material, will have an adverse effect on our business operations, financial performance and financial condition.	We have our legal advisor to review all our agreements and ensure the company is well-protected against risks such as defaults by joint venture partners.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

for the financial year ended 31 December 2014

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the balance sheet of the Company as at 31 December 2014.

Directors

The directors of the Company in office at the date of this report are as follows:

Or Kim Peow
Or Toh Wat
Ang Beng Tin
Or Kiam Meng
Oh Enc Nam
Or Lay Huat Daniel
Chen Seow Phun, John
Nirumalan s/o V Kanapathi Pillai
Tan Boen Eng

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director			Holdings in which director is deemed to have an interest		
	As at 31.12.2014	As at 1.1.2014	As at 21.1.2015	As at 31.12.2014	As at 1.1.2014	As at 21.1.2015
The Company						
No. of ordinary shares						
Or Kim Peow	757,000	757,000	757,000	168,566,910	168,566,910	168,566,910
Or Toh Wat	322,000	322,000	322,000	–	–	–
Ang Beng Tin	323,500	323,500	323,500	–	–	–
Or Kiam Meng	322,000	322,000	322,000	–	–	–
Oh Enc Nam	133,000	133,000	133,000	–	–	–
Or Lay Huat Daniel	322,000	322,000	322,000	–	–	–
Chen Seow Phun, John	–	–	–	38,000	38,000	38,000
Immediate and Ultimate Holding Corporation – Or Kim Peow Investments Pte. Ltd.						
No. of ordinary shares						
Or Kim Peow	97,091	97,091	97,091	–	–	–
Or Toh Wat	58,255	58,255	58,255	–	–	–
Ang Beng Tin	60,272	60,272	60,272	–	–	–
Or Kiam Meng	58,255	58,255	58,255	–	–	–
Oh Enc Nam	21,436	21,436	21,436	–	–	–
Or Lay Huat Daniel	58,255	58,255	58,255	–	–	–

By virtue of Section 7 of the Singapore Companies Act (Cap. 50) (the "Act"), Or Kim Peow is deemed to have interests in the shares of all the subsidiaries, at the beginning and at the end of the financial year.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company under option.

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Dr Chen Seow Phun, John (Chairman)
Mr Nirumalan s/o V Kanapathi Pillai
Mr Tan Boen Eng

All members of the Audit Committee were independent and non-executive directors.

The AC has written terms of reference that are approved by the Board and clearly set out its responsibilities. The AC carries out its functions in accordance with the Companies Act and the Code. The key terms of reference of the AC are as follows:

- To review audit plans of the Company's external auditors and internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls;
- To review the annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with relevant financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
- To review the cooperation given by the Management to the external auditors;
- To ensure that the internal audit function is adequately resourced and review the adequacy and effectiveness of the internal audit function at least annually;
- To review the cost effectiveness of the external audit, and where the external auditors provide non-audit services to the Company, to review the nature, extent and costs of such services and the independence and objectivity of the external auditors;
- To review the periodic consolidated financial statements of the Group before submission to the Board for approval for release of the results announcement to the SGX-ST;
- To recommend to the Board the appointment, re-appointment or removal of the external auditors and approve the remuneration and terms of engagement of the external auditors; and
- To review all interested person transactions to ensure that each has been conducted on an arm's length basis

DIRECTORS' REPORT

for the financial year ended 31 December 2014

Audit committee (cont'd)

The Audit Committee met with the external auditor four times during the financial year ended 31 December 2014. They also met the external auditor and internal auditor once in October 2014, and the external auditor once in February 2015, without the presence of the Management. These meetings enable the external auditor and internal auditor to raise issues encountered in the course of their work directly to the Audit Committee.

In addition, the Audit Committee has, in accordance with Chapter 9 of the Listing Manual, reviewed the requirements for approval and disclosure of interested party transactions, reviewed the internal procedures set up by the Company to identify and report and, where necessary, seek approval for interested person transactions and reviewed interested person transactions.

The Audit Committee has undertaken a review of all non-audit services provided to the Company by the external auditor and they would not, in the Audit Committee's opinion, affect the independence of the auditor.

The Audit Committee has recommended that Nexia TS Public Accounting Corporation be nominated for re-appointment as the Company's external auditor at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Or Kim Peow
Director

Or Toh Wat
Director

27 February 2015

STATEMENT BY DIRECTORS

for the financial year ended 31 December 2014

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 119 to 178 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the directors

Or Kim Peow
Director

Or Toh Wat
Director

27 February 2015

INDEPENDENT AUDITOR'S REPORT

to the Members of OKP Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of OKP Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 119 to 178, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2014, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

INDEPENDENT AUDITOR'S REPORT

to the Members of OKP Holdings Limited

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director-in-charge: Low See Lien
Appointed from financial year ended 31 December 2013

Singapore
27 February 2015

BALANCE SHEETS

as at 31 December 2014

		Group			Company	
	Note	31 December 2014 $	31 December 2013 $ (Restated)	1 January 2013 $ (Restated)	31 December 2014 $	31 December 2013 $
ASSETS						
Current assets						
Cash and cash equivalents	4	34,009,361	37,577,322	52,943,614	3,672,422	2,779,618
Trade and other receivables	5	34,112,516	31,933,333	27,177,274	2,516,903	3,974,566
Construction contract work-in-progress	6	5,953,876	5,540,981	3,604,416	–	–
Financial assets, held-to-maturity	12	–	–	1,000,000	–	–
		74,075,753	**75,051,636**	**84,725,304**	**6,189,325**	**6,754,184**
Non-current assets						
Investments in subsidiaries	7	–	–	–	17,522,234	17,522,234
Investments in joint ventures	8	3,262,848	3,117,900	1,262,289	–	–
Investments in associated companies	9	70,741	95,063	101,227	–	–
Investment properties	10	5,140,000	5,020,000	4,830,000	–	–
Other receivables	11	28,722,099	28,054,513	18,664,289	17,494,678	17,145,078
Financial assets, held-to-maturity	12	–	500,000	500,000	–	–
Financial assets, available-for-sale	13	995,445	1,712,793	2,756,498	–	–
Property, plant and equipment	14	18,486,204	19,121,212	19,182,926	5,830,310	6,149,323
Intangible assets	15	1,828,569	1,899,079	1,969,588	15,618	23,428
		58,505,906	59,520,560	49,266,817	40,862,840	40,840,063
Total assets		**132,581,659**	**134,572,196**	**133,992,121**	**47,052,165**	**47,594,247**
LIABILITIES						
Current liabilities						
Trade and other payables	16	31,308,910	33,666,694	33,200,589	6,316,158	6,827,652
Finance lease liabilities	17	722,049	738,490	523,589	–	–
Current income tax liabilities	28(b)	172,486	470,445	2,124,000	21,000	20,000
		32,203,445	**34,875,629**	**35,848,178**	**6,337,158**	**6,847,652**
Non-current liabilities						
Finance lease liabilities	17	1,512,872	2,003,640	929,904	–	–
Deferred income tax liabilities	18	560,533	989,754	840,486	86,685	90,287
		2,073,405	2,993,394	1,770,390	86,685	90,287
Total liabilities		**34,276,850**	**37,869,023**	**37,618,568**	**6,423,843**	**6,937,939**
Net Assets		**98,304,809**	**96,703,173**	**96,373,553**	**40,628,322**	**40,656,308**
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital	19	36,832,301	36,832,301	36,578,120	36,832,301	36,832,301
Other reserves	20	1,353,223	1,365,114	1,479,493	–	–
Retained profits	21	60,069,355	58,453,590	58,261,297	3,796,021	3,824,007
		98,254,879	96,651,005	96,318,910	40,628,322	40,656,308
Non-controlling interests		**49,930**	**52,168**	**54,643**	**–**	**–**
Total equity		**98,304,809**	**96,703,173**	**96,373,553**	**40,628,322**	**40,656,308**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

as at 31 December 2014

	Note	Group 2014 $	Group 2013 $ (Restated)
Revenue	22	109,476,017	106,993,883
Cost of works	6	(100,716,418)	(95,823,205)
Gross profit		8,759,599	11,170,678
Other income	24	1,572,531	1,267,988
Expenses			
– Administrative		(8,170,229)	(8,128,806)
– Finance	27	(53,675)	(58,545)
– Share of results of associates and joint ventures	8,9	91,063	1,065,877
Profit before income tax		2,199,289	5,317,192
Income tax credit/(expense)	28	339,529	(507,752)
Net profit		**2,538,818**	**4,809,440**
Other comprehensive income/(losses):			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, available-for-sale			
– Fair value gains/(losses)	20	32,500	(69,425)
– Reclassification	20	(44,391)	(26,013)
Other comprehensive (losses)/income, net of tax		(11,891)	(95,438)
Total comprehensive income		**2,526,927**	**4,714,002**
Net profit attributable to:			
Equity holders of the Company		2,541,056	4,811,915
Non-controlling interests		(2,238)	(2,475)
		2,538,818	**4,809,440**
Total comprehensive income/(losses) attributable to:			
Equity holders of the Company		2,529,165	4,716,477
Non-controlling interests		(2,238)	(2,475)
		2,526,927	**4,714,002**
Earnings per share attributable to equity holders of the Company (cents per share)	29		
– Basic		0.82	1.56
– Diluted		0.82	1.56

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 31 December 2014

		Attributable to equity holders of the Company							
	Note	Share capital	Warrants reserve	Fair value reserve	Asset revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
		$	$	$	$	$	$	$	$
2014									
Beginning of financial year		36,832,301	–	(7,216)	1,372,330	58,453,590	96,651,005	52,168	96,703,173
Total comprehensive (loss)/income for the year		–	–	(11,891)	–	2,541,056	2,529,165	(2,238)	2,526,927
Dividends	30	–	–	–	–	(925,291)	(925,291)	–	(925,291)
End of financial year		**36,832,301**	**–**	**(19,107)**	**1,372,330**	**60,069,355**	**98,254,879**	**49,930**	**98,304,809**
2013									
Beginning of financial year		36,578,120	18,941	88,222	1,372,330	58,261,297	96,318,910	54,643	96,373,553
Total comprehensive (loss)/income for the year		–	–	(95,438)	–	4,811,915	4,716,477	(2,475)	4,714,002
Issue of shares pursuant to exercise of warrants	19	254,181	(12,104)	–	–	–	242,077	–	242,077
Dividends	30	–	–	–	–	(4,626,459)	(4,626,459)	–	(4,626,459)
Expiry of warrants	20	–	(6,837)	–	–	6,837	–	–	–
End of financial year		**36,832,301**	**–**	**(7,216)**	**1,372,330**	**58,453,590**	**96,651,005**	**52,168**	**96,703,173**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2014

		Group	
	Note	2014 $	2013 $ (Restated)
Cash flows from operating activities			
Net profit		2,538,818	4,809,440
Adjustments for:			
– Income tax (credit)/expense	28	(339,529)	507,752
– Depreciation of property, plant and equipment	14	2,915,021	3,160,721
– Amortisation of intangible assets	15	70,510	70,509
– Fair value gain on investment properties	10	(120,000)	(190,000)
– (Gain)/loss on disposal of property, plant and equipment	24	(185,141)	49,559
– Share of profit of investments accounted for using the equity method	8,9	(91,063)	(1,065,877)
– (Loss)/gain on disposal of financial asset		(28,125)	20,000
– Reclassification adjustment from fair value reserve to profit and loss	20	(51,327)	(26,013)
– Interest income	24	(668,186)	(736,545)
– Interest expense	27	53,675	58,545
– Unrealised currency translation gain		–	(25,720)
Operating cash flow before working capital changes		4,094,653	6,632,371
Change in working capital:			
– Trade and other receivables		(2,179,183)	(4,756,058)
– Construction contract work-in-progress		(412,895)	(1,936,565)
– Trade and other payables		(2,357,784)	466,103
Cash (used in)/provided by operations		(855,209)	405,851
– Interest received		120,259	140,456
– Income tax paid	24	(380,715)	(2,012,039)
Net cash used in operating activities		(1,115,665)	(1,465,732)
Cash flows from investing activities			
– Additions of property, plant and equipment		(1,979,108)	(1,335,769)
– Disposal of property, plant and equipment		264,938	182,657
– Disposal of financial assets, available-for-sale	13	749,848	980,000
– Redemption of a financial asset, held-to-maturity		528,125	1,000,000
– Loan to an associated company		(20,000)	(9,622,354)
– Investment in an associated company	9	(200,000)	–
– Investment in a joint venture	10	–	(100,000)
– Interest received	24	70,778	144,651
Net cash used in investing activities		(585,419)	(8,750,815)
Cash flows from financing activities			
– Repayment of finance lease liabilities		(887,911)	(706,818)
– Interest paid		(53,675)	(58,545)
– Dividends paid to equity holders of the Company	30	(925,291)	(4,626,459)
– Net proceeds from issuance of shares		–	242,077
– Bank deposits pledged		(16,288)	(35,547)
Net cash used in financing activities		(1,883,165)	(5,185,292)
Net decrease in cash and cash equivalents		(3,584,249)	(15,401,839)
Cash and cash equivalents			
Beginning of financial year		32,513,915	47,915,754
End of financial year	4	28,929,666	32,513,915

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements of the Group for the financial year ended 31 December 2014 were authorised for issue in accordance with resolution of the Board of Directors of OKP Holdings Limited on 27 February 2015.

1 GENERAL INFORMATION

OKP Holdings Limited (the "Company") is listed on the Singapore Exchange Securities Trading Limited and incorporated and domiciled in Singapore. The address of its registered office is 30 Tagore Lane, Singapore 787484.

The principal activities of the Company are those relating to investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The Company's immediate and ultimate holding corporation is Or Kim Peow Investments Pte. Ltd., incorporated in Singapore.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 111 Joint arrangements

The group has adopted the following new and amended standards, together with the consequential amendments to other FRSs, for the financial year ended 31 December 2014.

FRS 111 *Joint arrangements* was issued in May 2011 and supersedes FRS 31 *Interests in joint ventures* and INT FRS 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. Under FRS 111, interests in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Interest in joint operations are accounted for by the Group recognising its own assets, liabilities, income and expenses relating to the joint operation, and its share of the assets, liabilities, income and expenses of the joint operation. Interests in joint ventures are recognised as a single investment and accounted for using the equity method of accounting per FRS 28 (Amended) 'Investment in Associates and Joint Ventures'.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

Interpretations and amendments to published standards effective in 2014 (cont'd)

FRS 111 Joint arrangements (cont'd)

The Group has applied FRS 111 retrospectively from 1 January 2013 in accordance with the transitional provisions of FRS 111. The adoption of FRS 111 resulted in the Group changing its accounting policy for its investments in joint ventures.

In prior years, the Group's interest in Forte Builders Pte Ltd and CS-OKP Construction and Development Pte Ltd were accounted for by proportionate consolidation. The Group combined its share of the jointly controlled entity's individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

On adoption of FRS 111, the Group recognised its investment in joint venture at 1 January 2013 at the net carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. The Group has applied equity accounting as described in Note 2.2(iii)(b) from 1 January 2013 onwards.

The effects of the change in accounting policies on the balance sheet, comprehensive income and the cash flows of the Group at 1 January 2013 and 31 December 2013 are summarized in Note 36. The change in accounting policy has had no significant impact on earnings per share.

FRS 112 Disclosures of Interests in Other Entities

The Group has adopted the above new FRS on 1 January 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 Consolidated Financial Statements and FRS 111 Joint Arrangements, and replaces the disclosure requirements currently found in FRS 27 (revised 2011) Separate Financial Statements and FRS 28 (revised 2011) Investments in Associates and Joint Ventures.

The Group has applied FRS 112 retrospectively in accordance with the transitional provisions (as amended subsequent to the issuance of FRS 112 in September 2011) in FRS 112 and amended for consolidation exceptions for 'investment entity' from 1 January 2014. The Group has incorporated the additional required disclosures into the financial statements.

2.2 Group accounting

(i) Subsidiaries

(a) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Group accounting (cont'd)

(i) Subsidiaries (cont'd)

(a) Consolidation (cont'd)

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(b) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the (i) consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible asset – Goodwill" for the subsequent accounting policy on goodwill.

(c) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Group accounting (cont'd)

(ii) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(iii) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(a) Acquisitions

Investments in associated companies and joints ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(b) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Group accounting (cont'd)

(iii) Associated companies and joint ventures (cont'd)

(c) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investment in subsidiaries, associated companies and joint ventures and associated companies" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.3 Property, plant and equipment

(i) Measurement

(a) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(b) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Freehold land and building under construction are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful Lives
Buildings	50 years
Leasehold property	15 years
Plant and machinery	10 years
Motor vehicles	5–10 years
Office equipment	5–10 years
Furniture and fittings	5–10 years
Signboard	5–10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Property, plant and equipment (cont'd)

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss. Any amount is transferred to retained earnings directly.

2.4 Intangible assets

(i) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

(ii) Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchases prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of five years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Investment properties

Investment properties include freehold properties that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.6 Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.7 Impairment of non-financial assets

(i) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(ii) Intangible assets
Property, plant and equipment
Investments in subsidiaries, joint ventures and associated companies

Intangible assets, property, plant and equipment and investments in subsidiaries, joint ventures and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Impairment of non-financial assets (cont'd)

(ii) Intangible assets (cont'd)
Property, plant and equipment
Investments in subsidiaries, joint ventures and associated companies

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.8 Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: loans and receivables, held-to-maturity and available-for-sale. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance sheet date.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 5 and 11) and "cash and cash equivalents" (Note 4) on the balance sheet.

(b) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of financial assets, held-to-maturity, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the balance sheet date which are presented as current asset.

2.8 Financial assets (cont'd)

(i) Classification (cont'd)

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative that is either designated in this category or not classified in any of the other categories. They are presented as non-current asset unless management intends to dispose of the asset within 12 months after the balance sheet date.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(iv) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair value of available-for-sale equity securities (i.e non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(v) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(a) Loans and receivables/held-to-maturity financial assets

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial assets (cont'd)

(v) Impairment (cont'd)

(a) Loans and receivables/held-to-maturity financial assets (cont'd)

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(b) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.8(v)(a), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the financial asset, available-for-sale is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.9 Financial guarantees

The Company has issued corporate guarantees to banks for banking facilities of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company’s balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries’ banking facilities, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company’s balance sheet.

Intra-group transactions are eliminated on consolidation.

2.10 Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date, as measured by surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total construction costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Construction contracts (cont'd)

The stage of completion is measured by reference to the customer's/professional's certification of value of work done to-date. Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to-date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "trade and other receivables". Where progress billings exceed cumulative costs incurred plus recognised profit (less recognised losses), the balance is presented as due to customers on construction contracts within "trade and other payables".

Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables". Advances received are included within "trade and other payables".

2.11 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.12 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.13 Leases

(i) When the Group is the lessee

The Group leases motor vehicles and certain plant and machinery under finance leases and land under operating leases from non-related parties.

(a) Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and machinery and finance lease liabilities respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Leases (cont'd)

(i) When the Group is the lessee (cont'd)

(a) Lessee – Finance leases (cont'd)

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(b) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(ii) When the Group is the lessor

The Group leases investment property under operating lease to a non-related party.

(a) Lessor – Operating lease

Lease of investment property where the Group retains substantially all risks and rewards incidental to ownership is classified as an operating lease. Rental income from operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating lease is added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.14 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, rebates and discounts, and after eliminating transactions within the Group.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(i) Revenue from construction and maintenance contracts

Revenue from construction and maintenance contracts is recognised based on the percentage of completion method as disclosed in Note 2.10.

(ii) Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest method.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Revenue recognition (cont'd)

(iii) Rental income

Rental income from operating lease (net of any incentives given) is recognised on a straight-line basis over the lease term.

2.15 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for productivity and innovative credit similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for estimated liabilities for annual leave as a result of services rendered up to the balance sheet date.

(iii) Profit sharing and bonus plan

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

2.18 Currency translation

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation difference is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other income – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rate at the date when the fair values are determined.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Currency translation (cont'd)

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(b) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(c) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

2.20 Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on management's view of the expected outcome of the applicable contingency. Contingent liabilities are possible but not probable obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain event not wholly within the control of the Group.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Government grant

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grant relating to expenses is deducted directly from the related expense.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Estimated impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The recoverable amount of goodwill and where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 15(a)).

If the management's estimated growth rate used in the value-in-use calculation for this CGU has been lowered by 1%, or the estimated pre-tax discount rate applied to the discounted cash flows for this CGU had been raised by 1%, the value-in-use calculation at 31 December 2014 would have decreased by $28,822,000 (2013: $16,652,000) and $26,799,842 (2013: $15,917,000) respectively. This decrease in the value-in-use would have no impact to the carrying amount of goodwill amounting to $1,688,000.

(ii) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 5 to 50 years. The carrying amounts of the Group's property, plant and equipment as at 31 December 2014 were $18,486,204 (2013: $19,121,212). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of the property, plant and equipment differ by 10% from management's estimate, the carrying amount of the property, plant and equipment will be approximately higher/lower by $344,529 (2013: $262,175) respectively.

3 **CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (cont'd)**

(iii) Construction contracts

The Group uses the stage of completion method to account for its contract revenue. The stage of completion is measured by surveys of work performed.

Significant judgment is required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works from the customers. In making the judgment, the Group evaluates this by relying on past experience.

If the revenue on uncompleted contracts at the balance sheet date has been higher/lower by 10% from management's estimates, the Group's revenue would have been approximately higher/lower by $28,798,846 (2013: $16,728,276) respectively.

If the contract costs of uncompleted contracts to be incurred had been higher/lower by 10% from management's estimates, the Group' profit would have been lower/higher by $16,525,829 (2013: $16,930,714) respectively.

4 **CASH AND CASH EQUIVALENTS**

	Group		Company	
	2014 $	2013 $ (Restated)	2014 $	2013 $
Cash at bank and on hand	14,330,411	13,963,112	3,007,219	2,144,308
Short-term bank deposits	19,678,950	23,614,210	665,203	635,310
	34,009,361	**37,577,322**	**3,672,422**	**2,779,618**

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2014 $	2013 $ (Restated)	2014 $	2013 $
Cash and bank balances	34,009,361	37,577,322	3,672,422	2,779,618
Less: bank deposits pledged	(5,079,695)	(5,063,407)	–	–
Cash and cash equivalents per consolidated statement of cash flows	**28,929,666**	**32,513,915**	**3,672,442**	**2,779,618**

Bank deposits of $5,079,695 (2013: $5,063,407) are pledged to banks for banking facilities of certain subsidiaries.

5 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 $	2013 $ (Restated)	2014 $	2013 $
Trade receivables				
– Non-related parties	8,354,134	6,778,656	–	–
– Subsidiaries	–	–	2,450,000	3,915,300
	8,354,134	6,778,656	2,450,000	3,915,300
Construction contracts				
– Due from customers (Note 6)	18,642,728	18,888,041	–	–
– Retentions (Note 6)	4,967,909	4,528,167	–	–
	23,610,637	23,416,208	–	–
Non-trade receivables				
– Subsidiaries	–	–	716,638	715,542
– Joint venture partners	6,420	3,210	–	–
– Non-related parties	1,969,454	1,996,565	3,800	4,825
	1,975,874	1,999,775	720,438	720,367
Less: Allowance for impairment of receivables	(1,474,203)	(1,474,203)	(687,863)	(687,863)
Non-trade receivables – net	501,671	525,572	32,575	32,504
Deposits	1,029,711	564,610	10,970	7,070
Prepayments	616,363	648,287	23,358	19,692
	34,112,516	**31,933,333**	**2,516,903**	**3,974,566**

The non-trade amounts due from subsidiaries and joint venture partners are unsecured, interest-free and are repayable on demand.

6 CONSTRUCTION CONTRACT WORK-IN-PROGRESS

	Group	
	2014 $	2013 $ (Restated)
Construction contract work-in-progress		
Beginning of financial year	5,540,981	3,604,416
Contract costs incurred	101,129,313	97,759,770
Contract expenses recognised in profit or loss	(100,716,418)	(95,823,205)
End of financial year	**5,953,876**	**5,540,981**
Aggregate costs incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts	198,108,328	190,094,881
Less: Progress billings	(179,465,600)	(171,206,840)
	18,642,728	**18,888,041**
Presented as:		
Due from customers on construction contracts (Note 5)	18,642,728	18,888,041
Advances received on construction contracts (Note 16)	1,138,804	–
Retentions on construction contracts (Note 5)	4,967,909	4,528,167

7 INVESTMENTS IN SUBSIDIARIES

	Company 2014 $	Company 2013 $
Equity investments at cost	17,522,234	15,774,234
Notional fair value of loan, representing additional capital contribution	–	1,748,000
Total cost of investment	**17,522,234**	**17,522,234**

Details of subsidiaries are as follow:

	Name of subsidiaries	Principal activities	Country of incorporation	Equity holding 2014	Equity holding 2013
Held by the Company					
#	Or Kim Peow Contractors (Pte) Ltd	Business of road and building construction and maintenance	Singapore	100%	100%
#	Eng Lam Contractors Co. (Pte) Ltd	Business of road construction and maintenance	Singapore	100%	100%
#*	OKP Technical Management Pte Ltd	Provision of technical management and consultancy services	Singapore	100%	100%
#*	OKP Investments (China) Pte Ltd	Investment holding	Singapore	100%	100%
#*	OKP (Oil & Gas) Infrastructure Pte Ltd	Business of carrying out civil engineering projects in respect of oil, petrochemical and gas related businesses in Singapore	Singapore	100%	100%
#*	United Pavement Specialists Pte Ltd	Provision of rental services and investment holding	Singapore	55%	55%
#	OKP Land Pte Ltd	Investment holding and property development	Singapore	100%	100%
#*	OKP Transport & Trading Pte Ltd	Provision of transport and logistics services	Singapore	100%	100%

Audited by Nexia TS Public Accounting Corporation.

* Dormant company

8 INVESTMENTS IN JOINT VENTURES

	Group	
	2014	2013
	$	$
		(Restated)
Interests in joint ventures		
Beginning of financial year	3,117,900	1,262,290
Incorporation of a joint venture	–	100,000
Share of profit of investments accounted for using the equity method	315,385	1,072,041
Notional fair value of loan (net)	(170,437)	683,569
End of financial year	**3,262,848**	**3,117,900**

Details of the joint ventures are as follows:

Name of joint ventures	Principal activities	Country of incorporation	Equity holding 2014	Equity holding 2013
Held by the subsidiaries				
CS-OKP Construction and Development Pte Ltd *(a)*	Design, construction and execution of urban development (Including road infrastructure)	Singapore	50%	50%
Forte Builder Pte Ltd *(b)*	Business of general construction	Singapore	50%	50%
Lakehomes Pte Ltd *(c)*	Property development	Singapore	10%	10%

(a) Audited by Heng Lee Seng LLP
(b) Audited by Nexia TS Public Accounting Corporation
(c) Audited by Ernst & Young LLP

CS-OKP Construction and Development Pte Ltd ("CS-OKP"), incorporated in Singapore on 1 December 2009, remained inactive as at 31 December 2014. CS-OKP is a joint venture company of OKP Technical Management Pte Ltd ("OKPTM"), a wholly-owned subsidiary, and CS Mining Pte Ltd, a subsidiary of China Sonangol International Limited, with a share capital of $100,000 consisting of 100 ordinary shares. OKPTM has a 50% equity interest at a cost of $50,000 (2013: $50,000) in CS-OKP.

On 8 December 2010, Or Kim Peow Contractors (Pte) Ltd ("OKPC"), a wholly-owned subsidiary, entered into a joint venture agreement with Soil-Build (Pte) Ltd ("SBPL"), incorporated in Singapore and a subsidiary of Soilbuild Group Holdings Ltd., to form a 50:50 joint venture company. On the same date, the joint venture company, Forte Builder Pte Ltd ("FBPL") was incorporated in Singapore with a share capital of $1,000,000 consisting of 1,000,000 ordinary shares. OKPC has a 50% equity interest at a cost of $500,000 in FBPL. The principal activity of FBPL is the construction of the condominium housing development, comprising one (1) 36-storey block of 54 residential units at Angullia Park.

On 15 August 2013, a joint venture company, Lakehomes Pte Ltd ("LH") was incorporated in Singapore with a share capital of $1,000,000 consisting of 1,000,000 ordinary shares. OKP Land Pte Ltd ("OKPL") has a 10% equity interest at a cost of $100,000 in LH through an agreement with BBR Development Pte Ltd, Evia Real Estate (5) Pte Ltd, CNH Investment Pte Ltd and Ho Lee Group Pte Ltd.

The Group has joint control over these joint ventures as under the contractual agreements, unanimous consent is required from all parties to the arrangements for all relevant activities.

8 INVESTMENTS IN JOINT VENTURES (cont'd)

The Group's joint arrangement are structured as limited companies and provides the Group and the parties to the agreements with rights to the net assets of the limited companies under the arrangements. Therefore, these arrangements are classified as joint ventures.

Set out below is the joint venture of the Group as at 31 December 2014, which in the opinion of the directors, is material to the Group. The joint venture has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also its principal place of business.

Summarised of unaudited financial information in respect of FBPL and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	As at 31 December	
	2014	**2013**
	$	**$**
Summarised statement of comprehensive income		
Revenue	**11,193,542**	**42,558,127**
Expenses	**(10,494,817)**	**(39,828,716)**
Includes:		
- Cost of sales	(10,465,962)	(39,791,849)
Profit before income tax	**698,725**	**2,729,411**
Income tax	(63,940)	(379,106)
Total comprehensive income	**634,785**	**2,350,305**
Summarised balance sheet		
Current assets	**11,188,537**	**14,473,864**
Includes:		
- Cash and cash equivalents	5,021,644	4,571,606
- Trade and other receivables	6,166,893	9,902,258
Current liabilities	**(5,761,259)**	**(9,681,371)**
Includes:		
- Trade and other payables	(5,666,259)	(9,272,236)
Net Assets	**5,427,278**	**4,792,493**
Proportion of the Group's ownership	50%	50%
Carrying value	**2,713,639**	**2,396,247**

8 INVESTMENTS IN JOINT VENTURES (cont'd)

Aggregate of unaudited information about the Group's investments in joint ventures that are not individually material are as follows:

	Group	
	2014 $	2013 $ (Restated)
Summarised statement of comprehensive loss		
Total comprehensive losses	**(78,772)**	**(1,482,742)**
Summarised balance sheet		
Current assets	**317,152,032**	**303,710,835**
Includes		
- Development property	312,746,053	297,297,521
Current liabilities	**(12,729,240)**	**(1,208,629)**
Includes		
- Trade and other payables	(12,729,240)	(1,208,629)
Non-current liabilities	**(297,572,483)**	**(295,643,841)**
Includes:		
- Loans from joint venture partners	(91,292,218)	(89,387,843)
- Borrowings	(206,280,265)	(206,255,998)
Net assets	**6,850,309**	**6,858,365**
Group's interest in net assets of the investees:		
At the beginning of the year	723,770	867,458
Group's share of total comprehensive losses	(2,008)	(103,108)
Other adjustments	(172,553)	(42,697)
Carrying amount of interests in investees at end of the year	**549,209**	**721,653**

The Group has not recognised its share of losses of a joint venture, Lakehomes Pte Ltd amounting to $7,476 (2013: $47,653) as the Group's cumulative share of losses has exceeded its interest in the entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses of this entity are $55,129 (2013: $47,653) at the balance sheet date.

9 INVESTMENT IN ASSOCIATED COMPANIES

	Group	
	2014 $	2013 $ (Restated)
Interests in associated companies		
Beginning of financial year	95,063	101,227
Incorporation of an associated company	200,000	–
Share of loss of an associated company	(224,322)	(6,164)
End of financial year	70,741	95,063

Details of associated companies are as follows:

Name of associated companies	Principal activities	Country of incorporation	Equity holding 2014	Equity holding 2013
Held by the subsidiary				
CS Amber Development Pte Ltd (formerly known as CS Land Properties Pte Ltd) [a]	Property development	Singapore	10%	10%
United Singapore Builders Pte Ltd [b]	General contractors	Singapore	20%	-

(a) Audited by PricewaterhouseCoopers LLP

(b) Audited by Nexia TS Public Accounting Corporation

On 27 June 2012, OKP Land Pte Ltd ("OKPL"), a wholly-owned subsidiary, entered into an investment agreement with CS Amber Development Pte Ltd ("CS Amber") and China Sonangol Land Pte Ltd, pursuant to which OKPL subscribed for 111,111 ordinary shares in CS Amber, representing approximately 10% of the enlarged issued and paid-up share capital of CS Amber. The aggregate consideration for the subscription of the shares is $111,111.

On 8 January 2014, Or Kim Peow Contractors (Pte) Ltd ("OKPC"), a wholly-owned subsidiary, entered into a shareholders' agreement with Chye Joo Construction Pte Ltd, Ho Lee Construction Pte Ltd, Hwa Seng Builder Pte Ltd, Swee Hong Limited and United Singapore Builders Pte Ltd ("USB") to tender for and, if successful, undertake Mass Rapid Transit projects, including the construction of related infrastructure such as stations, tunnels and depots. OKPC has a 20% equity interest at a cost of $200,000 in USB.

Management has assessed the Group's level of influence of its associated companies and determines that it has significant influence even though the shareholdings are 20% or below, because of its representation at shareholders' meetings and contractual terms. Consequently, the investments have been classified as associated companies.

9 INVESTMENT IN ASSOCIATED COMPANIES (cont'd)

Aggregate of unaudited financial information about the Group's investments in associated companies that are not individually material are as follows:

	Total As at 31 December	
	2014	2013
	$	$ (Restated)
Summarised statement of comprehensive loss		
Revenue	**1,734,313**	**–**
Expenses	**(3,993,303)**	**(61,644)**
Includes:		
- Cost of sales	1,747,633	–
- Amortisation and depreciation	963,479	–
Total comprehensive losses	**(2,258,990)**	**(61,644)**
Summarised balance sheet		
Current assets	**223,763,205**	**198,284,761**
Includes:		
- Cash and cash equivalents	4,942,028	2,038,019
- Trade and other receivables	12,579,082	8,237,641
- Development property	206,242,095	188,009,101
Non-current assets	**2,339,879**	**1,034,420**
Includes:		
- Showflat	2,339,879	1,034,420
Current liabilities	**(6,650,250)**	**(7,216,930)**
Includes:		
- Trade and other payables	(6,650,250)	(7,216,930)
Non-current liabilities	**(220,084,546)**	**(191,151,621)**
Includes:		
- Shareholders' loan	(195,928,770)	(191,151,621)
- Borrowings	(24,155,776)	–
Net (liability)/asset	**(631,712)**	**950,630**

9 **INVESTMENT IN ASSOCIATED COMPANIES (cont'd)**

	Total As at 31 December	
	2014	2013
	$	$
		(Restated)
Group's interests in net assets of the investees:		
At the beginning of the year	295,063	101,227
Group's share of total comprehensive losses	(224,322)	(6,164)
Carrying amount of interests in investees at end of the year	**70,741**	**95,063**

The Group has not recognised its share of losses of an associated company, CS Amber Development Pte Ltd amounting to $ 66,207 (2013: nil) as the Group's cumulative share of losses exceeded its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised loss with respect to this entity is $66,207 (2013: nil) at the balance sheet date.

10 **INVESTMENT PROPERTIES**

	Group	
	2014	2013
	$	$
Beginning of financial year	5,020,000	4,830,000
Fair value gain recognised in profit or loss (Note 24)	120,000	190,000
End of financial year	5,140,000	5,020,000

The following amounts are recognised in profit or loss:

Rental income (Note 24)	117,482	50,305
Direct operating expenses arising from an investment property that generated rental income	(53,273)	(8,446)

10 INVESTMENT PROPERTIES (cont'd)

Details of the investment properties are as follows:

Location	Description	Existing use	Tenure	Fair value 2014 $	Fair value 2013 $
No. 190 Moulmein Road, #10-03 The Huntington Singapore 308095 *(a)*	Apartment Unit	Residential	Freehold	1,650,000	1,710,000
No 6 Tagore Drive B1-06 Tagore Building, Singapore 787623 *(a)*	Office Unit	Office Unit	Freehold	1,790,000	1,700,000
No 6 Tagore Drive B1-05 Tagore Building, Singapore 787623 *(a)*	Office Unit	Office Unit	Freehold	1,700,000	1,610,000

(a) The investment property is leased to a non-related party under cancellable operating lease.

Fair value hierarchy:

	Fair value measurements at 31 December 2014 using		
	Quoted prices in active markets for identical assets (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $
Residential	–	1,650,000	–
Office Units	–	3,490,000	–

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been derived using the Direct Market Comparison method based on the properties highest-and-best-use. Market prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation method is market price per square metre.

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest-and-best-use. As at 31 December 2014, the fair values of the properties have been determined by Savills Plc.

Changes in Level 2 fair values are analysed at each reporting date during the annual valuation discussion between management and the valuation team. As part of this discussion, the team presents a report that explains for the fair value movements.

11 OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2014 $	2013 $ (Restated)	2014 $	2013 $
Loan to associated company	19,592,877	19,115,728	–	–
Loan to joint venture	9,129,222	8,938,785	–	–
Loan to subsidiary	–	–	17,494,678	17,145,078
	28,722,099	**28,054,513**	**17,494,678**	**17,145,078**

The loan to an associated company amounting to $19,592,877 (2013: $19,115,728) is unsecured, interest-bearing at 2.0% (2013: 2.0%) per annum above SIBOR and will be repayable in full on 26 June 2018.

The loan to joint venture of $9,129,222 (2013: $8,938,785) and loan to subsidiary are unsecured and interest-free advances for the purpose of operating and development activities in their respective fields.

The loans have remaining maturity periods of 3 – 4 years (2013: 4 – 5 years). The loans are recognised initially at fair value. The differences between the fair values and the absolute loans' amount represent capital contributions to the associated company and subsidiary and are recorded as part of investments in subsidiaries (Note 7), investments in joint ventures (Note 8) and investments in associated companies (Note 9).

The fair values of non-current other receivables are computed based on cash flows discounted at market borrowing rates. The fair values and the market borrowing rates used are as follows:

	Group		Company		Borrowing rate	
	2014 $	2013 $ (Restated)	2014 $	2013 $	2014 %	2013 %
Loans to an associated company	18,075,712	17,313,704	–	–	1.63	2.00
Loan to joint venture	8,559,168	8,264,536	–	–	1.63	1.98
Loan to subsidiary	–	–	16,139,986	15,528,825	1.63	2.00

12 FINANCIAL ASSETS, HELD-TO-MATURITY

	Group	
	2014 $	2013 $
Non-current portion	–	500,000
	–	**500,000**

Held-to-maturity financial assets are analysed as follow:

	Group	
	2014 $	2013 $
Unlisted debt securities		
– Bonds with fixed interest of 4.30% and maturity date of 9 November 2016		
– Singapore	–	500,000
	–	**500,000**

The fair values of the bonds at the balance sheet date are as follows:

	Group	
	2014 $	2013 $
Bonds with fixed interest of 4.30% and maturity date of 9 November 2016	–	523,063

The fair values are based on available market or common reference prices provided by the bank.

13 FINANCIAL ASSETS, AVAILABLE-FOR-SALE – NON-CURRENT

	Group	
	2014 $	2013 $
Beginning of financial year	1,712,793	2,756,498
Additions	–	–
Currency translation differences	–	25,720
Fair value gain/(loss) recognised in other comprehensive income (Note 20)	32,500	(69,425)
Disposal	(749,848)	(1,000,000)
End of financial year	**995,445**	**1,712,793**

Financial assets, available-for-sale are analysed as follows:

	Group	
	2014 $	2013 $
Listed debt securities		
– Bonds with fixed interest of 7.875% without fixed maturity – United States	–	749,848
– Bonds with fixed interest of 5.125% without fixed maturity – Singapore	995,445	962,945
	995,445	**1,712,793**

The fair value of unlisted debt securities is based on available market or common reference prices provided by the bank.

14 PROPERTY, PLANT AND EQUIPMENT

	Building	Leasehold property	Land	Plant and machinery	Motor vehicles	Office equipment	Furniture and fittings	Signboard	Total
	$	$	$	$	$	$	$	$	$
Group									
2014									
Cost									
Beginning of financial year	3,404,068	3,680,257	2,111,614	22,578,727	9,891,906	493,699	887,691	10,450	43,058,412
Additions	–	–	–	722,800	1,622,010	15,000	–	–	2,359,810
Disposals	–	–	–	(227,625)	(442,137)	–	–	–	(669,762)
End of financial year	**3,404,068**	**3,680,257**	**2,111,614**	**23,073,902**	**11,071,779**	**508,699**	**887,691**	**10,450**	**44,748,460**
Accumulated depreciation									
Beginning of financial year	134,826	981,401	–	14,264,492	8,010,981	193,885	347,435	4,180	23,937,200
Depreciation charge (Note 25)	68,081	245,350	–	1,716,689	609,300	99,093	175,463	1,045	2,915,021
Disposals	–	–	–	(220,850)	(369,115)	–	–	–	(589,965)
End of financial year	**202,907**	**1,226,751**	**–**	**15,760,331**	**8,251,166**	**292,978**	**522,898**	**5,225**	**26,262,256**
Net book value at end of financial year	**3,201,161**	**2,453,506**	**2,111,614**	**7,313,571**	**2,820,613**	**215,721**	**364,793**	**5,225**	**18,486,204**

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Building	Leasehold property	Land	Plant and machinery	Motor vehicles	Office equipment	Furniture and fittings	Signboard	Total
	$	$	$	$	$	$	$	$	$
Group									
2013									
Cost									
Beginning of financial year	3,337,255	3,680,257	2,111,614	21,093,943	9,188,609	451,114	832,845	10,450	40,706,087
Additions	66,813	–	–	1,891,700	1,275,282	42,585	54,846	–	3,331,226
Disposals	–	–	–	(406,916)	(571,985)	–	–	–	(978,901)
End of financial year	**3,404,068**	**3,680,257**	**2,111,614**	**22,578,727**	**9,891,906**	**493,699**	**887,691**	**10,450**	**43,058,412**
Accumulated depreciation									
Beginning of financial year	66,745	736,051	–	12,622,074	7,825,776	97,795	171,585	3,135	21,523,161
Depreciation charge (Note 25)	68,081	245,350	–	1,854,761	719,544	96,090	175,850	1,045	3,160,721
Disposals	–	–	–	(212,343)	(534,339)	–	–	–	(746,682)
End of financial year	**134,826**	**981,401**	**–**	**14,264,492**	**8,010,981**	**193,885**	**347,435**	**4,180**	**23,937,200**
Net book value at end of financial year	**3,269,242**	**2,698,856**	**2,111,614**	**8,314,235**	**1,880,925**	**299,814**	**540,256**	**6,270**	**19,121,212**

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Motor vehicles $	Building cost $	Land $	Office equipment $	Furniture and fittings $	Total $
Company						
2014						
Cost						
Beginning and end of financial year	148,988	3,404,067	2,111,614	388,519	883,858	6,937,046
Accumulated depreciation						
Beginning of financial year	148,988	134,825	–	157,497	346,413	787,723
Depreciation charge	–	68,081	–	75,852	175,080	319,013
End of financial year	148,988	202,906	–	233,349	521,493	1,106,736
Net book value at end of financial year	**–**	**3,201,161**	**2,111,614**	**155,170**	**362,365**	**5,830,310**
2013						
Cost						
Beginning of financial year	148,988	3,337,255	2,111,614	378,334	829,013	6,805,204
Additions	–	66,812	–	10,185	54,845	131,842
End of financial year	**148,988**	**3,404,067**	**2,111,614**	**388,519**	**883,858**	**6,937,046**
Accumulated depreciation						
Beginning of financial year	135,690	66,744	–	81,645	170,946	455,025
Depreciation charge	13,298	68,081	–	75,852	175,467	332,698
End of financial year	**148,988**	**134,825**	**–**	**157,497**	**346,413**	**787,723**
Net book value at end of financial year	**–**	**3,269,242**	**2,111,614**	**231,022**	**537,445**	**6,149,323**

(i) As at 31 December 2014, the details of the Group's leasehold property is as follows:

Properties/ Location	Nature	Purpose	Approximate built-in area (in sq. ft.)	Net book value 2014 $	2013 $
2A Sungei Kadut Drive Singapore 729554	Leasehold	Fabrication yard/ workshop /office	55,865	2,453,506	2,698,856

(ii) Included within additions in the consolidated financial statements are plant and machinery, and motor vehicles acquired under finance leases amounting to $318,000 (2013: $1,421,500) and $192,048 (2013: $802,883) respectively at the balance sheet date.

The carrying amount of plant and machinery, and motor vehicles held under finance leases are $2,135,811 (2013: $2,184,980) and $507,598 (2013: $745,926) respectively.

15 INTANGIBLE ASSETS

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Composition:				
Goodwill arising on consolidation	1,687,551	1,687,551	–	–
Computer software licenses	141,018	211,528	15,618	23,428
	1,828,569	1,899,079	15,618	23,428

(a) Goodwill arising on consolidation

This represents goodwill on consolidation which is the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

	2014	2013	2014	2013
	$	$	$	$
Cost/Net book value				
Beginning and end of financial year	1,687,551	1,687,551	–	–

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segments.

A segment-level summary of the goodwill allocation is as follows:

	2014	2013
	$	$
Construction	1,485,045	1,485,045
Maintenance	202,506	202,506
	1,687,551	1,687,551

The recoverable amount of a CGU was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rates did not exceed the long-term average growth rates for the business in which the CGU operates.

Key assumptions used for value-in-use calculations:

	Construction	Maintenance
2014		
Gross margin	8%–15%	5%–10%
Growth rate	5%	10%
Discount rate	1%–2%	1%–2%
2013		
Gross margin	10%–20%	0.5%–5%
Growth rate	5%	10%
Discount rate	1%–2%	1%–2%

15 INTANGIBLE ASSETS (cont'd)

(a) Goodwill arising on consolidation (cont'd)

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations of market developments. The average growth rates used were consistent with the forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

(b) Computer software licenses

	Group		Company	
	2014 $	2013 $	2014 $	2013 $
Cost				
Beginning and end of financial year	352,546	352,546	39,046	39,046
Accumulated amortisation				
Beginning of financial year	141,018	70,509	15,618	7,809
Amortisation charge (Note 25)	70,510	70,509	7,810	7,809
End of financial year	211,528	141,018	23,428	15,618
Net book value	141,018	211,528	15,618	23,428

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2014 $	2013 $ (Restated)	2014 $	2013 $
Trade payables				
– Non-related parties	19,777,027	23,566,443	57,962	60,877
Non-trade payables				
– Subsidiaries	–	–	5,348,939	5,569,376
– Non-controlling shareholder of a subsidiary	449,534	449,534	–	–
– Joint venture partners	50,000	50,000	–	–
	499,534	499,534	5,348,939	5,569,376
Construction contracts				
– Advances received (Note 6)	1,138,804	–	–	–
Accrued operating expenses	9,785,786	9,431,977	909,257	1,197,399
Other payables	107,759	168,740	–	–
	31,308,910	33,666,694	6,316,158	6,827,652

The non-trade amounts due to subsidiaries, non-controlling shareholder of a subsidiary and joint venture partners are unsecured, interest-free and are repayable on demand.

17 FINANCE LEASE LIABILITIES

The Group leases certain plant and machinery, and motor vehicles from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	Group	
	2014 $	2013 $
Minimum lease payments due:		
– Not later than one year	820,260	789,777
– Between one and five years	1,561,346	2,133,579
	2,381,606	2,923,356
Less: Future finance charges	(146,685)	(181,226)
Present value of finance lease liabilities	**2,234,921**	**2,742,130**

The present values of finance lease liabilities are analysed as follows:

	Group	
	2014 $	2013 $
Not later than one year	722,049	738,490
Between one and five years	1,512,872	2,003,640
Total	**2,234,921**	**2,742,130**

The exposure of the finance leases of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group	
	2014 $	2013 $
6 months or less	350,439	379,655
6–12 months	371,610	358,835
1–5 years	1,512,872	2,003,640
	2,234,921	**2,742,130**

Security granted

Finance lease liabilities of the Group are effectively secured over the leased plant and machinery, and motor vehicles (Note 14), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities. The finance lease liabilities are also secured by the Company's corporate guarantee (Note 35).

18 DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		Company	
	2014 $	2013 $	2014 $	2013 $
Deferred income tax liabilities				
– to be settled within one year	42,271	50,722	809	–
– to be settled after one year	518,262	939,032	85,876	90,287
	560,533	**989,754**	**86,685**	**90,287**

Movement in deferred income tax account is as follows:

	Group		Company	
	2014 $	2013 $	2014 $	2013 $
Beginning of financial year	989,754	840,486	90,287	25,368
Tax (credit)/charge to				
– profit or loss (Note 28)	223,466	149,268	(3,602)	64,919
– equity (Note 20)	(6,936)	–	–	–
	216,530	149,268	(3,602)	64,919
Over provision in prior financial years (Note 28)	(645,751)	–	–	–
End of financial year	**560,533**	**989,754**	**86,685**	**90,287**

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Deferred income tax liabilities

	Group		
	Accelerated tax depreciation $	Fair value gain $	Total $
2014			
Beginning of financial year	971,147	18,607	989,754
Tax credit to profit or loss	(422,285)	–	(422,285)
Tax charge to equity	–	(6,936)	(6,936)
End of financial year	**548,862**	**11,671**	**560,533**
2013			
Beginning of financial year	873,026	18,607	891,633
Tax charge to profit or loss	98,121	–	98,121
End of financial year	**971,147**	**18,607**	**989,754**

18 DEFERRED INCOME TAXES (cont'd)

Deferred income tax assets

	Group
	Provision
	$
2014	
Beginning and end of financial year	–
2013	
Beginning of financial year	(51,147)
Tax charge to profit or loss	51,147
End of financial year	–

Deferred income tax liabilities

	Company
	Accelerated tax depreciation
	$
2014	
Beginning of financial year	90,287
Tax charge to profit or loss	(3,602)
End of financial year	**86,685**
2013	
Beginning of financial year	25,368
Tax charge to profit or loss	64,919
End of financial year	**90,287**

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to extent that realisation of the related tax benefits through future taxable profit is probable. The Group has unrecognised tax losses of $453,860 (2013: $435,494) and capital allowances of $2,338,000 (2013: $1,866,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in Singapore. The tax losses and capital allowances have no expiry date.

19 SHARE CAPITAL

	No. of ordinary shares $	Amount $
Group and Company		
2014		
Beginning and end of financial year	**308,430,594**	**36,832,301**
2013		
Beginning of financial year	307,220,210	36,578,120
Issue of new shares	1,210,384	254,181
End of financial year	**308,430,594**	**36,832,301**

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the preceding financial year, the Company issued $1,210,384 ordinary shares at $0.20 per share upon the exercise of $1,210,384 warrants with an issue price of $0.01 for each warrant (Note 20). The newly issued shares ranked *pari passu* in all respects with the previously issued shares.

20 OTHER RESERVES

	Group		Company	
	2014 $	**2013 $**	**2014 $**	**2013 $**
(a) Composition:				
Warrants reserve	–	–	–	–
Fair value reserve	(19,107)	(7,216)	–	–
Asset revaluation reserve	1,372,330	1,372,330	–	–
	1,353,223	**1,365,114**	**–**	**–**

(b) Movements:

(i) Warrants reserve

	Group and Company	
	2014 $	**2013 $**
Beginning of financial year	–	18,941
Warrants exercised	–	(12,104)
Warrants expired (Note 21)	–	(6,837)
End of financial year	–	–

20 OTHER RESERVES (cont'd)

On 6 January 2010, the Company had completed a renounceable and non-underwritten rights issue of up to 61,822,852 warrants, at an issue price of $0.01 for each warrant, with each warrant carrying the right to subscribe for one new share at an exercise price of $0.20 for each new share (Note 19), on the basis of one warrant for every four shares held by the entitled shareholders. The warrants were subsequently listed and quoted on the Official List of the SGX-ST on 8 January 2010.

During the preceding financial year, 683,666 warrants were expired, and there were no outstanding warrants as at 31 December 2014 and 31 December 2013.

(ii) Fair value reserve

	Group	
	2014 $	2013 $
Beginning of financial year	(7,216)	88,222
Financial assets, available-for-sale		
– Fair value gain/(loss) (Note 13)	32,500	(69,425)
– Tax on fair value changes (Note 18)	6,936	–
	39,436	(69,425)
Reclassification to profit or loss (Note 25)	(51,327)	(26,013)
End of financial year	**(19,107)**	**(7,216)**

(iii) Asset revaluation reserve

	Group	
	2014 $	2013 $
Beginning and end of financial year	**1,372,330**	**1,372,330**

Other reserves are non-distributable.

21 RETAINED PROFITS

(a) Retained profits of the Group and the Company are distributable.

(b) Movement in retained profits for the Company is as follows:

	Company	
	2014 $	2013 $
Beginning of financial year	3,824,007	6,423,242
Net profit	897,305	2,020,387
Warrant expired (Note 20)	–	6,837
Dividends paid (Note 30)	(925,291)	(4,626,459)
End of financial year	**3,796,021**	**3,824,007**

22 REVENUE

	Group	
	2014 $	2013 $ (Restated)
Revenue from construction	71,112,754	78,676,424
Revenue from maintenance	38,363,263	28,317,459
	109,476,017	106,993,883

23 COST OF WORKS

Included in the cost of works are the following:

	Group	
	2014 $	2013 $
Depreciation of property, plant and equipment	2,284,381	2,353,448
Employee compensation costs:		
– Salaries and bonuses	21,341,403	20,252,758
– Employer's contribution to defined contribution plans including Central Provident Fund	4,475,510	4,116,058

24 OTHER INCOME

	Group	
	2014 $	2013 $ (Restated)
Interest income		
– bank deposits	120,259	140,456
– loans to an associated company	477,149	451,438
– financial assets, held-to-maturity	11,722	32,814
– financial assets, available-for-sale	59,056	111,837
	668,186	736,545
Rental income		
– investment properties (Note 10)	117,482	50,305
– machinery	475	2,006
	117,957	52,311
Fair value gain on investment properties (Note 10)	120,000	190,000
Net gain/(loss) on disposal of property, plant and equipment	185,141	(49,559)
Government grant	153,602	78,384
Back charges to sub-contractors	145,632	47,467
Currency translation gain	88,251	86,332
Other	93,762	126,508
	1,572,531	**1,267,988**

The Group received grants awarded by Building and Construction Authority ("BCA") upon attainment of membership during the financial year ended 31 December 2013. Funds received from BCA includes that for workforce development, technology adoption, capability development, which aims to improve the productivity and capability of the Group.

25 EXPENSES BY NATURE

	Group	
	2014	**2013**
	$	**$**
		(Restated)
Fees paid/payable to auditor of the Company for:		
– audit services	132,750	125,500
– non-audit services	28,800	25,464
Purchases of materials	29,779,879	24,692,587
Sub-contractors' cost	29,305,544	32,275,648
Amortisation of intangible assets (Note 15)	70,510	70,509
Depreciation of property, plant and equipment (Note 14)	2,915,021	3,160,721
Employees compensation (Note 26)	31,052,261	29,742,725
Reclassification from other comprehensive income (Note 20)	(51,327)	(26,013)
Professional fees	2,093,367	2,426,540
Property tax	113,316	113,391
Worksite expenses	3,139,621	2,418,093
Rental expenses on operating lease	1,770,857	1,856,948
Upkeep of machineries and equipment	2,375,936	2,143,446
Upkeep of motor vehicles and lorries	1,251,573	663,706
Other expenses	4,857,212	4,262,746
Total cost of works, administrative and other expenses	**108,835,320**	**103,952,011**

26 EMPLOYEES COMPENSATION

	Group	
	2014	**2013**
	$	**$**
Salaries and bonuses	26,314,441	25,394,943
Employer's contribution to defined contribution plans including Central Provident Fund	4,737,820	4,347,782
	31,052,261	**29,742,725**

27 FINANCE EXPENSES

	Group	
	2014	**2013**
	$	**$**
Interest expense		
– Finance lease liabilities	**53,675**	**58,545**

28 INCOME TAXES

(a) Income tax expense

	Group	
	2014	**2013**
	$	**$**
		(Restated)
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
– Current income tax – Singapore	140,000	470,000
– Deferred income tax (Note 18)	223,466	149,268
	363,466	619,268
Over provision of income tax in prior financial years:		
– Current income tax – Singapore	(57,244)	(111,516)
– Deferred income tax (Note 18)	(645,751)	–
	(339,529)	**507,752**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax is as follows:

	Group	
	2014	**2013**
	$	**$**
		(Restated)
Profit before income tax	2,199,289	5,317,192
Share of profit of joint ventures, net of tax	(315,385)	(1,172,041)
Share of loss of associated companies, net of tax	224,322	106,164
Profit before income tax and share of results of associated companies and joint ventures	2,108,226	4,251,315
Tax calculated at a tax rate of 17% (2013: 17%)	358,399	722,724
Effects of:		
– tax incentives	(163,947)	(253,059)
– income not subject to tax	(250,479)	(134,680)
– expenses not deductible for tax purposes	305,308	245,354
– deferred income tax assets not recognised	83,445	5,565
– other	30,740	33,364
	363,466	**619,268**

28 INCOME TAXES (cont'd)

(b) Movement in current income tax liabilities

	Group		Company	
	2014 $	2013 $ (Restated)	2014 $	2013 $
Beginning of financial year	470,445	2,124,000	20,000	–
Income tax paid	(380,715)	(2,012,039)	(10,010)	–
Tax expense	140,000	470,000	21,000	20,000
Over provision in prior financial years	(57,244)	(111,516)	(9,990)	–
End of financial year	**172,486**	**470,445**	**21,000**	**20,000**

29 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

	Group	
	2014 $	2013 $
Net profit attributable to equity holders of the Company	$2,541,056	$4,811,915
Weighted average number of ordinary shares outstanding for basic earnings per share	308,430,594	308,430,594
Basic and diluted earnings per share (cents per share)	**0.82**	**1.56**

Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

30 DIVIDENDS

	Group and Company	
	2014	**2013**
	$	**$**
Ordinary dividends paid		
Final one-tier tax exempt dividend paid in respect of the previous financial year of 0.1 cents (2013: 0.15 cents) per share (Note 21)	**925,291**	**4,626,459**

At the coming Annual General Meeting on 27 April 2015, a final tax exempt (one-tier) dividend of 0.1 cents per share amounting to a total of approximately $308,431 will be recommended. These financial statements do not reflect these dividends, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2015.

31 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

Key management personnel compensation

	Group	
	2014	**2013**
	$	**$**
Wages and salaries	3,070,107	3,335,916
Employer's contribution to defined contribution plans including Central Provident Fund	94,527	93,292
	3,164,634	**3,429,208**

Included in the above is total compensation to directors of the Company amounting to $2,512,880 (2013:$2,773,294).

32 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board of Directors then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

32 FINANCIAL RISK MANAGEMENT (cont'd)

(i) Market risk

(a) Currency risk

The Group's exposure to foreign exchange rate risk is kept at minimal level as its costs and revenues are predominately denominated in Singapore Dollar. Currency risk arises within entities in the Group when transactions denominated in foreign currencies such as the United States Dollar ("USD").

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $	USD $	Total $
At 31 December 2014			
Financial assets			
Cash and cash equivalents and financial assets, available-for-sale	32,348,564	2,656,242	35,004,806
Trade and other receivables	62,218,252	–	62,218,252
Inter-company balances	13,615,492	–	13,615,492
	108,182,308	**2,656,242**	**110,838,550**
Financial liabilities			
Finance lease liabilities	2,234,921	–	2,234,921
Inter-company balances	13,615,492	–	13,615,492
Other financial liabilities	31,308,910	–	31,308,910
	47,159,323	**–**	**47,159,323**
Net financial assets	**61,022,985**	**2,656,242**	**63,679,227**
Currency exposure of financial assets net of those denominated in the respective entities functional currencies	**–**	**2,656,242**	**2,656,242**

	SGD $ (Restated)	USD $	Total $ (Restated)
At 31 December 2013			
Financial assets			
Cash and cash equivalents and financial assets, available-for-sale	36,773,847	2,516,268	39,290,115
Trade and other receivables	59,339,559	–	59,339,559
Inter-company balances	13,676,034	–	13,676,034
Other financial assets	500,000	–	500,000
	110,289,440	**2,516,268**	**112,805,708**
Financial liabilities			
Finance lease liabilities	2,742,129	–	2,742,129
Inter-company balances	13,676,034	–	13,676,034
Other financial liabilities	33,666,694	–	33,666,694
	50,084,857	**–**	**50,084,857**
Net financial assets	**60,204,583**	**2,516,268**	**62,720,851**
Currency exposure of financial assets net of those denominated in the respective entities functional currencies	**–**	**2,516,268**	**2,516,268**

32 FINANCIAL RISK MANAGEMENT (cont'd)

(i) Market risk (cont'd)

(a) Currency risk (cont'd)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD $	USD $	Total $
At 31 December 2014			
Financial assets			
Cash and cash equivalents	2,931,215	741,207	3,672,422
Trade and other receivables	19,988,223	–	19,988,223
	22,919,438	**741,207**	**23,660,645**
Financial liabilities			
Other financial liabilities	6,316,158	–	6,316,158
Net financial assets	**16,603,280**	**741,207**	**17,344,487**
Currency exposure of financial assets net of those denominated in the respective entities functional currencies	**–**	**741,207**	**741,207**

	SGD $	USD $	Total $
At 31 December 2013			
Financial assets			
Cash and cash equivalents	2,144,308	635,310	2,779,618
Trade and other receivables	21,099,952	–	21,099,952
	23,244,260	**635,310**	**23,879,570**
Financial liabilities			
Other financial liabilities	6,827,652	–	6,827,652
Net financial assets	**16,416,608**	**635,310**	**17,051,918**
Currency exposure of financial assets net of those denominated in the respective entities functional currencies	**–**	**635,310**	**635,310**

If the USD changes against the SGD by 5% (2013: 5%) with all other variables including tax rate being held constant, the effect arising from the net financial asset position will be insignificant.

(b) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing liabilities, the Group's finance costs are substantially independent of changes in market interest rates.

32 FINANCIAL RISK MANAGEMENT (cont'd)

(i) Market risk (cont'd)

(b) Cash flow and fair value interest rate risks (cont'd)

The Group's interest rate risk is primarily from short-term deposits (that will mature from 1 to 12 months) and interest-bearing advances to associated company. These short-term bank deposits are placed on a short-term basis according to the Group's cash flow requirements, and hence the Group does not hedge against interest rate fluctuations.

The effective interest rates for short-term deposits and advances to associated company ranged from 0.075% to 0.8% and 2% above Sibor respectively per annum in 2014 (2013: 0.085% to 0.75% and 2% above Sibor respectively per annum). If the interest rates had increased/decreased by 0.5% (2013: 0.5%) with all other variables including tax rate being held constant, the effect to net profit as a result of higher/lower interest income on these deposits will not be significant.

(c) Price risks

The Group is exposed to debt securities price risk arising from the investments held by the Group which is classified as available-for-sale and held-to-maturity on the consolidated balance sheet. To manage its price risk arising from investment in debt securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

If price for debts securities change by 5% (2013: 5%) with all other variables including tax rate being held constant, the effect on other comprehensive income will not be significant.

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of focusing on government bodies as its customers due to their low default risk on billings and payments. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Group Managing Director based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the Group Managing Director.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Group	
	2014 $	2013 $
Corporate guarantees provided to banks for subsidiaries' banking facilities		
– Finance lease (Note 17 and 35)	**2,234,921**	**2,742,130**

The trade receivables of the Group comprise 3 debtors (2013: 1 debtors) that individually represented 20%–45% (2013: 62%) of trade receivables.

32 FINANCIAL RISK MANAGEMENT (cont'd)

(ii) Credit risk (cont'd)

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2014 $	2013 $ (Restated)	2014 $	2013 $
By geographical areas				
Singapore	**8,354,134**	**6,778,654**	**2,450,000**	**3,915,300**
By types of customers				
Non-related parties				
– Government bodies	6,599,882	5,181,218	–	–
– Non-government bodies	1,754,252	1,597,436	–	–
Subsidiaries	–	–	2,450,000	3,915,300
	8,345,134	**6,778,654**	**2,450,000**	**3,915,300**

(a) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(b) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2014 $	2013 $
Past due 0 to 3 months	280,541	–
Past due 3 to 6 months	–	29,580
	280,541	**29,580**

The carrying amount of other receivables individually determined to be impaired and the movement in the allowance for impairment is as follows:

	Group		Company	
	2014 $	2013 $	2014 $	2013 $
Beginning and end of financial year	**1,474,203**	**1,474,203**	**687,863**	**687,863**

The impaired other receivables of the Group arise from advances to a third party who have liquidity problem.

The impaired other receivables of the Company arise from advances to subsidiaries who have losses in their operations and are inactive.

32 FINANCIAL RISK MANAGEMENT (cont'd)

(iii) Liquidity risk

The Group and the Company manage the liquidity risk by maintaining sufficient cash and cash equivalents and having an adequate amount of committed credit facilities to enable them to meet their normal operating commitments.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Total $
Group				
At 31 December 2014				
Trade and other payables	31,308,910	–	–	31,308,910
Finance lease liabilities	771,114	1,286,629	323,863	2,381,606
	32,080,024	**1,286,629**	**323,863**	**33,690,516**
	$	**$**	**$**	**$**
At 31 December 2013	**(Restated)**			**(Restated)**
Trade and other payables	33,666,684	–	–	33,666,684
Finance lease liabilities	789,777	1,407,086	726,493	2,923,356
	34,456,461	**1,407,086**	**726,493**	**36,590,040**
	$	**$**	**$**	**$**
Company				
At 31 December 2014				
Trade and other payables	6,316,158	–	–	6,316,158
Financial guarantee contracts	771,114	1,286,629	323,863	2,381,606
	7,087,272	**1,286,629**	**323,863**	**8,697,764**
At 31 December 2013				
Trade and other payables	6,827,652	–	–	6,827,652
Financial guarantee contracts	789,777	1,407,086	726,493	2,923,356
	7,617,429	**1,407,086**	**726,493**	**9,751,008**

32 FINANCIAL RISK MANAGEMENT (cont'd)

(iv) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group's and Company's strategies in monitoring their capital, which were unchanged since 2013, are to maintain gearing ratios within 25% to 30% and 15% to 20% respectively.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		Company	
	2014 $	2013 $	2014 $	2013 $
Net debt	–	–	2,643,736	4,048,034
Total equity	98,304,809	96,703,174	40,628,322	40,656,308
Total capital	**98,304,809**	**96,703,174**	**43,272,058**	**44,704,342**
Gearing ratio	–	–	6%	9%

The Group and Company are not subject to externally imposed capital requirements for the financial years ended 31 December 2013 and 2014.

(v) Fair value measurements

The following table presents assets and liabilites measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $
Group	
As at 31 December 2014	
Financial assets, available-for-sale	**995,445**
As at 31 December 2013	
Financial assets, available-for-sale	**1,712,793**

32 FINANCIAL RISK MANAGEMENT (cont'd)

(vi) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 12 and Note 13 to the financial statements, except for the following:

	Group		Company	
	2014 $	2013 $	2014 $	2013 $
Loans and receivables	96,227,613	96,916,881	23,660,645	23,879,570
Financial liabilities at amortised cost	**32,405,027**	**36,408,824**	**6,316,158**	**6,827,652**

33 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group's operating segments are its strategic business units which offer different services and are managed separately. The reportable segment presentation is based on the Group's management and internal reporting structure used for its strategic decision-making purposes. Currently, the business segments operate only in Singapore.

Other service included in Singapore is investment holding, which is not included within the reportable operating segments, as this is not included in the reports provided to the Board of Directors. The result of this operation, if any, is included in the "unallocated segments".

The Group's activities comprise the following reportable segments:

Construction – It relates to the construction of urban and arterial roads, expressways, vehicular bridges, flyovers and buildings, airports infrastructure, and oil and gas-related infrastructure for petrochemical plants and oil storage terminals.

Maintenance – It relates to re-construction work performed on roads, road reserves, pavements, footpaths and kerbs, guardrails, drains, signboards as well as bus bays and shelters.

33 **SEGMENT INFORMATION (cont'd)**

	31 December 2014			31 December 2013		
	Construction	**Maintenance**	**Total**	**Construction**	**Maintenance**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
				(Restated)	**(Restated)**	**(Restated)**
<u>**Group**</u>						
Revenue						
Total segment revenue	71,112,753	44,397,255	115,510,008	78,676,424	31,967,353	110,643,777
Inter-segment revenue	–	(6,033,992)	(6,033,992)	–	(3,649,894)	(3,649,894)
Revenue to external parties	**71,112,753**	**38,363,263**	**109,476,016**	**78,676,424**	**28,317,459**	**106,993,883**
Gross (loss)/profit	(3,667,540)	12,427,139	8,759,599	10,979,554	191,124	11,170,678
Other income			1,572,531			1,267,988
Unallocated costs			(8,170,229)			(8,128,806)
Share of profit of Joint venture companies			315,385			1,072,041
Share of loss of associated companies			(224,322)			(6,164)
			2,252,964			5,375,737
Finance expense			(53,675)			(58,545)
Profit before income tax			2,199,289			5,317,192
Income tax expense			339,529			(507,752)
Net profit			2,538,818			4,809,440
Depreciation	1,896,509	1,018,512	2,915,021	2,418,224	742,497	3,160,721
Amortisation	68,253	2,257	70,510	68,253	2,256	70,509
Segment Assets	**27,670,828**	**12,521,251**	**40,192,079**	**26,663,427**	**11,432,790**	**38,096,217**
<u>Segment assets included:</u>						
Additions to property, plant and equipment	1,535,279	824,531	2,359,810	2,368,764	962,462	3,331,226
Segment Liabilities	**14,055,490**	**11,728,450**	**25,783,940**	**19,052,457**	**11,189,309**	**30,241,766**

Revenue between segments is carried out at market terms. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

The Board of Directors assesses the performance of the operating segments based on gross profit. Administrative and finance expenses, and other income are not allocated to segments.

33 SEGMENT INFORMATION (cont'd)

Reportable segments' assets are reconciled to total assets as follows:

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the intangible asset, construction contract work in progress, and trade receivables. All assets are allocated to reportable segments other than cash and cash equivalents, deposits, prepayments, other receivables, investment property, financial assets, available-for-sale, financial assets, held-to-maturity, and property, plant and equipment.

	2014 $	2013 $ (Restated)
Segment assets for reportable segments	40,192,079	38,096,217
Unallocated:		
– Cash and cash equivalents	34,009,361	37,577,322
– Deposits, prepayments, and other receivables	5,036,471	4,490,139
– Loan to associated companies	28,722,099	28,054,513
– Investment properties	5,140,000	5,020,000
– Financial assets, held-to-maturity	–	500,000
– Financial assets, available-for-sale	995,445	1,712,793
– Property, plant and equipment	18,486,204	19,121,212
	132,581,659	**134,572,196**

Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than other payables, income tax liabilities, deferred income tax liabilities and finance lease liabilities.

	2014 $	2013 $ (Restated)
Segment liabilities for reportable segments	25,783,940	30,241,766
Unallocated:		
– Other payables	5,524,970	3,424,928
– Income tax liabilities	172,486	470,445
– Deferred income tax liabilities	560,533	989,754
– Finance lease liabilities	2,234,921	2,742,129
	34,276,850	**37,869,022**

Revenues of $92,239,000 (2013: $90,890,000) are derived from a single external customer. These revenues are attributable to construction and maintenance segments.

34 COMMITMENTS

(i) Capital Commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Property, plant and equipment	**1,562,050**	212,000	**–**	–

(ii) Operating lease commitments – where the Group is a lessee

The Group leases land from non-related party under non-cancellable operating lease agreement.

The future minimum lease payables under non-cancellable operating lease contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2014	2013
	$	$
Not later than one year	118,160	111,987
Between one and five years	590,799	559,935
Later than five years	472,639	587,932
	1,181,598	**1,259,854**

(iii) Operating lease commitments – where the Group is a lessor

The Group leases out a residential space to a non-related party under non-cancellable operating lease at a fixed rate. The lease has remaining non-cancellable lease terms of up to 2 years to 5 years.

The future minimum lease payments receivable under this operating lease contracted for at the balance sheet but not recognised as receivables, is as follows:

	Group	
	2014	2013
	$	$
Not later than one year	191,546	34,400
Between one and five years	507,458	–
	699,004	**34,400**

35 CONTINGENT LIABILITIES

(i) Corporate guarantee

The Company has issued corporate guarantees to banks and financing institutions to secure the subsidiaries' finance leases (Note 17).

The directors estimated that the fair value of the corporate guarantee is not significant to the Company.

35 CONTINGENT LIABILITIES (cont'd)

(ii) Financial support

The Company provides financial support to certain subsidiaries to enable these subsidiaries to operate as going concern and to meet their liabilities as and when they fall due.

36 IMPACT OF CHANGE IN ACCOUNTING POLICY

The Group has applied FRS 111 retrospectively from 1 January 2013 in accordance with the transitional provisions of FRS 111. The adoption of FRS 111 resulted in the Group changing its accounting policy for its investments in joint ventures.

On adoption of FRS 111, the Group recognised its investment in joint venture at 1 January 2013 at the net carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. The Group has applied equity accounting as described in Note 2.1 from 1 January 2013 onwards.

The effects of the change in accounting policies on the balance sheet, comprehensive income and the cash flows of the Group at 1 January 2013 and 31 December 2013 are summarised below. The change in accounting policy has had no significant impact on earnings per share.

Impact of change in accounting policy on the statement of comprehensive income

Consolidated statement of comprehensive income

	For the year ended 31 December 2013, as previously reported $	Effect of change in accounting policy $	For the year ended 31 December 2013 $ (Restated)
Revenue	128,272,947	(21,279,064)	106,993,883
Cost of works	(115,719,130)	19,895,925	(95,823,205)
Gross profit	12,553,817	(1,383,139)	11,170,678
Other Income	1,254,635	13,353	1,267,988
Expenses			
– Administrative	(8,136,998)	8,192	(8,128,806)
– Finance	(58,545)	–	(58,545)
Share of results for associated company and joint ventures	(106,164)	1,172,041	1,065,877
Profit before income tax	5,506,745	(189,553)	5,317,192
Income tax expense	(697,305)	189,553	(507,752)
Net profit	4,809,440	–	4,809,440
Other comprehensive income, net of tax	(95,438)	–	(95,438)
Total comprehensive income	**4,714,002**	**–**	**4,714,002**

36 IMPACT OF CHANGE IN ACCOUNTING POLICY (cont'd)

Impact of change in accounting policy on the statement of financial position

Statement of financial position

	As at 31 December 2013, as previously reported $	Effect of change in accounting policy $	As at 31 December 2013 $ (Restated)	As at 1 January 2013, as previously reported $	Effect of change in accounting policy $	As at 1 January 2013 $ (Restated)
ASSETS						
Non-current assets	**57,085,741**	**2,434,819**	**59,520,560**	**48,004,528**	**1,262,289**	**49,266,817**
Includes:						
– Investment in associated companies	778,144	(683,081)	95,063	101,227	–	101,227
– Investment in joint ventures	–	3,117,900	3,117,900	–	1,262,289	1,262,289
Current Assets	**82,311,962**	**(7,260,326)**	**75,051,636**	**89,514,441**	**(4,789,137)**	**84,725,304**
Includes:						
– Cash and cash equivalents	39,863,125	(2,285,803)	37,577,322	53,992,166	(1,048,552)	52,943,614
– Trade and other receivables	36,907,856	(4,974,523)	31,933,333	30,917,859	(3,740,585)	27,177,274
Total assets	**139,397,703**	**(4,825,507)**	**134,572,196**	**137,518,969**	**(3,526,848)**	**133,992,121**
LIABILITIES						
Non-current liabilities	**2,993,394**	**–**	**2,993,394**	**1,770,390**	**–**	**1,770,390**
Current Liabilities	**39,701,136**	**(4,825,507)**	**34,875,629**	**39,375,026**	**(3,526,848)**	**35,848,178**
Includes:						
– Trade and other payables	38,287,633	(4,620,939)	33,666,694	36,647,937	(3,447,348)	33,200,589
– Current income tax liabilities	675,013	(204,568)	470,445	2,203,500	(79,500)	2,124,000
Total liabilities	**42,694,530**	**(4,825,507)**	**37,869,023**	**41,145,416**	**(3,526,848)**	**37,618,568**
NET ASSETS	**96,703,173**	**–**	**96,703,173**	**96,373,553**	**–**	**96,373,553**
EQUITY						
Capital and reserves attributable to equity holders of the company	**96,651,005**	**–**	**96,651,005**	**96,318,910**	**–**	**96,318,910**
Non- controlling interests	52,168	–	52,168	54,643	–	54,643
Total equity	**93,703,173**	**–**	**96,703,173**	**96,373,553**	**–**	**96,373,553**

36 IMPACT OF CHANGE IN ACCOUNTING POLICY (cont'd)

Impact of change in accounting policy on the statement of cash flow

Consolidated statement of cash flow

	For the year ended 31 December 2013, as previously reported $	Effect of change in accounting policy $	For the year ended 31 December 2013 $ (Restated)
Cash flows used in operating activities	**(228,969)**	**(1,236,763)**	**(1,465,732)**
Includes:			
– Cash used in operation	1,702,423	(1,296,572)	405,851
– Interest received	145,132	(4,676)	140,456
– Income tax paid	(2,076,524)	64,485	(2,012,039)
Cash flows used in investing activities	**(8,750,327)**	**(488)**	**(8,750,815)**
Cash flows used in financing activities	**(5,185,292)**	**–**	**(5,185,292)**
Net decrease in cash and cash equivalents	**(14,164,588)**	**(1,237,251)**	**(15,401,839)**

37 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards and amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2015 and which the group has not early adopted.

- FRS 27 (revised 2011) Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 28 (revised 2011) Investments in Associates and Joint Venture (effective for annual periods beginning on or after 1 January 2014)
- FRS 110 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 111 Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)
- FRS 112 Disclosures of Interest in Other Entities (effective for annual periods beginning on or after 1 January 2014
- Amendments to FRS 32 Financial Instruments: Offsetting of Financial Liabilities and Assets (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 36 Recoverable Amount Disclosures for Non-Financial Assets (effective for annual period beginning on or after 1 January 2014)
- Amendments to FRS 39 Novation of Derivatives and Continuation of Hedge Accounting (effective for annual period beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 111, FRS 112 and FRS 27(2011) and FRS 28(2011): Mandatory Effective Date (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 111, and FRS 112: Transition Guidance (effective for annual periods on or after 1 January 2014)
- Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities (effective for annual periods beginning on or after 1 January 2014)

The management anticipates that the adoption of the above FRS and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

LETTER TO SHAREHOLDERS

OKP HOLDINGS LIMITED
胡金標控股有限公司

(Company Registration No. 200201165G)
(Incorporated in the Republic of Singapore)

Board of Directors:-	**Registered Office:-**
Mr Or Kim Peow (Group Chairman)	30 Tagore Lane
Mr Or Toh Wat (Group Managing Director)	Singapore 787484
Mdm Ang Beng Tin (Executive Director)	
Mr Or Kiam Meng (Executive Director)	
Mr Oh Enc Nam (Executive Director)	
Mr Or Lay Huat Daniel (Executive Director)	
Dr Chen Seow Phun, John (Lead Independent Director)	
Mr Nirumalan s/o V Kanapathi Pillai (Independent Director)	
Mr Tan Boen Eng (Independent Director)	2 April 2015

To: The Shareholders of OKP Holdings Limited ("**Shareholders**")

Dear Sir/Madam

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

We refer to the Notice of the Annual General Meeting (the "2015 AGM") of OKP Holdings Limited (the "Company", and together with its subsidiaries, the "Group") dated 2 April 2015 in respect of the AGM to be held on Monday, 27 April 2015 at 11.00 am at 30 Tagore Lane Singapore 787484 and resolution 10 set out under "Special Business" in the Notice of the said AGM.

1. INTRODUCTION

Shareholders had approved a mandate (the "**Share Purchase Mandate**") at the extraordinary general meeting held on 20 April 2009 to enable the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**"). The Share Purchase Mandate had been subsequently renewed at the annual general meetings held on 20 April 2011, 25 April 2012, 30 April 2013 and 28 April 2014. The authority conferred on the directors of the Company (the "**Directors**") under the current Share Purchase Mandate will expire at the forthcoming Thirteenth AGM (2015 AGM) to be held on 27 April 2015.

Accordingly, the Directors propose to seek the approval of Shareholders for the renewal of the Share Purchase Mandate. The purpose of this letter ("**Letter**") is to provide Shareholders with information in relation to the renewal of the Share Purchase Mandate.

2. RATIONALE FOR THE SHARE PURCHASE MANDATE

The rationale for the Company to undertake the purchase or acquisition of its Shares is that the Share Purchase Mandate would give the Company the flexibility to undertake purchases of its Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. Share purchases provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. The Share Purchase Mandate will also allow the Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves, with a view to enhancing the net tangible assets and/or earnings per Share.

The purchase or acquisition of Shares will only be undertaken if the Directors believe that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised. No purchase or acquisition of Shares will be made in circumstances, which would have or may have a material adverse effect on the liquidity and capital of the Company and the Group.

3. AUTHORITY AND LIMITS OF THE SHARE PURCHASE MANDATE

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, if renewed at the 2015 AGM, are summarised below:-

(a) Maximum Number of Shares

The Company may purchase only Shares, which are issued and fully paid-up. The total number of Shares that may be purchased is limited to that number of Shares representing not more than 10% of the issued Shares as at the date of the 2015 AGM on which the resolution renewing the Share Purchase Mandate is passed (the **"Approval Date"**). Shares, which are held as treasury shares, will be disregarded for purposes of computing the 10% limit.

As at 10 March 2015 (the "**Latest Practicable Date**"), the Company had 308,430,594 issued Shares and no treasury shares, and thus up to 30,843,059 issued Shares may be purchased by the Company, assuming that the number of issued Shares (excluding treasury shares) of the Company remains unchanged up to the date of the 2015 AGM.

(b) Duration of Authority

Purchases of Shares may be made, at any time and from time to time, from the Approval Date up to the earliest of:-

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of Shareholders in general meeting.

(c) Manner of Purchase

Purchases of Shares may be made on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (**"Market Purchases"**) and/or otherwise than on the SGX-ST, in accordance with an equal access scheme (**"Off-Market Purchases"**) as defined in Section 76C(6) of the Companies Act, Chapter 50 (the "**Companies Act**").

Market Purchases refer to purchases of Shares by the Company effected on the SGX-ST through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:-

(i) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(iii) the terms of all the offers are the same, except that there shall be disregarded:-

(aa) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;

(bb) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and

(cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders, which must contain at least the following information:-

(i) the terms and conditions of the offer;

(ii) the period and procedures for acceptances;

(iii) the reasons for the proposed share purchase;

(iv) the consequences, if any, of share purchases by the Company that will arise under the Singapore Code on Take-overs and Mergers (the "**Take-over Code**") or other applicable take-over rules;

(v) whether the share purchase, if made, would have any effect on the listing of the Shares on the SGX-ST;

(vi) details of any share purchases made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price must not exceed:-

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price (as defined below),

(the **"Maximum Price"**) in either case, excluding related expenses of the purchase.

For the above purposes:-

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-day market period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities.

4. STATUS OF PURCHASED SHARES

Any Share which is purchased by the Company is deemed cancelled immediately on purchase (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. According to the key provisions on treasury shares under the Companies Act:-

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and other Rights

The Company will not have the right to attend or vote at meetings and/or to receive any dividends in respect of treasury shares. However, the allotment of treasury shares as fully paid bonus shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

The Company may dispose of treasury shares at any time in the following ways:-

(i) selling the treasury shares for cash;

(ii) transferring the treasury shares for the purposes of or pursuant to an employees' share scheme;

(iii) transferring the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancelling the treasury shares; or

(v) selling, transferring or otherwise using the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

5. SOURCE OF FUNDS

Any purchase of Shares may be made out of the Company's distributable profits that are available for payment as dividends. The Companies Act also permits the Company to purchase its Shares out of capital, provided that:-

(a) the Company is able to pay its debts in full at the time it purchases the Shares and will be able to pay its debts as they fall due in the normal course of business in the twelve (12) months immediately following the purchase; and

(b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase of Shares become less than the value of its liabilities (including contingent liabilities).

The Company will use internal sources of funds, or a combination of internal resources and external borrowings, to finance purchases of its Shares.

6. FINANCIAL EFFECTS

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed Share Purchase Mandate on the net tangible asset value and earnings per Share as the resultant effect would depend on factors such as the aggregate numbers of Shares purchased, the purchase prices paid at the relevant times, whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition, how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act, and the amounts (if any) borrowed by the Company to fund the purchases.

(a) Purchase or Acquisition Out of Capital or Profits

Where the purchase of Shares is made out of distributable profits, such purchase (including costs incidental to the purchase) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company, and a decline in the current ratios and shareholders' funds of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

(b) Illustrative Financial Effects

For illustrative purposes only and on the basis of the following assumptions:-

(i) that the purchase or acquisition by the Company of 30,843,059 Shares, representing 10% of its issued Shares (excluding treasury shares) as at the Latest Practicable Date, was made on 31 December 2014;

(ii) that the Company purchased or acquired Shares via Market Purchases at the Maximum Price of $0.273 for each Share (being 105% of the Average Closing Price as at 31 December 2014) or via Off-Market Purchases at the Maximum Price of $0.30 for each Share (being 120% of the Highest Last Dealt Price as at 31 December 2014);

(iii) that the purchase or acquisition of Shares by the Company, which required funds amounting to $8,420,155 for Market Purchases or $9,252,918 for Off-Market Purchases was financed entirely using its internal sources of funds; and

(iv) that the purchase or acquisition of Shares was made entirely out of capital and the Shares were held as treasury shares after the purchase or acquisition,

the financial effects of Share purchases by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**"), are set out below.

Scenario 1

Market Purchases of 30,843,059 Shares made entirely out of capital and held as treasury shares

	Group		Company	
$	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2014				
Share capital	36,832,301	36,832,301	36,832,301	36,832,301
Other reserves	1,353,223	1,353,223	–	–
Retained profits	60,069,355	60,069,355	3,796,021	3,796,021
	98,254,879	98,254,879	40,628,322	40,628,322
Non-controlling interests	49,930	49,930	–	–
	98,304,809	98,304,809	40,628,322	40,628,322
Treasury shares	–	(8,420,155)	–	(8,420,155)
Shareholders' funds	98,304,809	89,884,654	40,628,322	32,208,167
Current assets	74,075,753	65,655,598	6,189,325	2,516,903
Current liabilities	32,203,445	32,203,445	6,337,158	6,337,158
Cash and cash equivalents	34,009,361	25,589,206	3,672,422	–
Working capital	41,872,308	33,452,153	(147,833)	(3,820,255)
Total borrowings [(1)]	2,234,921	2,234,921	–	–
Net tangible assets [(2)]	96,426,310	88,006,155	40,612,704	32,192,549
Net profit after tax attributable to shareholders	2,541,056	2,541,056	897,305	897,305
Number of Shares	308,430,594	277,587,535	308,430,594	277,587,535
Financial Ratios				
Net tangible assets per Share (cents)	31.26	31.70	13.17	11.60
Earnings per Share [(3)] (cents)	0.82	0.92	0.29	0.32
Gearing ratio [(4)] (times)	0.02	0.02	–	–
Current ratio [(5)] (times)	2.30	2.04	0.98	0.40

Notes:-

(1) Total borrowings relate to finance leases.

(2) Net tangible assets equal total net assets less deferred expenditure and other intangible assets.

(3) Earnings per Share is calculated based on net profit after tax attributable to shareholders divided by the number of issued and paid-up shares.

(4) Gearing ratio equals total borrowings divided by shareholders' funds.

(5) Current ratio equals current assets divided by current liabilities.

Scenario 2

Off-Market Purchases of 30,843,059 Shares made entirely out of capital and held as treasury shares

	Group		Company	
$	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2014				
Share capital	36,832,301	36,832,301	36,832,301	36,832,301
Other reserves	1,353,223	1,353,223	–	–
Retained profits	60,069,355	60,069,355	3,796,021	3,796,021
	98,254,879	98,254,879	40,628,322	40,628,322
Non-controlling interests	49,930	49,930	–	–
	98,304,809	98,304,809	40,628,322	40,628,322
Treasury shares	–	(9,252,918)	–	(9,252,918)
Shareholders' funds	98,304,809	89,051,891	40,628,322	31,375,404
Current assets	74,075,753	64,822,835	6,189,325	2,516,903
Current liabilities	32,203,445	32,203,445	6,337,158	6,337,158
Cash and cash equivalents	34,009,361	24,756,443	3,672,422	–
Working capital	41,872,308	32,619,390	(147,833)	(3,820,255)
Total borrowings (1)	2,234,921	2,234,921	–	–
Net tangible assets (2)	96,426,310	87,173,392	40,612,704	31,359,786
Net profit after tax attributable to shareholders	2,541,056	2,541,056	897,305	897,305
Number of Shares	308,430,594	277,587,535	308,430,594	277,587,535
Financial Ratios				
Net tangible assets per Share (cents)	31.26	31.40	13.17	11.30
Earnings per Share (3) (cents)	0.82	0.92	0.29	0.32
Gearing ratio (4) (times)	0.02	0.03	–	–
Current ratio (5) (times)	2.30	2.01	0.98	0.40

Notes:-

(1) Total borrowings relate to finance leases.

(2) Net tangible assets equal total net assets less deferred expenditure and other intangible assets.

(3) Earnings per Share is calculated based on net profit after tax attributable to shareholders divided by the number of issued and paid-up shares.

(4) Gearing ratio equals total borrowings divided by shareholders' funds.

(5) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out in this Section 6 are purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical FY2014 numbers and is not necessarily representative of the Company's or the Group's future financial performance.

7. LISTING RULES

Under the listing rules of the SGX-ST, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than 5% above the average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs after the relevant five-day period. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 3(d) above, conforms to this restriction.

The listing rules of the SGX-ST specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchases of the shares, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, and the cumulative number of shares purchased. Such announcement will be made in the form prescribed by the Listing Manual.

While the listing rules of the SGX-ST do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Listing Manual on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of two (2) weeks immediately preceding the announcement of the Company's quarterly results or one (1) month immediately preceding the announcement of the Company's full-year results, as the case may be, and ending on the date of announcement of the relevant results.

8. LISTING STATUS ON THE SGX-ST

The Company is required under Rule 723 of the SGX-ST Listing Manual to ensure that at least 10% of its issued Shares (excluding treasury shares) are in the hands of the public. The "public", as defined in the Listing Manual, are persons other than the Directors, Chief Executive Officer (or, in the case of the Company, the Group Managing Director), substantial shareholders and controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there were approximately 90,676,184 issued Shares in the hands of the public (as defined above), representing 29.4% of the total number of issued Shares of the Company. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate and holds the purchased Shares as treasury shares, the number of issued Shares in the hands of the public would be reduced to 59,833,125 Shares, representing 21.54% of the total number of issued Shares (excluding treasury shares) of the Company. As at the Latest Practicable Date, the Company did not have any treasury shares.

In view of the foregoing, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without:-

(i) affecting adversely the listing status of the Shares on the SGX-ST;

(ii) causing market illiquidity; or

(iii) affecting adversely the orderly trading of Shares.

9. TAX IMPLICATIONS

(a) Where the Company uses its Distributable Profits for Share Purchases

Under Section 10J of the Income Tax Act, Chapter 134 (the **"Income Tax Act"**), a company which purchases its own shares using its distributable profits is deemed to have paid a dividend to the shareholders from whom the shares are acquired.

As the Company is under the one-tier corporate tax system, the provisions under Section 44 of the Income Tax Act do not apply to the Company. That is, the Company does not need to provide for the franking of dividends for any Share purchase made.

The tax treatment of the receipt from a Share purchase in the hands of the Shareholders will depend on whether the disposal arises from a Market Purchase or an Off-Market Purchase. Proceeds received by Shareholders who sell their Shares to the Company in Market Purchases will be treated for income tax purposes like any other disposal of shares made on SGX-ST and not as dividends. Whether or not such proceeds are taxable in the hands of such Shareholders will depend on whether such proceeds are receipts of an income or capital nature. Proceeds received by Shareholders who sell their Shares to the Company in an Off-Market Purchase effected by way of an equal access scheme will be treated for income tax purposes as receipts of dividends.

(b) Where the Company uses its Contributed Capital for the Share Purchase

Under Section 10J of the Income Tax Act, a company which purchases its own shares using its contributed capital is not deemed to have paid a dividend to its shareholders from whom the shares are acquired.

Proceeds received by Shareholders who sell their Shares to the Company for which the purchases were made out of contributed capital will be treated for income tax purposes like any other disposal of shares made on SGX-ST and not as dividends. Whether or not such proceeds are taxable in the hands of such Shareholders will depend on whether such proceeds are receipts of an income or capital nature.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

10. IMPLICATIONS OF TAKE-OVER CODE

(a) Obligation to Make a Take-over Offer

If as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change in control, or as a result of such increase a Shareholder or group of Shareholders acting in concert obtain or consolidate control, it may in certain circumstances give rise to an obligation on the part of such Shareholder or Shareholders to make a take-over offer under Rule 14 of the Take-over Code.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase of Shares by the Company are set out in Appendix 2 (**"TOC Appendix 2"**) of the Take-over Code.

In relation to Directors and persons acting in concert with them, Rule 14 provides that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer if, as a result of a purchase of Shares by the Company:-

(i) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or

(ii) if they together hold between 30% and 50% of the Company's voting rights, their voting rights increase by more than 1% in any period of six (6) months.

Under TOC Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

(b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert: (i) a company with any of its directors; and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of 20% or more of the equity share capital of a company will be regarded as the test of associated company status.

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

As at the Latest Practicable Date, Or Kim Peow Investments Pte Ltd, the controlling Shareholder of the Company, together with persons acting concert with it, comprising Or Kim Peow, Or Toh Wat, Ang Beng Tin, Or Kiam Meng, Oh Enc Nam and Or Lay Huat Daniel, who are Directors of the Company, and their close relatives, collectively held 56.62% of the voting rights of the Company. They would not be obliged to make a take-over offer under Rule 14 of the Take-over Code as a result of any purchase of Shares by the Company under the Share Purchase Mandate.

Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

11. REPORTING REQUIREMENTS

Within 30 days of the passing of the Shareholders' resolution to renew the Share Purchase Mandate, the Directors shall lodge a copy of such resolution with the Registrar of Companies (the "**Registrar**").

The Directors shall lodge with the Registrar a notice of share purchase within 30 days of a share purchase. Such notification shall include the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase and such other particulars as may be required in the prescribed form.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

12. NO SHARE PURCHASES IN THE PREVIOUS 12 MONTHS

No purchases of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

13. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the share capital of the Company as at the Latest Practicable Date, as recorded in the Register of Director's Shareholdings and the Register of Substantial Shareholders kept by the Company, are as follows:-

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Or Kim Peow [(1)]	757,000	0.25	168,566,910	54.65
Or Toh Wat	322,000	0.10	–	–
Ang Beng Tin	323,500	0.10	–	–
Or Kiam Meng	322,000	0.10	–	–
Oh Enc Nam	133,000	0.04	–	–
Or Lay Huat Daniel	322,000	0.10	–	–
Chen Seow Phun, John [(2)]	–	–	38,000	0.01
Substantial Shareholders (other than Directors)				
Or Kim Peow Investments Pte Ltd	168,566,910	54.65	–	–
China Sonangol International (S) Pte. Ltd. [(3)]	43,125,000	13.98	–	–

Notes:

(1) Mr Or Kim Peow is deemed to have an interest in the 168,566,910 shares held by Or Kim Peow Investments Pte Ltd by virtue of Section 7 of the Companies Act.

(2) Dr Chen Seow Phun, John is deemed to have an interest in the 38,000 shares held by his wife, Mdm Lim Kok Huang, by virtue of Section 164(15) of the Companies Act.

(3) China Sonangol International Limited, Fung Yuen Kwan Veronica, Lo Fong Hung, Newtech Holdings Limited, New Bright International Development Limited and Sonangol E.P. are each deemed to be interested in the shares held by China Sonangol International (S) Pte. Ltd. by virtue of Section 7 of the Companies Act.

14. DIRECTORS' RECOMMENDATIONS

Having fully considered the rationale for the renewal of the Share Purchase Mandate set out in this Letter, the Directors believe that the renewal of the Share Purchase Mandate is in the best interest of the Company. The Board of Directors recommend that Shareholders vote in favour of Resolution 10, being the ordinary resolution relating to the renewal of the Share Purchase Mandate to be proposed at the forthcoming 2015 AGM.

15. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after having made all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

16. **DISCLAIMER**

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Letter.

17. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company at 30 Tagore Lane Singapore 787484 during normal business hours from the date of this Letter up to the date of the 2015 AGM:

(a) the Annual Report of the Company for the financial year ended 31 December 2014; and

(b) the Memorandum and Articles of Association of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
OKP HOLDINGS LIMITED

Or Kim Peow
Group Chairman

STATISTICS OF SHAREHOLDINGS

as at 10 March 2015

Issued and fully paid-up capital	:	$36,832,300
Number of Shares	:	308,430,594
Class of Shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company does not hold any treasury share.

DISTRIBUTION OF SHAREHOLDINGS
(As at 10 March 2015)

Size of Shareholdings	No of Shareholders	%	No of Shares	%
1–99	346	10.65	3,384	0.00
100–1,000	83	2.56	63,008	0.02
1,001–10,000	1,209	37.22	7,551,863	2.45
10,001–1,000,000	1,599	49.23	75,233,551	24.39
1,000,001 and above	11	0.34	225,578,788	73.14
Total	**3,248**	**100.00**	**308,430,594**	**100.00**

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders as at 10 March 2015)

	Direct Interest	%	Deemed Interest	%
Or Kim Peow Investments Pte Ltd	168,566,910	54.65	–	–
China Sonangol International (S) Pte Ltd [1]	43,125,000	13.98	–	–
Or Kim Peow [2]	757,000	0.25	168,566,910	54.65

Notes:

(1) China Sonangol International Limited, Fung Yuen Kwan Veronica, Lo Fong Hung, Newtech Holdings Limited, New Bright International Development Limited and Sonangol E.P. are each deemed to be interested in the shares held by China Sonangol International (S) Pte. Ltd. by virtue of Section 7 of the Companies Act, Chapter 50.

(2) Or Kim Peow is deemed to have an interest in the 168,566,910 shares held by Or Kim Peow Investments Pte Ltd by virtue of Section 7 of the Companies Act, Chapter 50.

TWENTY LARGEST SHAREHOLDERS
(As at 10 March 2015)

No	Name	No of Shares	%
1	Or Kim Peow Investments Pte Ltd	143,566,910	46.55
2	China Sonangol International (S) Pte. Ltd.	43,125,000	13.98
3	Bank of Singapore Nominees Pte. Ltd.	25,270,000	8.19
4	Raffles Nominees (Pte) Limited	2,093,700	0.68
5	DBS Nominees (Private) Limited	2,029,068	0.66
6	Oh Kim Poy	1,909,500	0.62
7	United Overseas Bank Nominees (Private) Limited	1,693,010	0.55
8	OCBC Securities Private Limited	1,668,550	0.54
9	Lim Bee Kim	1,661,500	0.54
10	Park Soo Kyung	1,499,000	0.49
11	Or Lay Tin	1,062,550	0.34
12	OCBC Nominees Singapore Private Limited	961,018	0.31
13	Chan Seck Sung	898,000	0.29
14	Chua Kim Tiong	757,500	0.25
15	Or Kim Peow	757,000	0.25
16	Ang Kong Beng @ Ang Kong Eng	739,900	0.24
17	Nah Wee Kee (Lan WeiQi)	686,000	0.22
18	Soo Kam Soon	650,000	0.21
19	Tan Yong Hoo	600,000	0.19
20	Or Lay Wah Elaine	593,950	0.19
	Total	**232,222,156**	**75.29**

RULE 723 OF THE SGX LISTING MANUAL – FREE FLOAT

Based on the information provided to the Company as at 10 March 2015, there were 90,676,184 shares held in the hands of the public as defined in the SGX Listing Manual, representing 29.40% of the issued shares of the Company. Accordingly, Rule 723 of the SGX Listing Manual has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

OKP HOLDINGS LIMITED
(Company Registration No. 200201165G)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting (the "**AGM**") of OKP HOLDINGS LIMITED (the "**Company**") will be held at 30 Tagore Lane Singapore 787484 on Monday, 27 April 2015 at 11.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

Resolution 1
1. To receive and adopt the audited accounts for the financial year ended 31 December 2014 together with the Directors' Report, the Independent Auditor's Report and the Statement by Directors.

Resolution 2
2. To declare a final one-tier tax exempt dividend of $0.001 per ordinary share for the financial year ended 31 December 2014 (FY2013: $0.003).

Resolution 3
3. To re-elect Mdm Ang Beng Tin who is retiring by rotation pursuant to Article 107 of the Company's Articles of Association (the "**Articles**") and who, being eligible, offers herself for re-election as a Director.

Resolution 4
4. To re-elect Mr Nirumalan s/o V Kanapathi Pillai who is retiring by rotation pursuant to Article 107 of the Articles and who, being eligible, offers himself for re-election as a Director.

   *Mr Nirumalan s/o V Kanapathi Pillai will, upon being re-elected as a Director of the Company, remain as a member of the Audit Committee and the Board considers him to be independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**").*

Resolution 5
5. To authorise Mr Or Kim Peow, who is over the age of 70 years, to continue in office as a Director of the Company until the next Annual General Meeting pursuant to Section 153(6) of the Companies Act, Chapter 50 (the "**Act**). [see Explanatory Note (i)]

Resolution 6
6. To authorise Mr Tan Boen Eng, who is over the age of 70 years, to continue in office as a Director of the Company until the next Annual General Meeting pursuant to Section 153(6) of the Act. [see Explanatory Note (i)]

   Mr Tan Boen Eng will, upon being authorised to continue in office as a Director of the Company, remain as a member of the Audit Committee and the Board considers him to be independent for the purpose of Rule 704(8) of the Listing Manual.

Resolution 7
7. To approve the payment of Directors' fees of $180,000 for the financial year ended 31 December 2014 (FY2013: $180,000).

Resolution 8
8. To re-appoint Nexia TS Public Accounting Corporation as the Company's Independent Auditor and to authorise the Directors to fix their remuneration.

9. To transact any other ordinary business that may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

Resolution 9

10. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:-

"Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:-

(A) (i) allot and issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(B) (notwithstanding that this authority may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:-

(1) the aggregate number of shares to be issued pursuant to this authority (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 20% of the total number of Issued Shares;

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this authority is given, after adjusting for:-

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this authority is given, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or sub-division of shares;

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

[see Explanatory Note (ii)]

OKP HOLDINGS LIMITED
(Company Registration No. 200201165G)
(Incorporated in the Republic of Singapore)

Resolution 10

11. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:-

“Share purchase mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the “**Companies Act**”), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares (“**Shares**”) in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a “**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme as may be determined or formulated by the directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

(b) the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

(c) in this Resolution:

“**Prescribed Limit**” means 10% of the issued ordinary Shares of the Company as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at the date); and

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase : 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase : 120% of the Highest Last Dealt Price,

where:

“**Average Closing Price**” is the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-market day period;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(d) the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[see Explanatory Note (iii)]

BY ORDER OF THE BOARD

VINCENT LIM BOCK HUI
Company Secretary
Singapore
2 April 2015

Explanatory Notes:

(i) Ordinary Resolutions 5 and 6 are to authorise Mr Or Kim Peow and Mr Tan Boen Eng, who are over 70 years old, to continue in office as Directors of the Company until the next Annual General Meeting of the Company. Section 153(6) of the Act requires such authority to be approved by way of ordinary resolutions at the Annual General Meeting of the Company.

(ii) Ordinary Resolution 9 is to empower the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% for issues other than on a pro-rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time Ordinary Resolution 9 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities, (b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time Ordinary Resolution 9 is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and (c) any subsequent bonus issue, consolidation or sub-division of shares. Such authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

(iii) Ordinary Resolution 10 will renew the mandate to permit the Company to purchase or otherwise acquire its issued ordinary shares on the terms and subject to the conditions of the Resolution. Further details are set out in the Letter to Shareholders which is enclosed with the Company's Annual Report, as an Appendix.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

OKP HOLDINGS LIMITED

(Company Registration No. 200201165G)

(Incorporated in the Republic of Singapore)

Notes:

(i) A member of the Company entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote instead of him.

(ii) Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

(iii) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

(iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 30 Tagore Lane Singapore 787484, not less than 48 hours before the time appointed for holding the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

OKP HOLDINGS LIMITED
(Company Registration No. 200201165G)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT
1. For investors who have used their CPF monies to buy shares in the capital of OKP Holdings Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees, and is sent for their information only.
2. This Proxy Form is therefore not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ______________________ (Name) ______________ (NRIC/Passport/Company Registration Number)

of ____ (Address)

being a member/members of OKP HOLDINGS LIMITED (the "**Company**") hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

or failing the person or both of the persons above, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the Annual General Meeting ("**AGM**") of the Company to be held at 30 Tagore Lane Singapore 787484 on Monday, 27 April 2015 at 11.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	For	Against
1.	Audited accounts for financial year ended 31 December 2014		
2.	Payment of final dividend		
3.	Re-election of Mdm Ang Beng Tin as a Director		
4.	Re-election of Mr Nirumalan s/o V Kanapathi Pillai as a Director		
5.	Authority for Mr Or Kim Peow to continue in office as a Director		
6.	Authority for Mr Tan Boen Eng to continue in office as a Director		
7.	Approval of Directors' fees of $180,000		
8.	Re-appointment of Nexia TS Public Accounting Corporation as Independent Auditor		
9.	Authority to allot and issue shares		
10.	Share purchase mandate		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the resolution as set out in the Notice of AGM.)

Dated this ____________ day of ________________ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:-

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

2. Where a member appoints two proxies, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

3. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.

4. This proxy form must be deposited at the registered office of the Company at 30 Tagore Lane Singapore 787484 not less than 48 hours before the time set for the AGM.

5. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

6. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.

7. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

8. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 2 April 2015.

OKP HOLDINGS LIMITED
UEN: 200201165G

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Singapore 787484
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