WE SEEK TO RUN OUR ORGANISATION EFFICIENTLY
BY MANAGING OUR HUMAN, FINANCIAL AND OTHER
RESOURCES EFFECTIVELY AND BY MOTIVATING OUR TEAM TO WORK WELL AND IN SYNC.
BOARD STATEMENT

SUSTAINABILITY STRATEGY
The Board believes that sustainability means operating our business in a way that is not only financially profitable but also makes an affirmative impact on our stakeholders and the environment. It is a strategic method that leads to sound management, greater efficiencies and good business performance. We give priority to sustainability issues in planning our strategies for the Group. The Board is committed to sustainability and fully supports the adoption of the new Singapore Exchange (SGX) sustainability reporting guidelines for all listed companies.

SUSTAINABILITY FRAMEWORK
The Group reports on its sustainability performance according to the SGX Sustainability Reporting Guide and the Global Reporting Initiative (GRI) Standards.

SUSTAINABILITY GOVERNANCE
During the financial year ended 31 December 2019, the Board together with the management reviewed OKP’s sustainability goals, challenges, targets and progress. The management provides regular updates to the Board, and in turn, the management will be evaluated by its success in implementing the Group’s strategic plans to meet stakeholders’ and the Board’s expectations.

This report aims to communicate the Group’s strong commitment towards corporate sustainability and sound corporate governance. It aims to include complete and accessible information on the company’s strategy in relation to its sustainability approach and related key issues according to recognised standards.

MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS – POLICIES, PRACTICES, PERFORMANCE AND TARGETS
The Group acknowledges the increasing importance that our stakeholders are attaching to Environmental, Social and Governance (ESG) issues and the meaningful influence that OKP can have on the environment and society.

We continue to identify and evaluate the material ESG factors in our business to ensure they are on the right track.

As sustainability issues and risks undergo frequent changes, we see this as an ongoing journey as we move towards our 2021 sustainability targets.

On behalf of the Board

OR TOH WAT
Group Managing Director
The Group is of the view that sustainability is about pursuing excellence and enhancement in addressing and acting on environmental, social and governance issues facing our business. We seek to be a progressive and reliable company with a purposeful dedication to corporate responsibility and sustainability. We want to be a responsible corporate citizen, providing transparent disclosure of the economic, social and governance aspects of our business performance to all our stakeholders, as well as put into operation a monitoring framework.

Since 2010, the Group has published annual reports on nurturing the environment, empowering people and the community, and fortifying corporate governance.

This is the fifth year that OKP is presenting a sustainability report. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and Practice Note 7.6 Sustainability Reporting Guide and Rules 711A and 711B of the SGX Listing Manual. The report is for the financial year from 1 January 2019 to 31 December 2019. The current report is not subject to any external assurance. We may consider seeking external assurance in the future.

The Group’s phased approach to sustainability reporting:

<table>
<thead>
<tr>
<th>Primary Components</th>
<th>Adoption FY2019</th>
<th>Adoption FY2020</th>
<th>Adoption FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material environmental, social and governance (ESG) factors</td>
<td>We have identified and addressed the most critical factors</td>
<td>We will review factor assessment and add factors, which have become material and remove existing factors which are no longer material</td>
<td>We will review factor assessment and add factors, which have become material and remove existing factors which are no longer material</td>
</tr>
<tr>
<td>Policies, practices and performance</td>
<td>We have described how we managed the material factors in the “Risk Assessment and Management” section of this Annual Report</td>
<td>We will describe and include specific policies and practices for each material factor</td>
<td>We will describe and include specific policies and practices for each material factor</td>
</tr>
<tr>
<td>Targets</td>
<td>We have disclosed some quantitative performance indicators</td>
<td>We will disclose some quantitative performance indicators</td>
<td>We will disclose some quantitative performance indicators</td>
</tr>
<tr>
<td>Sustainability Reporting Framework</td>
<td>GRI</td>
<td>GRI</td>
<td>GRI</td>
</tr>
<tr>
<td>Board Statement</td>
<td>Complied</td>
<td>Will comply</td>
<td>Will comply</td>
</tr>
</tbody>
</table>
INCREASING STAKEHOLDER ENGAGEMENT

The Group aims to create and provide sustainable value to all its stakeholders. To achieve this goal, we strive to provide quality products and services, ensure that our customers are satisfied, be an employer of choice, oversee our supply chain well, and nurture our environment and community. It is a priority on our part to engage our stakeholders constantly and reassure them of the company’s unchanging commitment.

By assessing the significance and impact of stakeholders’ interests on our business, OKP has identified six key stakeholder groups:

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Key Topics</th>
<th>Engagement Platform</th>
<th>OKP’s Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients/Customers</td>
<td>Site safety, delivery of services on time</td>
<td>Meetings, feedback channels such as email communication</td>
<td>Provide clients/customers with excellent service on time, within budget and with emphasis on high standards of quality, reliability and safety</td>
</tr>
<tr>
<td>Employees</td>
<td>People development</td>
<td>Training</td>
<td>Develop our employees to their full potential by offering training and staff development, a fair and equitable reward system and a safe working environment</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Compliance, safety, delivery of services on time</td>
<td>Regular meetings with key suppliers and site visits by the Management</td>
<td>Cultivate and strengthen relationships with our suppliers and monitor our supply chain in order to achieve project excellence and the highest environmental, health and safety standards</td>
</tr>
<tr>
<td>Shareholders/Investors</td>
<td>Business strategy</td>
<td>Conference calls, shareholders’ meetings, results webcast, emails and Q&amp;A portals</td>
<td>Maximise shareholder return on investment through solid fundamentals and strategies while maintaining excellence in our products and services</td>
</tr>
<tr>
<td>Community</td>
<td>Community investment</td>
<td>Meetings, donations</td>
<td>Contribute to the community by supporting various charitable causes and organisations and minimise any adverse impact on the environment as a good corporate citizen</td>
</tr>
<tr>
<td>Government/Regulators</td>
<td>Opportunities for business collaboration, sharing of industry best practices, compliance</td>
<td>Industry networking functions, overseas study trips and meetings, attend seminars conducted by the regulators, maintain communication channels with the regulators</td>
<td>Shape the business environment in which we operate. We track topics of concern to government to ensure that our businesses are equipped to meet the legislative and regulators’ requirement</td>
</tr>
</tbody>
</table>
The Group is committed to hearing from all its stakeholders and we welcome feedback on this report. For enquiries, please contact the CSR Department at okpcsr@okph.com.

Based on our engagement with stakeholders, we have identified the following key material ESG factors that have an impact on our business:

<table>
<thead>
<tr>
<th>Primary Factor</th>
<th>Material Components</th>
<th>Performance Measures</th>
<th>2019 Performance</th>
<th>2020 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>1 Economic performance</td>
<td>Value-added performance</td>
<td>Value-added performance has decreased from $49.3 million in FY2018 to $37.6 million in FY2019. For more details, please refer to page 55 of this Annual Report</td>
<td>Improvement in value-added performance indicator</td>
</tr>
<tr>
<td></td>
<td>2 Anti-corruption</td>
<td>Zero tolerance towards fraud, corruption and unethical actions</td>
<td>No incident of corruption and fraud</td>
<td>Adhere to the Group’s zero tolerance towards fraud, corruption and unethical actions</td>
</tr>
<tr>
<td>Environment</td>
<td>3 Water consumption</td>
<td>Water consumption (Cu M)</td>
<td>Water consumption increased by 17.4% in FY2019 due to the increased number of worksites in FY2019</td>
<td>Reduce water consumption by 5%</td>
</tr>
<tr>
<td></td>
<td>4 Electricity consumption</td>
<td>Electricity consumption (kWh)</td>
<td>Lower electricity consumption by 7.7%</td>
<td>Reduce electricity consumption by 5%</td>
</tr>
<tr>
<td></td>
<td>5 Fuel consumption (by lowering fuel consumption in construction vehicles and heavy machineries)</td>
<td>Diesel consumption (litres)</td>
<td>Higher diesel consumption by 18.9% in FY2019 due to purchase of new vehicles and machineries to support the new and existing projects</td>
<td>Reduce diesel consumption by 5%</td>
</tr>
<tr>
<td></td>
<td>6 Minimisation of material wastage</td>
<td>Rate of construction material wastage</td>
<td>Maintained construction material wastage at 3%</td>
<td>Reduce construction material wastage from 3% to 2%</td>
</tr>
<tr>
<td>Social and Governance</td>
<td>7 Health and safety (minimising risk of accidents through education programmes in order for the employees to act responsibly)</td>
<td>Fatal incident rate</td>
<td>No fatalities and workplace accidents reported</td>
<td>Zero fatality rate</td>
</tr>
<tr>
<td></td>
<td>8 Training and education of employees</td>
<td>Training hours and costs</td>
<td>8.8 hours of training per employee in FY2019 as compared to 5.6 hours in FY2018</td>
<td>To increase the training hours and training costs by 5%</td>
</tr>
<tr>
<td></td>
<td>9 Participation in local programmes such as donations, education programmes, building infrastructure for liveable communities, supporting sustainable community development</td>
<td>Total CSR spending per annum</td>
<td>CSR spending has decreased by 7.7% in FY2019</td>
<td>We will continue to actively participate in CSR initiatives</td>
</tr>
<tr>
<td></td>
<td>10 Employee retention</td>
<td>Staff turnover rate</td>
<td>Staff turnover rate has reduced from 16.6% in FY2018 to 10.3% in FY2019</td>
<td>To maintain the staff turnover rate below 10%</td>
</tr>
<tr>
<td></td>
<td>11 Diversity i.e. embedded diversity in the company’s culture, creating a more flexible working environment</td>
<td>Percentage comparison of male and female employees</td>
<td>No changes to the percentage comparison of male and female employees in FY2019 and FY2018</td>
<td>Ensure equal opportunity and non-discrimination towards both males and females</td>
</tr>
<tr>
<td></td>
<td>12 Supplier chain management</td>
<td>To strengthen our supply chain management efforts</td>
<td>Continue to source our supplies in a socially responsible manner and enhance customer satisfaction. For more details, please refer to page 67 of this Annual Report</td>
<td>Drive responsible business practices across the supply chain</td>
</tr>
</tbody>
</table>
We have prioritised them using a matrix. The following matrix plots the potential issues based on likelihood and impact.

<table>
<thead>
<tr>
<th>Likelihood of influence on external stakeholders</th>
<th>Impact to our business</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>7. Health and Safety</td>
</tr>
<tr>
<td></td>
<td>2. Anti-Corruption</td>
</tr>
<tr>
<td>Medium</td>
<td>3. Water Consumption</td>
</tr>
<tr>
<td></td>
<td>4. Electricity Consumption</td>
</tr>
<tr>
<td></td>
<td>5. Diesel Consumption</td>
</tr>
<tr>
<td></td>
<td>9. Participation in Local Programmes</td>
</tr>
<tr>
<td>Low</td>
<td>1. Economic Performance</td>
</tr>
<tr>
<td></td>
<td>6. Waste Minimisation</td>
</tr>
<tr>
<td></td>
<td>12. Supply Chain Management</td>
</tr>
<tr>
<td>Low</td>
<td>11. Diversity</td>
</tr>
</tbody>
</table>

NURTURING THE ENVIRONMENT

At OKP, we are fully aware of our responsibility for nurturing the environment and reducing negative environmental consequences at our construction sites and the environment where we operate. We keep a close watch on our energy (both electricity and diesel), waste and water management at our work places to ensure that we use our resources prudently and well. During the past year, although water and diesel consumption have increased, electricity consumption has decreased, compared to the previous year. Material wastage remained constant at 3 per cent. We proactively manage the emissions from all our operations to make sure that we manage the environment impact.

Playing an active role in promoting a green environment, the Group has been recognised for its environmentally-friendly initiatives. Since 2012, we have won seven awards for being a green and gracious builder and one construction environmental award.
The company adopts a holistic approach in understanding and managing the environmental impact of its activities and other risks in its supply chain. In managing our supply chain, OKP has put in place a process for selecting its suppliers by checking on their industry reputation, track record, and Health, Safety and Environment (HSE) standards. We attach great importance to engaging our potential and current suppliers through frequent reviews and feedback to ensure that they have the right abilities, track record and sufficient resources to support our projects and activities. During the year, OKP was fined for two (2018: four) incidences of mosquito breeding.

Below are OKP’s key economic performance and key environmental performance indicators:

### Key economic performance indicators

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($’000)</td>
<td>81,396</td>
<td>90,449</td>
</tr>
<tr>
<td>Value added available for distribution ($’000)</td>
<td>37,573</td>
<td>49,344</td>
</tr>
<tr>
<td>Net profit ($’000)</td>
<td>681</td>
<td>5,646</td>
</tr>
</tbody>
</table>

### Key environmental performance indicators

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption (Cu M)</td>
<td>23,498</td>
<td>20,014</td>
</tr>
<tr>
<td>Electricity consumption (kWh)</td>
<td>614,288</td>
<td>665,666</td>
</tr>
<tr>
<td>Diesel consumption (cu/m)</td>
<td>2,513,042</td>
<td>2,113,127</td>
</tr>
<tr>
<td>Material wastage</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Fatal accident</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### EMPOWERING PEOPLE AND THE COMMUNITY

The Group aims to empower its people and the community. We seek to be a reliable and considerate employer to our 814-strong talent pool by providing training and developing them to reach their fullest potential, so that they can enjoy meaningful and rewarding careers within the organisation. 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. The company does not have any collective bargaining agreement with its workforce.

At OKP, we have set up a culture of safety by implementing safety and environmental awareness programmes to make sure the health and safety of our staff and others, who visit or work at our worksites and premises. The Group also monitors energy, waste and water management at its worksites and offices to make sure that it is utilising its resources efficiently and in a meaningful and responsible way.

Since 2006, OKP has won 20 safety awards in recognition of its outstanding performance in occupational safety and health management and accident-free environment.

As a responsible and good corporate citizen, we endeavour to empower people in the community. We believe we should support the underprivileged and less fortunate in our society through our various donations, sponsorships and voluntary work. Through this approach, we also enhance our reputation as a good corporate citizen, who takes its corporate social responsibilities seriously.

### FORTIFYING CORPORATE GOVERNANCE

To fulfil its vision to be the leading transport infrastructure and civil engineering company in Singapore, the region and beyond, the Group aims to fortify its corporate governance, besides nurturing the environment and empowering its people and the community.

To improve our corporate governance, we are dedicated to the principles of sustainability reporting. The company seeks to enhance its performance in financial reporting as well as reporting on non-financial matters such as corporate governance, and social and environmental responsibilities.

The Group has set up a structure to govern our sustainability function. Under the direction of the Board of Directors, the Group Managing Director actively oversees a Sustainability Management Team.
Thus, our methodology is both open and transparent in providing the latest and most appropriate information on our financial and non-financial business performance to all our stakeholders. We make it our priority to share relevant information relating to our business, human resources, environmental impact, corporate social responsibilities and corporate governance so as to keep our stakeholders well informed. We also place importance in maintaining a high standard of ethical practices and transparency in dealing with our stakeholders.

As a public company listed on the Singapore Exchange, OKP aims to sustain its growth, and operate its business ethically and profitably, with a solid commitment to maintaining high standards in corporate governance and judicious risk management. Our steadfast view is that we will continue to be a robust and sustainable company, which is able to overcome unpredictable challenges to become a stable business that brings long-term value to all our shareholders.

Below are our social and governance performance indicators:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training hours</td>
<td>7,163</td>
<td>3,927</td>
</tr>
<tr>
<td>Training hours per employee</td>
<td>8.8 hours</td>
<td>5.6 hours</td>
</tr>
<tr>
<td>Training costs (net of government grants)</td>
<td>$138,000</td>
<td>$61,000</td>
</tr>
<tr>
<td>Total CSR spending per annum</td>
<td>$106,000</td>
<td>$114,000</td>
</tr>
<tr>
<td>Staff turnover rate</td>
<td>10.3%</td>
<td>16.6%</td>
</tr>
<tr>
<td>Employees by gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Male</td>
<td>93%</td>
<td>94%</td>
</tr>
<tr>
<td>- Female</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

In summary, we aim to sustain our business growth and profitability by our commitment to good corporate governance, solid financial management and professional operation; and empower our staff through our initiatives to nurture and reward them for excellent work efforts. In addition, we seek to provide a positive influence on the community by upholding better corporate social responsibility, and promote a greener environment by implementing environment-friendly activities in all our undertakings.
# GRI CONTENT INDEX

## GENERAL STANDARD DISCLOSURES

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Page Reference</th>
<th>Annual Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy &amp; Analysis</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 101: Foundations 2016</td>
<td></td>
<td>58-64</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td><strong>Organisation Profile</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 102: General disclosure 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-1</td>
<td>Name of the organisation</td>
<td>Cover page</td>
<td>Annual Report Cover page</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products, and/or services</td>
<td>18-19</td>
<td>Our Corporate Profile</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>35</td>
<td>Our Corporate Information</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of the operations</td>
<td>34</td>
<td>Our Group Structure</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>226-227</td>
<td>Statistics of Shareholdings</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>38, 56-59</td>
<td>Our Operating and Financial Review</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organisation</td>
<td>38-51</td>
<td>Our Operating and Financial Review</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>72-76</td>
<td>Our People</td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>66-67</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organisation and its supply chain</td>
<td>66-67</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary principle or approach</td>
<td>120-128</td>
<td>Risk Assessment and Management</td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>77-78</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
<td>77-78</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-14</td>
<td>Statement from senior decision-maker</td>
<td>4-7</td>
<td>Our Chairman’s Statement</td>
</tr>
<tr>
<td><strong>Ethics and Integrity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-16</td>
<td>Values, principles, standards, and norms of behaviour</td>
<td>3</td>
<td>Our Strategy and Guiding Principles</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-18</td>
<td>Governance structure</td>
<td>68</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td><strong>Stakeholder Engagement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>64</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>64, 67</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
<td>64</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
<td>64</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td>64</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td><strong>Reporting Practice</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-45</td>
<td>Entities included in the consolidated financial statements</td>
<td>166, 169, 174</td>
<td>Financial Statements - Notes to the Accounts</td>
</tr>
<tr>
<td>102-46</td>
<td>Defining report content and topic boundaries</td>
<td>120-128</td>
<td>Risk Assessment and Management</td>
</tr>
</tbody>
</table>
## Governance and Sustainability

### Sustainability Report

#### GRI Standard Disclosure

<table>
<thead>
<tr>
<th>GRI Standard Reporting Practice</th>
<th>Disclosure</th>
<th>Page Reference</th>
<th>Annual Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-47</td>
<td>List of material aspects</td>
<td>65-66</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-48</td>
<td>Restatements of information</td>
<td>No restatement</td>
<td></td>
</tr>
<tr>
<td>102-49</td>
<td>Changes in reporting</td>
<td>63</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-50</td>
<td>Reporting period</td>
<td>62</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-51</td>
<td>Date of most recent report</td>
<td>62</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-52</td>
<td>Reporting cycle</td>
<td>62</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-53</td>
<td>Contact point for questions regarding the report</td>
<td>65</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>63</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-55</td>
<td>GRI content index</td>
<td>69-71</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
<td>63</td>
<td>Sustainability Report</td>
</tr>
</tbody>
</table>

#### TOPIC-SPECIFIC

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Page Reference</th>
<th>Annual Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 103: Management approach 2016</td>
<td>Name of the organisation</td>
<td>Cover page</td>
<td>Annual Report Cover page</td>
</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>65-66</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>65</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>GRI 201: Economic performance 2016</td>
<td>Direct economic value generated and distributed</td>
<td>55, 67</td>
<td>Value Added Statement and Sustainability Report</td>
</tr>
<tr>
<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>120-128</td>
<td>Risk Assessment and Management</td>
</tr>
<tr>
<td>201-4</td>
<td>Financial assistance received from government</td>
<td>194</td>
<td>Financial Statements Notes to the Accounts</td>
</tr>
<tr>
<td>GRI 202: Market Presence 2016</td>
<td>Proportion of senior management hired from the local community</td>
<td>72</td>
<td>Our People</td>
</tr>
<tr>
<td>GRI 203: Indirect Economic Impacts 2016</td>
<td>Infrastructure investments and service supported</td>
<td>77</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>GRI 205: Anti-corruption 2016</td>
<td>Communication and training about anti-corruption policies and procedures</td>
<td>72</td>
<td>Our People</td>
</tr>
</tbody>
</table>

#### Economic Standards

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Page Reference</th>
<th>Annual Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 103: Management approach 2016</td>
<td>Explanation of the material topic and its boundary</td>
<td>64, 65</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>65-66</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>63</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>GRI 302: Energy 2016</td>
<td>Energy consumption within the organisation</td>
<td>66-67</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>302-4</td>
<td>Reduction of energy consumption</td>
<td>66-67</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>GRI 303: Water 2016</td>
<td>Water withdrawal by source</td>
<td>66-67</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>GRI 305: Emissions 2016</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>66-67</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>GRI 307: Environmental Compliance 2016</td>
<td>Non-compliance with environmental laws and regulations</td>
<td>66</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td>GRI Standard</td>
<td>Disclosure</td>
<td>Page Reference</td>
<td>Annual Report Section</td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
<td>----------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td><strong>GRI 103: Management approach 2016</strong></td>
<td>103-1 Explanation of the material topic and its boundary</td>
<td>64, 65</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td></td>
<td>103-2 The management approach and its components</td>
<td>65, 66</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td></td>
<td>103-3 Evaluation of the management approach</td>
<td>65</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td><strong>GRI 401: Employment 2016</strong></td>
<td>401-1 New employee hires and employee turnover</td>
<td>68, 72</td>
<td>Our People and Sustainability Report</td>
</tr>
<tr>
<td></td>
<td>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>72</td>
<td>Our People</td>
</tr>
<tr>
<td></td>
<td>401-3 Parental leave</td>
<td>72</td>
<td>Our People</td>
</tr>
<tr>
<td><strong>GRI 403: Occupational Health and Safety 2016</strong></td>
<td>403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</td>
<td>79-81, 72-73</td>
<td>Safety and Environmental Awareness and Our People</td>
</tr>
<tr>
<td></td>
<td>403-3 Workers with high incidence or high risk of diseases related to their occupation</td>
<td>79-81, 72-73</td>
<td>Safety and Environmental Awareness and Our People</td>
</tr>
<tr>
<td><strong>GRI 404: Training and Education 2016</strong></td>
<td>404-1 Average hours of training per year per employee</td>
<td>68</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td></td>
<td>404-2 Programmes for upgrading employee skills and transition assistance programmes</td>
<td>72-73</td>
<td>Our People</td>
</tr>
<tr>
<td><strong>GRI 405: Diversity and Equal Opportunity 2016</strong></td>
<td>405-1 Diversity of governance bodies and employees</td>
<td>72</td>
<td>Our People</td>
</tr>
<tr>
<td><strong>GRI 406: Non-discrimination 2016</strong></td>
<td>406-1 Incidents of discrimination and corrective actions taken</td>
<td>72</td>
<td>Our People</td>
</tr>
<tr>
<td><strong>GRI 413: Local communities 2016</strong></td>
<td>413-1 Operations with local community engagement, impact assessments, and development programmes</td>
<td>65-67</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td><strong>GRI 414: Supplier Social Assessment 2016</strong></td>
<td>414-1 New suppliers that were screened using social criteria</td>
<td>66-67</td>
<td>Sustainability Report</td>
</tr>
<tr>
<td><strong>GRI 416: Customer Health and Safety 2016</strong></td>
<td>416-1 Assessment of the health and safety impacts of product and service categories</td>
<td>85-86</td>
<td>Our Customers</td>
</tr>
<tr>
<td></td>
<td>416-2 Incidents of non-compliance concerning the health and safety impacts of products and services</td>
<td>85-86</td>
<td>Our Customers</td>
</tr>
<tr>
<td><strong>GRI 419: Socioeconomic Compliance 2016</strong></td>
<td>419-1 Non-compliance with laws and regulations in the social and economic area</td>
<td>66</td>
<td>Sustainability Report</td>
</tr>
</tbody>
</table>
Our people are one of the Group’s major assets as they play a crucial role in supporting OKP in fortifying its strengths in order to overcome obstacles to achieve its business goals. They have helped the company to ride through challenging times and build resilience through the ups and downs of its business cycle. Their vast expertise, collective teamwork and commitment have enabled the Group to move ahead in its vision to be one of the leading players in the transport infrastructure and civil engineering industry in Singapore, the region and beyond.

At OKP, we recognise that the employees’ dedication and efforts into helping us realise our business goals have been a pillar of strength for the company since it was founded in 1966. They have been key in supporting the Group to attain greater proficiencies and skills, thereby increasing its competitiveness. As such, we focus on our guiding principle to our workforce, which is our commitment to provide a safe working environment, training and advancement in their respective fields, and fair and equitable compensation and benefits that reward their productivity.

To pursue its business goals and attain sustainable revenues and profits, the company is dedicated to developing its talent pool. We proactively build our talent pool so as to maintain a capable team for our business needs, and move ahead of the competition and for a brighter future. The Group focuses on hiring, nurturing and building a competent and motivated team, who can plan, manage and execute the various projects professionally and to a high standard. They will be nurtured to be part of an adroit and efficient team, who can meet the business challenges of today and many tomorrows.

In order to attract and recruit the right team of people with the right skillsets and track record to implement our business strategies, the company has put in place a human resources strategy and programme for all employees. The Group identifies with its people’s aspirations, encourages them to perform to the best of their abilities and helps them to rise through the ranks. We also strive to enhance our human resources and people development practices so as to draw and retain the best talents.

Our workforce comprises corporate executives, administrative support staff, project managers, civil engineers, site supervisors and general construction workers. Our staff originate from diverse backgrounds and nationalities including China, Taiwan, Malaysia, India, Myanmar, Philippines, Thailand and Bangladesh. With such varied and diverse backgrounds, OKP’s management must inculcate common goals and core values so as to create a cohesive and effective team. Thus, a result-oriented recruitment, training and development method is essential to ensuring the Group’s long-term business success and financial stability.

ORIENTATING NEW RECRUITS

To enable new employees to familiarise themselves instantly and quickly with OKP’s culture and environment, the company has implemented a tried-and-tested staff orientation programme, which assists them in understanding the company’s policies, as well as ethical and safety standards. Our employee orientation policy seeks to integrate newcomers by imparting to them the Group’s core values and benchmarks so that they can adapt effortlessly and speedily to OKP’s approach of working internally and externally with various stakeholders.

By following this approach, fresh recruits can start to make immediate contributions when they join the company. We recognise from our past experience that a good orientation programme makes a great difference to employee retention, as we notice that new hires generally decide to remain with the company within the first six months of their employment.

DEVELOPING OUR PEOPLE

The Group is committed to be an employer of choice, and makes it a priority to attract, nurture and retain able and qualified workforce so as to develop a strong and resilient team. Indeed, we aim to nurture our people to their fullest potential so that they can help the company to gain sustainable and steadfast
growth today and in the future. We focus on staff learning and training so as to equip the workforce with the required technical knowledge, skills and capabilities to meet the demands of their jobs efficiently.

Over the past years, OKP seeks to promote an environment that encourages its employees to attain excellent and high performance. As such, the company has invested extensively in developing its staff training. We do this by employing relevant training and development courses to continuously equip them with key proficiencies and skillsets so that they can perform in their current jobs ably. Training is provided to staff based on job requirements and merit in order to better increase their technical and functional capabilities for present and future requirements of the Group’s business.

We seek to nurture our people’s talents to their fullest potential so that they can develop their careers within the company. We do this by providing our employees with various development opportunities for professional and personal growth such as taking part in local and overseas industry immersion programmes. Through such opportunities, they can find job satisfaction and enjoy the advantages of working in a strong and progressive company, which they can take great pride in.

Our human resources management policy sets out a distinct career path for each individual staff, a competency framework for each job level, and a performance system linking individual contributions, business objectives and rewards to performance. In 2016, OKP signed “The Pledge for a Better Built Environment Workplace” developed by the Building and Construction Authority (BCA) and Construction Industry Joint Council. In signing the Pledge, the Group has shown its commitment to the adoption of good human resources practices based on the following key human resources principles: Performance management, Recruitment and on-boarding, Staff engagement, Remuneration, rewards and benefits, and Wellness and support.

PROVIDING SPONSORSHIPS AND SCHOLARSHIPS

For its long-term plan to attract the right talent for the right job for the future, OKP has been offering educational scholarships and sponsorships to students, who may be the company’s potential hires in the future. In recent years, the Group has taken part in the BCA–Industry Environment Undergraduate Sponsorship/Scholarship programme, which has resulted in bringing young and new talents into the company.

Since 2012, the company has provided a total of six scholarships and sponsored 13 individuals for diploma, undergraduate and master courses. In 2018, OKP provided one scholarship under the BCA-OKP Built Environment Undergraduate programme for a Bachelor of Engineering (Civil Engineering) course at the National University of Singapore (NUS). One of our sponsored students in 2016 has graduated in 2018 from NUS with a Master of Geotechnical Engineering.

OFFERING LOCAL AND OVERSEAS INDUSTRY IMMERSION PROGRAMME

Under the Group’s overseas industry immersion programme, OKP has been sending its employees on overseas trips to acquire fresh skills and improve their technical knowledge.

In 2019, a team went to Fukuoka in Japan from 8 to 11 October to inspect the TCK 2000 micro tunnelling boring machine and learn about the data logging system. The insights will be advantageous to the Group should it be involved in tunnelling-related projects. In 2017, two trips were organised to South Korea. The first trip from 18 to 21 November 2017 included a visit to the Korea Institute of Construction Technology and the Korea Institute of Heat Transfer. The second trip from 13 to 16 November 2017 included a visit to the Korea Institute of Construction Technology and the Korea Institute of Heat Transfer. The insights gained from these trips have been beneficial to the Group in terms of technical knowledge and skills.

Senior project manager Mr Gary Tan Kong Heng receiving his 20-year long service award from Group Chairman, Mr Or Kim Peow at OKP Annual Dinner.
October 2017 was for the technical staff to learn more advanced technologies and best practices, which were used in various complex and major construction projects. They also paid visits to factories and laboratories to learn more of the host’s manufacturing and project capabilities. The second trip from 1 to 4 November 2017 was to pick up insights on advanced technologies and best practices implemented in complex and major construction projects. These technologies included decking system, use of BIM models, application of products and other advanced technologies in construction.

In 2015, the Group organised two overseas industry immersion trips. In the first specialised overseas project immersion programme, nine employees went to Ipoh, Malaysia in July 2015 to visit a precast yard and a project site, which were exhibiting the precast segment launching process. The second programme was in Jakarta, Indonesia in November 2015, which involved sending batches of at least five senior project engineers for one week to visit a project site and supervise the work for a 60-storey integrated development. Through this immersion programme, our engineers acquired valuable knowledge of the method of piling work for big diameter and long depth bored piles, which will be useful knowledge when the company bids for more complex projects.

Some staff attended the Stanford Centre for Integrated Facility Engineering (CIFE)-BCA Advanced Management Programme 2017: Virtual Design and Construction in the United States of America (USA). From 27 May to 4 June 2017, Group Managing Director, Mr Or Toh Wat participated in a Joint BCA-GeoSS study trip to Germany and Spain.

The Group also sent its senior management for relevant conferences and exhibitions. From 8 to 13 April 2019, Group Managing Director, Mr Or Toh Wat, attended the BAUMA Construction Trade Expo in Munich, Germany to pick up new technologies and equipment, which may be applicable for local projects. He and a project engineer also made a similar trip to the same event in April 2016. Two OKP directors attended the XXI World Congress on Safety and Health at Work 2017 in Singapore, which was held from 3 to 6 September 2017. This congress was organised by the Singapore Ministry of Manpower, plus the International Labour Organisation and the International Social Security Association. In addition, five staff attended the Singapore International Transport Congress and Exhibition 2016 with the theme “Innovating Transport for Liveable Cities” in Singapore in October 2016.

The Group also took part in BCAs local industry immersion trips to other contractors. On 16 September 2017, a team of engineers visited a local contractor’s site to learn about construction methods for building Punggol Bridge across Sungei Serangoon.

The Group’s senior management also seek to improve their leadership skills and expertise. In March 2018, Executive Director, Mr Or Lay Huat Daniel attended the Certificate in Imperial College London-BCA Executive Development Programme on DFMA and IDD Leadership. In November 2018, Group Managing Director, Mr Or Toh Wat also attended the same programme at Imperial College London.

In November 2015, Group Managing Director, Mr Or Toh Wat attended the Stanford Virtual Design and Construction Leadership Programme in USA. This leadership course was organised by the Stanford University’s CIFE and BCA.

**SAFEGUARDING OCCUPATIONAL HEALTH AND SAFETY**

The Group’s guiding principle is to provide a safe working environment for its workforce at the construction sites. Thus, to ensure good safety standards, OKP strives to nurture sound work safety and environmental awareness at all its worksites. We emphasise and implement stringent safety management throughout the various stages of the projects, beginning at the project management stage, during the construction and site management stages until the successful completion of the projects.

As a reliable contractor in transport infrastructure and civil engineering, the company complies with all relevant legislative and regulatory...
from work has an adverse impact on both direct and indirect costs. It also shows a low level of job satisfaction and a lack of commitment to OKP. Furthermore, absenteeism of employees from work leads to backlogs and pile-up of work, thus, causing work delay. To achieve a low level of absenteeism among its workforce, the company can put measures in place to create a healthier workplace and happier workers. This more positive working environment can help its workforce to perform efficiently at work with relevant guidance and mentoring.

Since 2006, OKP has been receiving numerous safety awards in acknowledgement of its high standard of health and safety awareness at its various worksites. In total, the Group has won a total of 20 safety awards, seven green and gracious awards and one construction environment award.

In 2017, the Group received a Safety Recognition Award from the Changi Airport Group for its commitment in achieving Zero Safety Infringement for works at Seletar Airport - the only contractor under Airside Project to be rewarded with such award. This was the second year running that OKP had received such a safety award from the Changi Airport Group.

Another award received by the company was the Green and Gracious Builders Award conferred by the BCA since May 2012. In 2019, wholly-owned subsidiary corporations Or Kim Peow Contractors (Pte) Ltd and Eng Lam Contractors Co (Pte) Ltd had been conferred the BCA Green and Gracious Builder (Excellent) Award. The award aims to raise the environmental consciousness and professionalism of builders, and is a benchmark of a builder's corporate social responsibility to the environment and the general public. It also sets standards for gracious practices, which will enhance the image of builders and the construction industry, particularly in neighbourhoods affected by construction activities. In addition, both Or Kim Peow Contractors (Pte) Ltd and Eng Lam Contractors Co (Pte) Ltd had also been certified bizSAFE Star by the Workplace Safety and Health Council in 2019.

ENSURING ETHICAL PRACTICES

The Group ensures that all staff follow and abide by ethical practices conscientiously and without compromise. We hold firm views on anti-corruption and has zero tolerance towards bribery and corrupt practices. This view is emphasised to all our workforce, who may come from different countries and backgrounds with varying ethical standards and accepted cultural practices.

At OKP, we make sure that our employees understand and comply with the relevant anti-corruption legislations. We provide staff with guidelines on how to declare and comply with our internal policies when giving or receiving gifts, or dealing with entertainment, sponsorships and charitable contributions during the course of their work. During the past year, the company did not receive any report on incidents of corruption within the company.

BEING PEOPLE-CENTRIC

To fulfil our mission to be the first and preferred civil engineering contractor for various industries in Singapore and beyond, as well as maintain our position as a market leader in the public sector construction industry, we need to be a people-centric company. This is because we rely on the effective and steadfast performance of all employees to achieve our business goals, attain financial profitability and work together as a strong and resilient company for now and the future.

With the aim of becoming an excellent people-centric company, OKP has been updating its organisational effectiveness and improving its communication.
channels across all levels and between the various business units.

Moreover, we have put in place a review-and-feedback process, which has proven to be helpful and efficient in detecting our employees’ concerns and tackling their issues. We make it our 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 the company seeks to be an excellent employer, we treat all employees with dignity and respect by ensuring they receive fair treatment. We abide by all labour laws and guidelines that enshrine fair employment practices. We hire promote and train staff based on their merit and performance, and do not discriminate based on their nationality, race or religion.

In addition, we fulfil our obligations as a good corporate citizen in supporting national defence by facilitating and enabling attendance by our male workforce of reservist training. Since 2008, OKP has been receiving awards from the government for its support and contributions to Total Defence in Singapore.

As a people-oriented company, we seek the well-being of our staff. Thus, the Group has many welfare initiatives such as our Annual Dinner, Chinese New Year lunch and regular luncheons. Our employees 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. We provide maternity leave as well as paternity leave for our staff.

### Employee Profile

**Gender**

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<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td>FY2019</td>
<td>93%</td>
<td>7%</td>
</tr>
<tr>
<td>FY2018</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>FY2017</td>
<td>94%</td>
<td>6%</td>
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</tbody>
</table>

**Age**

<table>
<thead>
<tr>
<th>Year</th>
<th>65 years and above</th>
<th>55 to 64 years</th>
<th>45 to 54 years</th>
<th>35 to 44 years</th>
<th>25 to 34 years</th>
<th>Below 25 years</th>
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<tr>
<td>FY2019</td>
<td>1%</td>
<td>11%</td>
<td>28%</td>
<td>34%</td>
<td>26%</td>
<td>0%</td>
</tr>
<tr>
<td>FY2018</td>
<td>2%</td>
<td>8%</td>
<td>27%</td>
<td>30%</td>
<td>31%</td>
<td>2%</td>
</tr>
<tr>
<td>FY2017</td>
<td>2%</td>
<td>8%</td>
<td>25%</td>
<td>31%</td>
<td>31%</td>
<td>3%</td>
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**Nationality**

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<thead>
<tr>
<th>Year</th>
<th>Singaporean / PR</th>
<th>Malaysian</th>
<th>Indian</th>
<th>Bangladesh</th>
<th>Myanmar</th>
<th>Thai</th>
<th>Filipino</th>
<th>PRC</th>
<th>Others</th>
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<tbody>
<tr>
<td>FY2019</td>
<td>13%</td>
<td>2%</td>
<td>46%</td>
<td>8%</td>
<td>16%</td>
<td>11%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>FY2018</td>
<td>15%</td>
<td>3%</td>
<td>43%</td>
<td>6%</td>
<td>15%</td>
<td>14%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>FY2017</td>
<td>18%</td>
<td>1%</td>
<td>43%</td>
<td>6%</td>
<td>15%</td>
<td>15%</td>
<td>1%</td>
<td>1%</td>
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**New Hires**

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
</tr>
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<tbody>
<tr>
<td>FY2019</td>
<td>203</td>
</tr>
<tr>
<td>FY2018</td>
<td>31</td>
</tr>
<tr>
<td>FY2017</td>
<td>51</td>
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</table>
Corporate social responsibility (CSR) is a widely recognised business practice. According to Financial Times, CSR is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders.

Over the past decades, there is an increasing sentiment in Singapore and all over the world that implementing CSR initiatives can give businesses a competitive advantage over others, who do not believe that CSR can contribute to their bottom-line. It is gaining wide acceptance in many companies, which make CSR practices an essential aspect of their business operations as they realise that implementing good CSR practices can bring about many benefits. These include creating a positive reputation and good morale among employees, which bring about more effective performance, thereby attracting more investors and improving productivity.

Prominent global business leaders have acknowledged the importance of CSR as part of their business goals. Mr Bill Ford, Executive Chairman of Ford Motor Company), highlighted: “Creating a strong business and building a better world are not conflicting goals -- they are both essential ingredients for long-term success.”

Another business leader, Ms Irene Rosenfeld, former Chairman of Mondelez International, predecessor of Kraft Foods Inc., said: “To build and sustain brands people love and trust, one must focus -- not only on today but also on tomorrow. It’s not easy...but balancing the short and long term is key to delivering sustainable, profitable growth -- growth that is good for our shareholders but also good for our consumers, our employees, our business partners, the communities where we live and work, and the planet we inhabit.”

At OKP, we aim to be a good corporate citizen, and as such, we conduct our business in a sustainable way that brings about positive economic, social and environmental impact for our stakeholders and their environments. We conscientiously apply best practices in all our business operations, and this incorporates giving back to society, especially in offering support to the underprivileged and needy members of the community. We offer financial help through sponsorships and donations to various charitable groups and causes. We also inculcate an attitude of volunteerism among our employees so that they volunteer their time and efforts towards supporting worthy causes, and making a positive impact on the community.

We contribute to the community by taking part in fundraising events and philanthropic activities and through our annual Charities of the Year programme. We support a number of charities, providing our staff with opportunities to be responsible citizens as they take part in various fundraising activities for specific causes. Through these fundraising events and charities, we will continue to broaden our outreach to disadvantaged and less fortunate people within the communities that we serve.

We provide financial support and help to the following charities and community organisations:
- Building fund for the Singapore Buddhist Lodge;
- Relief, Singapore’s leading independent disaster relief agency, for its Ground Zero Run for Humanity;
- Adventist Nursing & Rehabilitation Centre, a voluntary welfare organisation which provides physiotherapy and rehabilitation for victims of stroke, head and spinal injury following accidents and other chronic neuromuscular disorders;
- Students Care Service which has four centres with a team of caring professionals, that are committed to serving children and youth in Singapore, enabling them to maximise their potential;
- Pertapis Education and Welfare Centre for its Swing for Hope charity golf event to raise funds for its children’s home and centre for women and girls;
- Pasir Ris East Zone Community Club for its Marathon Ekiden Charity Run to raise funds for its Community Development and Welfare Fund which sponsors bursary awards and good progress awards;
- Tampines Changkat Consultative Committee for its Festive Wishes Come True event, which brings joy to underprivileged children by fulfilling their desired gifts during Christmas;
- Tagore Business Association, a group formed to enhance Tagore Industrial Estate’s business environment and promote the welfare of businesses, for its Tagore Award which serves to nurture, support and spur them towards achieving business excellence;
- Nanyang Technological University’s Computer Science and Engineering Club for its overseas community projects;
- Chee Hoon Kog Moral Promotion Society, a charity which accepts non-paying residents recommended by the Ministry of Social and Family Development, Ministry of Health or through medical social workers of hospitals;
- Mouth and Foot Painting Artists Pte Ltd, an international for-profit association wholly-owned and run by disabled artists to help them meet their financial needs;
- World Children’s Fund HK Ltd, a non-profit charitable organisation whose purpose is to facilitate caring and sharing of aid to needy and suffering children in crisis situations worldwide;
The Singapore Association for the Deaf, which serves the deaf and hard-of-hearing community with a mission to assist them in achieving a better quality of life and enabling them to integrate and contribute to society;

Tentera Diraja Mosque’s Charity Golf Tournament;

Playeum Ltd, a charitable centre for creativity and culture in order to nurture the next generation of creators, innovators and thinkers, by engaging children and families in over 150 programmes and novel experiences through collaborations with museums, public institutions and creative practitioners;

Halogen Foundation Singapore, a values-based, not-for-profit institution dedicated to youth leadership and entrepreneurship development, and Halogen Yellow Diamond Charity Gala Dinner;

Singapore Red Cross, an independent humanitarian society which provides assistance in relief operations in times of disaster, and in auxiliary health and welfare services to the sick, handicapped, aged and poor; and voluntary aid to the sick and wounded in time of war; and to prisoners of war and civilians suffering from the effects of war;

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 or 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;

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;

Singapore Gymnastics, the national sports association for gymnastics in Singapore, with funds raised for running and administering its various gymnastics programmes;

NUS Building & Estate Management Alumni Golf Tournament;

Land Transport Authority’s Charity Golf Tournament;

Casa Raudha Women Home, which aims to provide a temporary refuge for women and their children who have been the victims of injustice and domestic violence; and

Caritas Singapore, the official social and community arm of the Catholic Church in Singapore, and the umbrella body for 27 Catholic charities and organisations whose work has touched the lives of many, regardless of race or religion

We also sponsor activities organised by various organisations such as schools, religious and grassroots organisations, and the Community Development Council. In 2019, we sponsored fundraising golf tournaments such as for the Tunnelling and Underground Construction Society (Singapore) and Ngee Soon Group Representation Constituency. We also sponsored the People’s Association Community Centres/Clubs Building Fund, and Singapore Institute of Building Limited’s movie event.
GOVERNANCE AND SUSTAINABILITY

SAFETY AND ENVIRONMENTAL AWARENESS

ENHANCING SAFETY AND ENVIRONMENTAL AWARENESS

As a responsible business involved in transport infrastructure construction and civil engineering, the Group is committed to complying with all relevant legislative and regulatory requirements to enhance workplace safety, environmental protection and the well-being of all employees.

The company’s priority is to ensure that all staff, contractors and subcontractors on its premises are proficient, well-equipped and trained to work safely. One of our guiding principles to our workforce is our commitment to providing them with a safe accident-free working environment, thus enabling them to go home safely after work. This guarantee covers our contractors, subcontractors and others who come to work at our premises and worksites.

In the planning and operation of OKP’s business, we need to instil a culture of safety and comprehensive environmental awareness within the company. Improving good safety standards and nurturing better environmental awareness are, therefore important aspects of our core values and work environment.

To achieve this aim, commitment must come from top management. Since late 2015, the management team has taken direct responsibility for safety performance with senior staff acting as a “safety manager” for the area under his supervision. They are responsible for ensuring that the Quality, Environmental, Health and Safety (QEHS) programme authorised at the management level is being carried out efficiently on the ground. To buttress its QEHS capability, the Group has increased the appropriate manpower to better manage this function. From 2015 onwards, a corporate safety manager has been assigned to different sites by roster to provide advice and support on QEHS matters.

The company has put in place a policy to ensure a minimal risk work environment as it seeks to avoid any injuries, loss of lives, damage to properties and pollution to the environment. Thus, our goal is to have vision zero in relation to injuries, work-related illnesses and environmental impact at all OKP’s workplaces.

Setting vision zero in place is not just about focusing on meeting a numerical target of zero injuries at the workplaces or zero damage to the environment but rather, it is about embracing a positive mindset that pursues for zero harm in both areas. Thus, nurturing a safety culture and promoting environmental awareness among all stakeholders are vital aspects of the Group’s core values and well-organised work landscape.

By implementing high safety standards and tough environmental control measures, OKP is cultivating the right environment for everyone from senior management to the workers to contribute fully towards achieving vision zero. The company stresses workplace safety, health and environmental protection at each and every phase of the project cycle from conceptualisation to the construction and management stages. This is to ensure that all potential risks are identified early and quickly, thereby reducing or removing risks downstream.
The Group believes accident prevention and environmental protection are not only a moral obligation but also a good business practice. By identifying and directing our resources to address potential hazards, we seek to prevent incident rates and extra accident-linked costs. Ensuring a safe working environment for our employees and other stakeholders is vital in supporting us to achieve good performance, enhance our corporate image and strengthen our competitiveness.

**SAFEGUARDING HIGH STANDARDS**

To safeguard high standards of QEHS performance, the management team has established well-defined directions for implementing an effective occupational health and safety management method. This enables us to prevent safety-related and health incidents and foster risk-free and environment-friendly work areas. In addition, this management approach meets all relevant laws and regulatory requirements.

Taking QEHS responsibility is a key factor in the way we conduct our business with our stakeholders such as clients, subcontractors and suppliers.

One of the ways the Group does this is by adopting bizSAFE, which is the Workplace Safety and Health (WSH) Council’s five-step programme for companies to help them improve their workplace safety and health capabilities in order to achieve high standards at the workplace. To increase the benefits of the bizSAFE programme, we practise optimum risk control, beginning with the elimination, substitution, engineering and administrative control and finally, mandatory use of construction personal protective equipment. Work-at-height risks will be managed by having certified scaffold platforms erected by a trained workforce.

Since 2014, the company has appointed only contractors and vendors with bizSAFE level 3 and above for all its projects. Both our subsidiary corporations, Or Kim Peow Contractors (Pte) Ltd and Eng Lam Contractors Co. (Pte) Ltd, are totally committed to ensuring excellent safety and health standards and have renewed their WSH Council’s bizSAFE STAR status in July 2019. This is the highest level awarded to enterprises for their commitment to maintaining a good risk management and workplace safety system. In November 2019, the Group received the bizSAFE Partners certification from the WSH Council. As a selected partner, it is recognised as an organisation that has influencing power in its business value chain. Thus, the company plays an important role in influencing and motivating their business partners to work safely as well as incorporate bizSAFE as part of their procurement requirements.

To stay ahead in this competitive industry, we have constantly reviewed and updated our QEHS Management System. By doing so, we increase our workplace safety and health standards as well as finetune our operational procedures, thereby enhancing our overall effectiveness. The Group’s integrated management system had been implemented according to the ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 requirements. Maintaining our certification by SOCOTEC Certification Singapore Pte Ltd, an accredited certification body by Singapore Accreditation Council, is a testimony that OKP has a robust system and strong commitment in ensuring quality, environmental, safety and occupational health standards. We successfully obtained recertification in accordance with the ISO 9001:2015, ISO 14001:2015 and OHSAS18001:2007 standards in August 2019.

The Group is also dedicated to safeguarding and maintaining the natural environment through an array of ongoing initiatives. Embracing the environmental motto of reduce, reuse, recycle, OKP contributes to the protection of its environment through waste management, energy conservation and water conservation.

As a responsible company which aims to provide a pleasant environment for its clients, employees and the members of society, the company undertakes to do its part by:

- working to reduce and control construction site noise and vibration so as to provide a more pleasing environment for the public, our clients and our workforce;
- providing a work environment where people from diverse backgrounds can work together harmoniously and have a sense of fulfilment; and
- enabling everyone to work together to achieve an injury-free environment.
We are committed to providing the tools, knowledge and resources to keep all who are on or near our construction sites safe. The Group wants everyone to go home safely from their jobs every day.

**WINNING RECOGNITION AND ACCOLADES**

The Group’s achievements on QEHS have been recognised. It has received numerous accolades for its good workplace health management and occupational safety focus.

In early 2020, wholly-owned subsidiary corporation Eng Lam Contractors Co (Pte) Ltd received a Safety Recognition Award from the Public Utilities Board for its safety record for the Deep Tunnel Sewerage System project.

In 2017, OKP was the only contractor under Airside Project to receive a Safety Recognition Award from Changi Airport Group for its commitment in achieving Zero Safety Infringement for works at Seletar Airport. This was the second year running that it has been conferred such a safety award from the Changi Airport Group.

Another award received by the Group is the Green and Gracious Builders Award conferred by the Building and Construction Authority (BCA) since May 2012. The award 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. It also sets standards for gracious practices, which will improve the image of builders and the construction industry, particularly in neighbourhoods affected by construction activities.

In 2019, wholly-owned subsidiary corporations Or Kim Peow Contractors (Pte) Ltd and Eng Lam Contractors Co (Pte) Ltd have been conferred the BCA Green and Gracious Builder (Excellent) Award.

Since 2006, OKP has won a total of 20 safety awards, seven green and gracious awards and one construction environment award.

**UPHOLDING QEHS SUSTAINABILITY**

The Group faces many challenges in upholding the high standards of its QEHS Management System in today’s rapidly changing environment. We believe QEHS sustainability is a long-term business driver. By targeting specific efforts that tackle safety, health and environmental challenges and maintaining a good QEHS track record, we can reduce risks and enhance our competitiveness and remain steadfast and resilient for our future business growth.

The team from Eng Lam Contractors Co (Pte) Ltd received a Safety Recognition Award from PUB on 14 February 2020.

We have taken many measures to ensure that our work practices are environmentally-friendly, and always protect our employees’ safety and well-being in all our premises and circumstances. First, the company regularly updates its legal register so that it is up-to-date on all applicable legal requirements. With the assistance of the updated legal register, OKP would be able to keep up with changes and proposed legislations. The legal register also ensures that the Group is aware of and understand the implications of core legislations that affect its operations. This ensures that we stay compliant with local regulatory requirements and international standards.

Second, when hiring new staff and collaborating with partners, we evaluate their QEHS experience and track record. Our ability to attract, develop and retain qualified employees, consultants and subcontractors with excellent QEHS track records has considerably improved OKP’s success and sustainability.

Third, we have instituted Business Continuity Plans to better manage the organisation during unpredictable times and crises such as haze, monsoon rains, and disease outbreaks such as the coronavirus (Covid-19) and Zika virus. The Group has implemented risk assessments to ensure that the business functions and operations can continue without compromising our employees’ safety and health.

In view of the coronavirus (Covid-19) situation in China, which has intensified since January 2020, OKP conducted briefings based on the government’s advisory to all its project staff and subcontractors. These included declarations, temperature checks and quarantine for any staff or subcontractor who had travelled to China recently. They were also advised to practise good personal hygiene, avoid crowded places or people who were unwell, and wear masks.
The Group also implemented a sickness surveillance process to identify and manage unwell employees. These measures included implementing temperature screening for visitors entering the project sites, and maintaining a site attendance record and visitors’ contact information for traceability. In addition, the sick are required to seek medical attention promptly.

In 2016, during a severe outbreak of the Zika virus, which particularly affected foreign workers at construction sites, OKP set up its Zika Contingency Plan. The plan was to deter mosquito breeding and dengue/Zika transmission at the Group’s construction sites. The body temperature of the workers were measured daily to identify signs of fever. Insect repellents were also applied daily for protection against mosquito bites. Other key control measures included intensification of search-and-destroy efforts to check on potential mosquito-breeding at all sites; mass combing of the entire site; and twice-weekly pest control operator’s visits for the entire site. Weekly trimming of overgrown grass; monitoring of mosquito population using Gravitrap; and regular and thorough housekeeping were also implemented.

During the haze crisis over a few months in 2015, the company ensured that all its workers were trained and informed of the correct way to don their masks and stop work if the quality of air reached hazardous levels.

**CHAMPIONING A SAFETY CULTURE**

The Group recognises that championing a robust safety culture will ensure safe behaviour among co-workers and result in an injury-free workplace. Safety management starts at the project planning stage and is emphasised throughout the various stages of design, construction and management till the projects are fully completed.

We put in enormous efforts to create and implement a progressive and dominant QEHS culture in the company. For example, the company organised a safety campaign on 18 January 2020 for all workers and staff. The health and safety engagement programme included an opening speech by a project director, National Environment Agency road show, viewing of safety videos, games and quizzes and the presentation of an award to a model worker.

Monthly project-level cross audits are also implemented to provide a “third eye” to address shortfalls in the existing QEHS system and practices.

Through the decades, our comprehensive construction safety programme has been improved and fine-tuned. Some aspects of this programme include:

- a rigorous subcontractor and supplier selection and approval process, which shortlists companies with excellent safety track records;
- risk assessment procedures to identity situations and processes that may potentially cause injuries 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 be put in place; and
- field regular safety audits at construction worksites.

In addition, OKP also implements various other efforts to further promote safety awareness at all its workplaces.

First, we introduced Behavioural Based Safety programmes at our worksites. This is a safety method that focuses on the behaviour of workers as the source of most work-related injuries and illnesses. By conducting reviews of current work practices and collating data from interviews and observations, trained observers would identify the key 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 to assist the respective group or worker. Through these programmes, the company can improve its workers’ well-being, thus improving performance and attaining a sustained adjustment of attitudes towards safety.

Second, the Group continuously involves all staff on the Corporate Safety Promotion Programme so as to foster safety awareness at all organisational levels and fortify its goal to make staff safety a top priority. This programme seeks to inspire our employees to advance their own and their fellow workers’ safety behaviour, as well as support OKP’s safety, health and environmental goals. Various safety promotional activities were carried out. These included the “Your Hands are Important” safety campaign, Dengue Prevention campaign (jointly conducted with the Land Transport Authority and National Environment Agency), monthly mass safety talks and regular incentives for employees with excellent safety performance/behaviour. In order to recognise workers for going the extra mile by displaying exemplary behaviour and safe work practices and attitudes, the company identifies in each month a safety conscious staff. This person will be rewarded with NTUC vouchers as a token of appreciation. Sufficient workers’ resting shelters are provided at all project sites, where staff could take intermittent rest during the working hours.

Third, we continue to develop a systematic way of monitoring the safety performance and knowledge of the workforce. All employees will carry a personnel safety card that records types of safety training each has been to and safety infringement committed. Workers with poor safety knowledge and record would be easily identified by their supervisors and recommended for further training. The worker would also be closely monitored during work processes to avoid any safety non-conformance.
Fourth, the Group has printed its own safety handbook to highlight its safety requirements. The handbook contains the “dos and don’ts” to help the employees understand house safety rules and regulations, and procedures for doing work safely. Besides the English version, the safety handbook is also translated into the workers’ native languages. This is to ensure that non-English speaking workers understand all the potentially life-saving information and know the safety procedures thoroughly. The safety handbook is our main tool in the ongoing battle against workplace accidents and injuries.

Fifth, we have started a Safety Alert and a Safety Bulletin since 2015 to share valuable information on local and international safety-related matters and developments. Safety Alert is published regularly and sent out to the project teams to keep them up-to-date on recent safety incidents, highlight learning points, and provide recommendations on how similar incidents can be prevented. The Safety Bulletin is to generate awareness on a range of relevant safety and health issues and topics, such as lifting operation, earth control practices and sharing of the best safety practices. It also has updates on recent safety-related developments, including new laws and regulations, guidelines, advisories and codes of practices.

Sixth, emergency drills are conducted regularly at all our worksites to strengthen emergency preparedness in handling any potential incidents 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 exercises help to improve safety awareness and knowledge of all workers. This shows our commitment towards the safety and well-being of all our workforce, clients, subcontractors and suppliers.

Seventh, Safety Time Outs are conducted regularly at all our worksites. It is a planned event where all site staff take time off from their routine operations to take stock and review a particular work activity or system to ensure safe operations.

HARNESSING TECHNOLOGY TO MANAGE SAFETY

The Group has harnessed technology by using applications (apps) for the Permit to Work (PTW) System. In the construction industry, the contractor deals with a lot of permits to manage hazardous work. The traditional paper method of using the PTW system requires spending hours filling out forms, sending the paper forms from place to place, and waiting for the permits to be issued, resulting in a great loss of time. The company has resolved this issue by working with an application developer to create an easy-to-use mobile application to increase the efficiency, control, productivity and compliance of the current PTW System. Paper forms are replaced by mobile devices. Through the PTW applications, subcontractors can apply for permits using their mobile devices and are notified when actions are needed. Safety officers can conduct safety inspections and validate PTWs immediately. Corrective actions are also easy to check and monitor. Project managers can also monitor the status of all PTWs in real time. As all PTW data and photos are saved on the cloud-based server, it can be checked anytime by retrieving from the cloud platform.

The whole PTW process is also easy to monitor on dashboards, which are accessible on desktops and mobile devices. PDF versions of the PTW reports are also created automatically, and archived in the system. Thus, the mobile application is quick and easy to use. New users can download the app and get going in less than five minutes. This method has greatly improved productivity and help better time management for the Group.
DEVELOPING QEHS TRAINING AND COMPETENCY

Our workers play an important role towards the successful implementation of our workplace safety and health management system. As such, OKP has initiated a corporate health and safety induction package, which contains the latest health and safety requirements and practices.

We educate our employees at all levels, equipping them for the challenging construction environment through programmes offered by the Ministry of Manpower-approved training centres. It is mandatory for all management staff and engineers to attend safety courses such as the “Construction Safety Course for Project Managers” and “Risk Management Course”. These courses equip them with the regulatory requirements to take on the roles of risk management leaders in order to remove or reduce risks at source.

As part of the Group’s orientation programme, supervisors instruct new recruits on the highest standards of QEHS requirements. New employees are required to undergo a health and safety induction programme upon first joining the company. The safety team continuously updates its inhouse safety training and education programme for both new and existing workers to train them with the basic knowledge necessary for executing their various functions in a safe and proficient manner. Specialised and more detailed information and training are given regularly to site safety practitioners. This is to keep them up-to-date on the latest industrial safety and environmental regulations.

Due to the nature of the Group’s work plus the large work areas covered by our project sites, OKP has also exceeded 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 make sure that any person who sustains an injury can receive first-aid treatment immediately. Training is crucial in preventing injuries among workers. In recent years, the company expanded its training programmes to include both suppliers and clients.

Subject matter experts or suppliers of equipment, who understand the actual ground conditions and issues, are invited to conduct relevant training on safe work procedures for our workforce. For example, we engaged the Bedec supplier to provide scaffold safety training to the workforce, and the silent piler supplier to conduct training for our silent piler operator. All truck drivers are also sent for defensive driving course and coached on safety procedures to be followed with practical illustrations during the training session.

Two OKP directors attended the XXI World Congress on Safety and Health at Work 2017 in Singapore from 3 to 6 September 2017. Organised by the Singapore Ministry of Manpower, International Labour Organisation and International Social Security Association, the triennial congress was the largest and most important international conference on workplace safety and health. It was attended by over 3,500 Workplace Safety and Health experts and business delegates from more than 100 countries, who shared many learning opportunities on workplace safety and health-related topics.

On 16 November 2017, five OKP senior staff attended the QEHS Internal Auditor – ISO 9001: 2015, ISO14001: 2015 and OHSAS 18001:2007. With the knowledge attained, the employees will be able to confidently conduct a comprehensive internal audit on our QEHS management system and recommend improvements so that we can continue to comply with the ISO 9001: 2015 and ISO14001: 2015 standards. Some of these ongoing green efforts at all of our worksites include reusing, recycling and disposing construction waste as well as construction materials such as timber, reinforcement and concrete debris properly. Other efforts are maintaining construction machinery regularly to reduce carbon emissions; implementing effective earth control measures onsite to prevent silty water from polluting public drains; and reducing and treating waste water from construction activities in treatment plants before releasing into the public drainage system. The workforce also seeks to minimise water consumption and emissions; and use solar-powered devices and de-sanding machines to separate sand from dredging wastes. Promotional activities are also executed onsite to encourage green practices.

Other green practices adopted by the Group included the use of recyclable footprint; use of balance concrete to fabricate pre-cast strips; footing for decking; use of waste rebar for fabrication of equipment’s protection frame/ storage rack; and resorting all recyclable office waste into recycling bins and sending them for recycling.

The Group also uses solar CCTV cameras at all its project sites. These CCTV cameras use solar panels to capture sunrays using photovoltaic cells, which convert the light into electricity to power the security cameras. The solar cells produce direct current (DC) power, which then passes through an inverter to change the power to the desired voltage. With solar CCTV cameras in a security system, the company ensures an environmentally sustainable and self-renewing power source for 24-hour surveillance.

Amid a dynamic working environment and complex business requirements, OKP will constantly explore ways to address the challenges in the QEHS environment and look out for opportunities to keep abreast of the latest developments. Through the collective efforts of every stakeholder, the Group believes significant improvements in QEHS standards have been and will continue to be made.
After more than 50 years of business, we continue to be grateful to our customers, who have supported us through the ups and downs of the business cycle. Indeed, we acknowledge that our customers are a significant factor in the growth and continued success of OKP as their support has enabled us to grow from a sole-proprietorship in 1966 to become an established public listed company today. We are fully aware that our abilities in overcoming challenging times to achieve our goal of developing a sustainable business are due mainly to the unwavering support of our customers.

We see our relationships with our customers from a long-term perspective and create relationships that are mutually beneficial. We are confident that our customers value our professionalism, solid teamwork and top-notch quality services while we improve our skills, broaden our experience and enlarge our business through our customers’ projects. We want to give our customers the confidence that we have their best interests at heart and will do our utmost to deliver quality results. Our customers’ steadfastness and trust have enabled us to be acknowledged as a reputable civil engineering contractor in Singapore and the region today.

MEETING OUR CUSTOMERS’ NEEDS EFFECTIVELY

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.

The Group stresses to all employees that they are to be fully dedicated to delivering on its service promise. With the aim of fulfilling our service promise to our customers effectively, our workforce works diligently together as a team to realise our vision to be a leading transport infrastructure and civil engineering company in Singapore, the region and beyond.

At the operational level, OKP aims to fulfil this service promise by training and encouraging its staff to support its customers to the best of their abilities and at all times. We emphasise this view to our employees by empowering them to listen responsively to our customers’ feedback, and work in sync with them to identify their business issues and address them accordingly. We give our staff the required authority, resources and assistance to come up with new ideas to solve our customers’ problems. Our employees seek to solve the underlying causes of a customer’s concerns instead of merely treating the symptoms, and through this approach, resolve the issue.

At our worksites, our customers’ health and safety are the Group’s priority. We work in tandem with our customers to ensure that our safety standards comply with all applicable rules and regulations. For both customers and ourselves, delivering a project on time and on budget is crucial for the successful completion of all projects. To achieve this goal, we strive to work tirelessly with our customers to make sure that the projects are completed successfully within the stipulated contract terms.

DEVELOPING OUR CUSTOMER BASE

To deliver on our service promise in the very competitive business environment in Singapore and the region, OKP believes that customer satisfaction becomes exceptionally important for sustaining its business. We are cognisant of the fact that customer satisfaction has been a key factor in our business’ continual growth and success. As such, the Group’s management team and supervisors work closely with its customers to provide a high degree of engagement in order to ensure the smooth and satisfactory completion of all projects.

Our view is that when we deliver on our contracts on time and on budget, and go beyond customers’ requirements, the customers will have greater confidence in us. Therefore, we go out of our way to boost this confidence and develop a good reputation by making sure that we deliver all projects with the highest standards of reliability, integrity and proficiency. Through our many years of operational experience, we have developed objectives to ensure a high level of customer service. We believe that these goals have enabled us to create good rapport and strong relationships with our customers and keep them fully satisfied.

At OKP, we seek to provide immediate response to our customers’ needs and develop effective solutions for their problems; as well as implement honest and ethical business practices that put our customers’ interests first. We aim for high standards of service quality; high safety standards at building and construction sites; and efficient management to complete projects on time and within budget.

DELIVERING ON OUR SERVICE PROMISE

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

The Group has established a solid presence in the public sector as a reliable infrastructure contractor in Singapore. Some of its public sector clients include Housing & Development Board, JTC Corporation, Land Transport Authority, National Parks Board, Public Utilities Board and Urban Redevelopment Authority. In the private sector, its clients include Changi Airport Group, ExxonMobil, Foster Wheeler Asia Pacific Pte Ltd, and WorleyParsons Pte Ltd.
Our goal is to fortify our business in Singapore and the region. We aim to enlarge our business networks and increase our current list of customers. At the same time, we also diversify our business to include property development and other investments to improve our revenue streams. One way that the Group has expanded its business is by forming joint ventures with partners to tender for complex projects and property developments. In addition, we are always on the look out for new opportunities locally and overseas.

With our strong expertise, vast experience, solid track record and sound reputation for delivering results, we have a good platform to grow our customer base and establish a sustainable and resilient business for the long term in Singapore and the region.

**SECURING CONTRACTS FROM REPEAT CUSTOMERS**

The Group aims to adopt a holistic approach in its customer service by having long-term and mutually beneficial relationships with its customers. We value each customer relationship, looking at it as a sustainable partnership to be nurtured and maintained at all levels and all times. We strongly believe that developing and preserving durable relationships with customers is the foundation of our business success.

Following this approach, we have made it a vital goal over the past decades to develop and foster many strong and steadfast partnerships. The solid relationships we enjoy with our customers have borne fruit as we have won many repeat projects from various customers since we began business as a sole-proprietorship in 1966.

Indeed, we are grateful for the continuing support from these long-term and loyal customers, who have stood by us through good as well as difficult times in the business cycle. These repeat customers testify to our professionalism, good work and quality service standards.

Winning contracts from many returning customers is not easy. The repeat business is the result of our competitive cost position and excellent past performances, which we believe are two vital factors for winning new contracts. We also believe that the time and efforts we invest in developing and nurturing our customer relationship play a major role in winning such contracts. Certainly, our employees’ focus in providing high standards and quality projects to our customers is just as crucial in clinching new and repeat projects.

**BEING A RELIABLE PARTNER TO OUR CUSTOMERS**

In the midst of the global economic uncertainties, which in turn affect Singapore’s economy, the current business climate continues to be very difficult and competitive. As in any business operations, our customers also face similar challenges in making critical decisions to increase their productivity, minimise expenses, and generate added value to their businesses, often times with limited financial and physical resources.

As we continue to fortify our strengths to build a stable and sustainable business, we also see our customers as partners, who are just as efficient and successful as our company. We therefore support them by being a committed and reliable partner.

We do this by making sure that our contracts are priced precisely and honestly to reflect current market conditions. With our strong track record in civil engineering and infrastructure works and as a recognised market leader in public sector construction projects, OKP is in a solid position to help our customers to boost their efficiencies and provide many other value-added services to them.

**ENGAGING OUR CUSTOMERS IN COMMUNITY SERVICE**

The Group is not just involved with its customers professionally through business activities at building sites and meetings. We also make it a point to support them in other ways such as offering sponsorships, and organising and hosting joint events.
INVESTOR RELATIONS

In recent years, there has been a demand for companies to address the constantly evolving requirements for greater transparency and corporate governance. As such, the Group aims to provide its stakeholders with prompt and accurate information on its business and financial performance.

We are committed to ensuring that our investors have a full understanding of and are kept fully updated on our strategic directions, business operations and market setting so that they can make informed investment decisions.

To achieve this goal, we engage frequently with our investors via various channels in order to communicate efficiently with them. Our senior management and investor relations (IR) team actively make themselves accessible through these communication channels to 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 steadfast in developing and increasing long-term value for all our shareholders and investors. We seek to establish a strong and sustainable company by acquiring a broad array of proficiencies and enhancing our skills, experience and knowledge so as to fulfil our vision to be a leading transport infrastructure and civil engineering company in Singapore and overseas. Through this method, we can attain sustainable business growth and deliver good results – to meet the expectations of our shareholders and investors.

To stay ahead as an industry leader in the competitive environment, we actively monitor the external business and macroeconomic climate affecting our business and tackle any issue strategically. We keep abreast of best practices by establishing good management practices, with effective operational procedures to ensure a smooth practical workflow. We emphasise to all employees the importance of delivering high-quality customer services which go beyond customers' expectations.

At OKP, we continually seek to improve our IR practices for the benefit of our stakeholders. We are a member of the Investor Relations Professionals Association (Singapore) for 2019. The association's primary objectives include championing IR best practice, enhancing professional competencies and elevating the overall standard of the IR profession in Singapore.

PRACTISING GOOD CORPORATE GOVERNANCE

As a listed company, the Group is determined to ensure excellent corporate governance, whereby it manages, directs and balances the interests of all its stakeholders, which include customers, workforce, suppliers, business partners, investors and the general public. In the light of constantly developing requirements for better disclosure, transparency and corporate governance, we believe that strong corporate governance is key in acquiring and retaining investors' trust and support as well as attracting fresh investors.

We fully support the pledge towards board diversity, which was introduced for listed companies by the Singapore Institute of Directors and Singapore Exchange (SGX) in 2016. The pledge states: “We, as corporations, are committed to promoting diversity as a key attribute of a well-functioning and effective Board. We believe that a diverse Board will enhance decision making by harnessing the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board.”

We have put in place processes to fortify our corporate governance framework to enable greater transparency and fast-track management decision-making processes, as well as strengthen management oversight. One of the ways we do this is by adopting the criteria used to score the Singapore Governance and Transparency Index (SGTI) ranking for SGX companies, which is an initiative administered by CPA Australia, National University of Singapore Business School’s Centre for Governance, Institutions and Organisations, and the Singapore Institute of Directors.
Currently in its 11th year, the SGTI is a unified framework comprising two separate categories – the General Category, and the REIT and Business Trust Category. For the General Category, the SGTI score has two components – base score and adjustment for bonuses and penalties. The base score for companies contains five pillars (BREAD) – board responsibilities (35 points), rights of shareholders (20 points), engagement of stakeholders (10 points), accountability and audit (10 points), and disclosure and transparency (25 points). All these add up to a base score of 100 points. The aggregate of bonuses and penalties is incorporated to the base score to arrive at the company’s SGTI total score.

According to a Business Times report on 8 August 2019, OKP was ranked 101 in SGTI 2019 with an overall score of 74, compared to 150 in SGTI 2018 with an overall score of 66.

The SGTI results were based on a study covering 578 Singapore listed companies in the General Category, and 46 Reits and Business Trusts, which released their annual reports before 31 May 2019.

Our approach is to actively engage the investment community by providing the latest factual information on corporate developments to assist investors and other interested parties in making well-informed decisions in relation to their investments. We believe that this transparency contributes greatly towards an excellent understanding of OKP and its activities, as well as allow the investing community to evaluate our performance.

As a responsible company dedicated to good corporate governance, we fully support the Corporate Governance Week, which is organised annually by the Securities Investors Association (Singapore). Its focus on building and implementing excellence in corporate governance resonates with the way the company manages its business and how it communicates with its shareholders.

Our representatives took part in SID Directors Conference 2019 Transformation: From Ordinary to Extraordinary held on 11 September 2019 and the 10th Corporate Governance Week with the theme “Technology -- The New Face of Governance?”, which was held from 23 September 2019 to 1 October 2019.

INVESTOR RELATIONS POLICY

We have a well-defined IR policy, which is to ensure objective, transparent and principled business dealings with all our stakeholders. We make certain that we release relevant and material information according to these basic principles and in accordance with the SGX’s rules. We are proactive in providing shareholders and other parties in the financial markets with the same and concurrent information about matters that may influence the movement of our share price.

We have been recognised for our excellence in IR and dedication to excellent corporate governance, winning numerous awards and accolades in recent years, namely:

- Runner-up in the Most Transparent Company Award in the Construction and Materials, and Mainboard Small Caps categories at the Securities Investors Association (Singapore) (SIAS) 16th Investors’ Choice Awards 2015;
- Best Investor Relations Award (Gold) in the “Companies with less than $300 million market capitalisation” category at Singapore Corporate Awards (SCA) 2015;
- Merit for the Singapore Corporate Governance Award under Mainboard Small Caps category; and runner-up for the Most Transparent Company Award in the Constructions and Materials category at SIAS 15th Investors’ Choice Awards 2014;
- Best Investor Relations Awards (Bronze) in the “Companies with less than $300 million in market capitalisation” category at SCA 2013;
- Winner of the Most Transparent Company Award under Mainboard Small Caps category at SIAS 14th Investors’ Choice Awards 2013;
- Winner of the Most Transparent Company Award under Mainboard Small Caps category at SIAS 13th Investors’ Choice Awards 2012;
- Best Investor Relations Awards (Bronze) in the “Companies with less than $300 million in market capitalisation” category at SCA 2012;
- Best Investor Relations Award (Gold) in the “Companies with less than $300 million in market capitalisation” category at SCA 2009; and
- Best Investor Relations Award (Silver) in the Small Market Capitalisation category at SCA 2008.
DIVIDEND POLICY
The Group does not have a formal dividend policy. The form, frequency and amount of dividend payable on its shares will depend on its financial position, results of operations, capital needs, plans for expansion, and other factors as the Board of Directors may deem appropriate. We have a negative dividend payout in 2019.

ENGAGING ACTIVELY WITH SHAREHOLDERS
In today’s demanding investment climate with calls for better corporate governance, we are fully aware of the importance of engaging and communicating effectively with shareholders, investors and other stakeholders. To achieve this goal, we use various communication channels to share and facilitate communication 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 activities include the following:

ANNUAL GENERAL MEETING
One of the most important avenues to interact with investors is the annual general meeting (AGM), which is held every April. Besides offering an opportunity for investors to bring up any issue and obtain clarification, the AGM also allows 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 OKP’s business, explain decisions made and address all concerns raised.

The Board of Directors and senior management take full advantage of the AGM to brief shareholders on our latest developments and provide a platform for shareholders to ask questions and vote on the resolutions being tabled. All directors especially the Chairpersons of the Audit, Nominating and Remuneration Committees are present to clarify matters raised. Shareholders may also submit written questions relating to the statutory audit report and we will respond in an apt manner to their questions.

ANNOUNCEMENTS OF CORPORATE DEVELOPMENTS
As an organisation which aims to keep its stakeholders up-to-date on the latest developments, we make it a priority to issue timely announcements on new contracts, strategic developments, financial results and other significant information through the SGXNET website, press releases, email alerts and our investor-friendly website.

Our investor relations website is an important channel through which we disseminate our news to the investment community. It is a resource for corporate, financial and stock information, and announcements of vital business developments. The website also houses our quarterly results and annual reports. Since 2003, it has featured webcasts comprising videos of full-year results messages plus presentation slides, thus enabling those who could not attend the AGMs to be kept well informed of our latest financial and operational performance.

All our announcements are posted speedily on our website, following its release to the SGX to ensure fair, equal and speedy outflow of information.

In this way, all shareholders and investors can keep track of our latest business developments promptly and effectively.

ANALYST AND MEDIA BRIEFINGS
During the release of our quarterly results, the senior management team is present to meet with analysts to answer their questions and address any concern. Outside of the financial results announcement periods, where necessary and appropriate, the senior management team would also meet analysts and fund managers, who would like to have a better understanding of our operations.

Where appropriate and when opportunities arise, we also undertake media interviews to give shareholders and the public more insights into our business and management’s direction. We have also organised tours to some of our facilities for interested analysts and the media.

News about the Group have been published 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, Channel NewsAsia, High Net Worth, BT Invest, Investor.com and Inside Invest magazine.
## ANNUAL REPORT

Our annual report is a key communication tool for stakeholders and other interested parties. Therefore, we give special attention to ensure that the publication gives a correct and complete snapshot of our activities during the year as well as our developments, policies and strategic direction in the near future.

The annual report and the notice of AGM are sent to shareholders at least 20 working days before the meeting. Our excellent efforts have paid off and our annual reports have won numerous accolades. These include:

- **Best Annual Report Award (Gold)** in the “Companies with less than $300 million in market capitalisation” category at SCA 2016;
- **Best Annual Report Award (Gold)** in the “Companies with less than $300 million in market capitalisation” category at SCA 2013;
- **Best Annual Report Award (Gold)** in the “Companies with less than $300 million in market capitalisation” category at SCA 2010;
- **Best Annual Report Award (Silver)** in the “Companies with less than $300 million in market capitalisation” category at SCA 2009;
- **Best Annual Report Award (Gold)** for SESDAQ company at the Inaugural SCA 2006 for excellent standards of corporate disclosure; and

## COMMUNICATING ONLINE

Technology is a crucial and useful tool today to reach out to all our stakeholders. Thus, we take full advantage of technology by conducting an annual webcast to communicate with our investors, taking questions online via an Online Management Question-and-Answer forum with investors through Shareinvestor.com.

Through this forum, all shareholders and other interested parties will be able to email their feedback and queries to our management and be assured of a timely response. Our website is regularly updated to provide the latest information on our operations and corporate developments.
As a result of the loss attributable to equity holders, the company reported a loss per ordinary share of 0.1 cent in FY2019 as compared to basic earnings per ordinary share of 2.1 cent in FY2018.

The gross dividend yield of 3.5 per cent is calculated based on the share price of 20.0 cent as at 31 December 2019.

The company is proposing a final dividend of 0.7 cent per share for FY2019 for the approval of shareholders at the forthcoming annual general meeting of the company.

The Group’s net construction order book stood at $283.1 with revenue extending to 2023.

The company is proposing a final dividend of 0.7 cent per share for FY2019 representing a negative dividend payout ratio.
Financial calendar

**FY 2020**

- **28 February**: Announcement of fourth quarter and full year results for financial year 2019
- **1 April**: Despatch of Annual Report
- **27 April**: 18th Annual General Meeting
- **8 May**: Record Date for Dividend Entitlement
- **18 May**: Payment of FY2019 Final Dividends
- **July/August**: Announcement of half year results for financial year 2020

**FY 2019**

- **27 February**: Announcement of fourth quarter and full year results for financial year 2018
- **1 April**: Despatch of Annual Report
- **29 April**: 17th Annual General Meeting
  - Extraordinary General Meeting
- **6 May**: Announcement of first quarter results for financial year 2019
- **8 May**: Books closure for Dividend Entitlement
- **17 May**: Payment of FY2018 Final and Special Dividends
- **13 August**: Announcement of second quarter and half year results for financial year 2019
- **4 November**: Announcement of third quarter and nine months results for financial year 2019
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 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 of Corporate Governance 2018 (the Code).

The Group has reviewed and set out the corporate practices in place to comply with the Code, where appropriate, in this annual report.

We have presented our corporate governance policies and practices with reference to each of the principles and provisions of the Code in a tabular form, and explaining any deviations from the Code, taking into consideration the Practice Guidance relating to the Code.

The Board of Directors is pleased to confirm that for the financial year ended 31 December 2019, the Company has adhered to the principles and provisions as set out in the Code. In so far as any principles and/or provisions has not been complied with, the reason has been provided.

1. BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Our Policy and Practices:

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

- Reviewing and approving the corporate policies, strategies, budgets and financial plans of the Company;
- Monitoring financial performance, including approval of the full year and periodic financial reports of the Company;
- Approving major investment and funding decisions;
- Reviewing the evaluation process on the adequacy and effectiveness 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;
- Identifying the key stakeholder groups whose perceptions affect the Company's reputation;
- Setting the Company's values and standards, and ensuring that obligations to shareholders and other stakeholders are understood and met;
- Considering sustainability issues such as environmental and social factors, as part of its strategic formulation; and
- Assuming responsibilities for corporate governance.

The Directors on the Board 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. Where a Director encounters any conflict of interests, he shall not participate in any discussions or decisions involving issues of conflict.

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 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. 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. The training programmes are conducted by the SID, Singapore Exchange, and business and financial institutions and consultants. All the related costs are borne by the Company. During the financial year, some of the Directors attended the Corporate Governance Code Briefing conducted by the Singapore Institute of Directors.

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.

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, 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.

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.
The Board held four scheduled meetings in the financial year ended 31 December 2019. Ad hoc Board meetings are also held whenever the Board’s guidance or approval is required, outside of the scheduled Board meetings.

The attendance of the Directors at scheduled meetings of the Board and Board Committees during the financial year ended 31 December 2019 is disclosed below:

<table>
<thead>
<tr>
<th>Board Committees</th>
<th>Board</th>
<th>Audit</th>
<th>Remuneration</th>
<th>Nominating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of scheduled meetings held</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Directors</th>
<th>Board</th>
<th>Audit</th>
<th>Remuneration</th>
<th>Nominating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Or Kim Peow</td>
<td>4</td>
<td>*4</td>
<td>*1</td>
<td>*1</td>
</tr>
<tr>
<td>Mr Or Toh Wat</td>
<td>4</td>
<td>*4</td>
<td>*1</td>
<td>*1</td>
</tr>
<tr>
<td>Mdm Ang Beng Tin</td>
<td>4</td>
<td>*4</td>
<td>*1</td>
<td>*1</td>
</tr>
<tr>
<td>Mr Or Kiam Meng</td>
<td>4</td>
<td>*4</td>
<td>*1</td>
<td>*1</td>
</tr>
<tr>
<td>Mr Oh Enc Nam</td>
<td>4</td>
<td>*4</td>
<td>*1</td>
<td>*1</td>
</tr>
<tr>
<td>Mr Or Lay Huat Daniel</td>
<td>4</td>
<td>*4</td>
<td>*1</td>
<td>*1</td>
</tr>
<tr>
<td>Dr Chen Seow Phun, John</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr Nirumalan s/o Kanapathi Pillai</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr Tan Boen Eng</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

(*) – 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 Regulation 120(2) of the Company’s Constitution.

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.
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 with details of their other commitments and an indication of the time involved. In addition, Directors should consult the NC before accepting any new appointments as Directors. The NC has addressed the competing time commitments faced by Directors serving on multiple boards and 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. Following the cessation of quarterly reporting of financial statements by the Company, the Board has conducted a review and determined that a Director may hold up to 10 listed company board representations. None of the Directors of the Company hold more than 10 listed company board representations.

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.

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 attends and prepares minutes of meetings of the Board and Board Committees and assists the Board in ensuring that the Company complies with the relevant requirements of the Companies Act, the Securities and Futures Act and the Listing Manual of the SGX-ST. He also advises the Board on corporate governance matters.

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

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.
CORPORATE GOVERNANCE REPORT (CONT’D)

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Our Policy and Practices:

Currently, the Board consists of nine Directors, of whom three are considered independent by the Board. The Independent Directors constitute 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. The Board interacts and works with the Management through a constructive exchange of ideas and views to shape the strategic process.

The independence of each Director is reviewed by the NC on an annual basis. Each Independent Director is required to complete a checklist annually to confirm his 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 corporations, its substantial 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 in the best interests of the Company.

One of the Directors, Mr Nirumalan s/o V Kanapathi Pillai is the Senior Director of Niru & Co LLC, which provides legal and professional services to the Group from time to time. The NC is of the view that the business relationship with Niru & Co 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 Niru & Co LLC. As such, the NC considers Mr Niru to be independent. No services were rendered by and no payment was made to Niru & Co LLC in the financial year ended 31 December 2019.

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. However, the Board is of the opinion that based on the Group’s current size and operations, it is not necessary nor cost-effective to have independent directors make up majority of the Board. The NC is of the view that no individual or small group of individuals dominate the Board’s decision-making.

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.
CORPORATE GOVERNANCE REPORT (CONT’D)

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.

The Board reviews its composition from time to time and seeks to maintain a diversity of expertise, skills, gender, age, ethnicity and other attributes among the Directors. The Board comprises businessmen with vast business or management experience, industry knowledge and 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.

The Board is of the view that gender is one aspect of diversity and will ensure that any brief to external consultants to search for candidates for appointment to the Board will include a requirement to present female candidates. In relation to gender diversity, one out of the nine Board members is female.

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, taking into account the need 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 continue to 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. 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.

The Independent Directors met amongst themselves without the presence of the Management twice during the financial year ended 31 December 2019. The Lead Independent Director provides feedback to the Board where appropriate.
Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

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.

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

- 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 and for which contact through the normal channels of communication with the Group Chairman or the Management are inappropriate or inadequate.
CORPORATE GOVERNANCE REPORT (CONT’D)

The Independent Directors, led by the LID, provide leadership in situations where the Group Chairman is conflicted.

Board Membership

 Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Our Policy and Practices:

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

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 in particular the appointment and/or replacement of the Chairman, Group MD and key management personnel;
• 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 review training and professional development programmes for the Board and its directors;
• 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 Regulation 107 of the Company’s Constitution, one-third of the Directors shall retire from office at the Company’s Annual General Meeting (AGM). In addition, Regulation 109 provides that the retiring Directors are eligible to offer themselves for re-election.
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:

(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.

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 Independent Directors are independent.

Currently, the Company does not have alternate directors.

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’ Statement” section of the Annual Report.
The dates of initial appointment and last re-election of each of the Directors are set out below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
<th>Date of initial appointment</th>
<th>Date of last re-election</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Or Kim Peow</td>
<td>85</td>
<td>Group Chairman</td>
<td>15 February 2002</td>
<td>24 April 2017</td>
</tr>
<tr>
<td>Mr Or Toh Wat</td>
<td>52</td>
<td>Group Managing Director</td>
<td>15 February 2002</td>
<td>26 April 2018</td>
</tr>
<tr>
<td>Mdm Ang Beng Tin</td>
<td>64</td>
<td>Executive Director</td>
<td>20 March 2002</td>
<td>26 April 2018</td>
</tr>
<tr>
<td>Mr Or Kiam Meng</td>
<td>55</td>
<td>Executive Director</td>
<td>20 March 2002</td>
<td>24 April 2017</td>
</tr>
<tr>
<td>Mr Oh Enc Nam</td>
<td>64</td>
<td>Executive Director</td>
<td>20 March 2002</td>
<td>29 April 2019</td>
</tr>
<tr>
<td>Mr Or Lay Huat Daniel</td>
<td>42</td>
<td>Executive Director</td>
<td>1 August 2006</td>
<td>29 April 2019</td>
</tr>
<tr>
<td>Dr Chen Seow Phun, John</td>
<td>66</td>
<td>Lead Independent Director</td>
<td>25 June 2002</td>
<td>24 April 2017</td>
</tr>
<tr>
<td>Mr Nirumalan s/o V Kanapathi Pillai</td>
<td>67</td>
<td>Independent Director</td>
<td>1 June 2005</td>
<td>26 April 2018</td>
</tr>
<tr>
<td>Mr Tan Boen Eng</td>
<td>87</td>
<td>Independent Director</td>
<td>25 June 2002</td>
<td>29 April 2019</td>
</tr>
</tbody>
</table>

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, Mr Or Kiam Meng and Dr Chen Seow Phun, John will retire by rotation at the forthcoming AGM and be subject to re-election by the Company’s shareholders.

The NC ensures that new directors are aware of their duties and obligations.

**Board Performance**

*Principle 5:* The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

**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 assessing the effectiveness of the Board as a whole and the effectiveness of individual Directors.

(a) **Assessment 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 which allow for comparison with industry peers. 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 2019.

(b) **Assessment of the contribution of individual Directors to the effectiveness of the Board**
   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 2019.

In view of the size and composition of the Board, the Board deems it unnecessary for the NC to assess the effectiveness of each Board Committee.

The NC is of the view that the primary objective of the assessment exercise is to create a platform for the Board members to exchange feedback on the Board's strengths and shortcomings with a view to strengthening the effectiveness of the Board. 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.

The NC had conducted its assessments of the Board and the individual Directors in respect of the financial year ended 31 December 2019.
2. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her 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:

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 Executive 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.

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 aims to be fair and avoid rewarding poor performance. The RC will obtain advice from external consultants for benchmarking, where necessary.
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 may from time to time seek advice from external remuneration consultants who are unrelated to the Company, at its discretion. 

**Level and Mix of Remuneration**

**Principle 7:** The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

**Our Policy and Practices:**

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. To ensure that key executives’ remuneration is consistent and comparable with market practice, the RC regularly benchmarks remuneration components against those of comparable companies, while continuing to be mindful that there is a general correlation between increased remuneration and performance improvements.

The variable component is linked to the performance of the Company and the individual. In the financial year ended 31 December 2019, the Executive Directors did not receive any variable or performance related income/bonus due to the Company’s performance. The variable remuneration is reviewed and approved by the RC to ensure alignment of the Directors’ interests with those of shareholders and promote the long-term success of the Group.

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.

The Independent Directors do not have any service agreements with the Company. They are paid director’s fees, which are proposed by the Board based on the effort, time spent and responsibilities of the Independent Directors. Each of the non-executive directors receives a base director’s fee. Independent Directors who serve on the various Committees also receive additional fees in respect of each Board Committee that they serve on, with the Chairmen of the Committees receiving a higher fee in respect of their service as Chairman of the respective Committees. The director’s fees are subject to approval by the shareholders at each AGM of the Company. The Independent Directors are not over-compensated to the extent that their independence may be compromised. Except as disclosed, the Independent Directors do not receive any remuneration from the Company.

**Provision 6.4:** The company discloses the engagement of any remuneration consultants.

**Provision 7.1:** Proportion of remuneration is structured so as to link rewards to corporate and individual performance.

**Practice Guidance 7:** The Company’s remuneration framework should be tailored to the specific role and circumstances of each director and key management personnel.

**Provision 7.2:** Remuneration of non-executive directors dependent on contribution, effort, time spent and responsibilities.
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 currently reviewing if it is 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. The Directors owe a fiduciary duty to the Company. The Company should be able to avail itself of remedies against the Directors in the event of such breach of fiduciary duties.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Our Policy and Practices:

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. The remuneration levels are in line with industry practices and the variable bonuses are linked to the Company’s and the individual’s 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.
A breakdown showing the level and mix of each individual Director’s remuneration in the financial year ended 31 December 2019 is as follows:

<table>
<thead>
<tr>
<th>Remuneration Band &amp; Name of Director</th>
<th>Base/fixed salary *</th>
<th>Variable or performance related income/ bonuses</th>
<th>Directors’ fees **</th>
<th>Directors’ Allowance</th>
<th>Benefits-in-kind</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000 to $749,999</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Or Kim Peow</td>
<td>80.0%</td>
<td>–</td>
<td>–</td>
<td>15.0%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>$250,000 to $499,999</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Or Toh Wat</td>
<td>80.0%</td>
<td>–</td>
<td>–</td>
<td>17.0%</td>
<td>3.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Mdm Ang Beng Tin</td>
<td>78.0%</td>
<td>–</td>
<td>–</td>
<td>17.0%</td>
<td>5.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Mr Or Kiam Meng</td>
<td>79.0%</td>
<td>–</td>
<td>–</td>
<td>16.0%</td>
<td>5.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Mr Or Enc Nam</td>
<td>80.0%</td>
<td>–</td>
<td>–</td>
<td>17.0%</td>
<td>3.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Mr Or Lay Huat Daniel</td>
<td>80.0%</td>
<td>–</td>
<td>–</td>
<td>17.0%</td>
<td>3.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Below $250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr Chen Seow Phun, John</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>100%</td>
<td>–</td>
<td>100.0%</td>
</tr>
<tr>
<td>Mr Nirumalan s/o V Kanapathi Pillai</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>100%</td>
<td>–</td>
<td>100.0%</td>
</tr>
<tr>
<td>Mr Tan Boen Eng</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>100%</td>
<td>–</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Notes:
* Inclusive of Central Provident Fund contributions
** These fees are subject to the approval of the shareholders at the forthcoming AGM

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 2019 is as follows:

<table>
<thead>
<tr>
<th>Remuneration Band &amp; Name of Director</th>
<th>Base/fixed salary *</th>
<th>Variable or performance related income/ bonuses</th>
<th>Benefits-in-kind</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250,000 to $499,999</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms Ong Wei Wei</td>
<td>69.0%</td>
<td>27.0%</td>
<td>4.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Mr Or Yew Whatt (1), (3)</td>
<td>65.0%</td>
<td>35.0%</td>
<td>–</td>
<td>100.0%</td>
</tr>
<tr>
<td>Below $250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Oh Kim Poy (2), (3)</td>
<td>71.0%</td>
<td>29.0%</td>
<td>–</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

* Inclusive of allowances and Central Provident Fund contributions

(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 2019 was $729,915 (31 December 2018: $719,236).

Save as disclosed above, there was no employee of the Company and its subsidiary corporations who are substantial shareholders of the company, or are immediate family members of a Director, the Group MD or a substantial shareholder and whose remuneration exceeded $100,000 during the financial year ended 31 December 2019. "Immediate family member" means spouse, child, adopted child, step-child, brother, sister and parent.

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 disclose the remuneration of each employee who was an immediate family member of a Director in bands of $100,000.

The Company has adopted the OKP Performance Share Scheme ("PSS") to increase the Company's flexibility and effectiveness in its continual efforts to reward, retain and motivate employees to achieve superior performance. The PSS was approved by the shareholders at the Extraordinary General Meeting held on 29 April 2019 and is in force for a period of 10 years. Please refer to the Company's circular dated 1 April 2019 for details of the PSS.

Since the commencement of the PSS and during the financial year under review, no award of shares have been granted under the PSS.

3. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risks and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

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. The Company's approach to risk management is set out in the "Risk Assessment and Management" section on pages 120 to 128 of this Annual Report.

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 effectiveness and 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 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.
On an annual basis, the internal auditors will conduct a review of the internal controls which address the risks identified by the external risk management consultant. 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.

The Management has made reference to the report prepared in August 2012 and reported to the AC for the financial year ended 31 December 2019, 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.

The Board, with the assistance of the AC, has undertaken an annual assessment of the adequacy and effectiveness of the Group’s risk management and internal control systems addressing financial, operational, compliance and information technology risks. The Board has taken into account all significant aspects of risks, especially the safety aspects following a worksite incident at TPE/PIE on 14 July 2017. In order to obtain assurance that the Group’s risks are managed adequately and effectively, the Board has reviewed the risks which the Group is exposed to and understood the internal controls in place to manage them.

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.

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 regular 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.

The Management currently provides the Board with appropriately detailed management accounts of the Group’s performance, position and prospects on a periodic 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.

The responsibility of overseeing the Company’s risk management framework and policies is undertaken by the AC. The external risk management consultant and the internal auditors assist the AC in carrying out its responsibility.
The Board has obtained written assurance from the Group MD and the Group Financial Controller 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 adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group’s business operations.

Based on (i) the Group’s framework of risk management control; (ii) the internal control policies and procedures established and maintained by the Group; and (iii) the work performed by the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the Company’s internal controls, including financial, operational, compliance and information technology controls, and risk management systems were effective and adequate as at 31 December 2019.

Audit Committee

Principle 10: The Board has an Audit Committee (AC) which discharges its duties objectively.

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)

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.

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 key management personnel 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 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 and ensure the integrity of the financial statements;
- 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 review the adequacy and effectiveness of the Company’s internal controls and risk management systems;
- To review the assurance from the Group MD and Group Financial Controller on the financial records and financial statements;
- 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.

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

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 2019. The IA reports directly to the AC and has full access to all the Company’s documents, records, properties and personnel.

The AC met with the external auditors four times during the financial year ended 31 December 2019 and once in November 2019, 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 2019.

Provision 10.3: The AC does not comprise former partners or directors of the company’s existing auditing firm or auditing corporation.

Provision 10.4: Primary reporting line of the internal audit function is to the AC.

Provision 10.5: AC meets with the external auditors and IA without the presence of the Management.
The AC has evaluated the quality of work performed by the external auditors based on their response to a series of questions set out in a questionnaire. The questions seek to assess the quality of work performed by the external auditors based on a number of evaluation criteria, including emphasis on quality by the audit engagement partner and the audit firm, allocation of adequate and appropriate human resources, substantial involvement of the audit engagement director and exercise of professional scepticism. 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 (namely, tax advice) in the financial year ended 31 December 2019 amounted to $156,500 (2018: $153,600) and $32,250 (2018: $36,000) 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.

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.


Pursuant to the requirements of the SGX-ST, an audit partner must not be in charge of more than five consecutive annual audits but may then return after two years. The financial year ended 31 December 2019 is the third year for which the current audit director of Nexia TS Public Accounting Corporation is in charge of the audit of the Group.

Whistle-Blowing Policy
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.
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 2019, the changes in accounting standards did not have any significant impact on the Company’s financial statements. The AC also attended external seminars on finance, corporate governance, regulatory and other business related topics.

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 independent, effective and adequately resourced, and has appropriate standing within the Company.

The AC is satisfied that the IA is staffed by suitably qualified and experienced personnel. The IA team comprises one executive director and one internal audit manager. The executive director is a member of the Singapore Chapter of the Institute of Internal Auditors. The IA is expected to meet or exceed the standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

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.

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.

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. Internal audit plans are also aligned with the Company’s risk management programme. The aim is to ensure that an effective and efficient control environment is in place to manage those risks exclusive to a particular business unit in addition to those that may be relevant on an enterprise-wide basis. 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 is responsible for hiring and evaluating the IA by examining:

1. the internal audit charter;
2. the scope of the IAs’ work;
3. the quality of their reports and
4. their independence of the areas reviewed.

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 ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Our Policy and Practices:

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. Shareholders are informed of the voting rules and procedures at the general meeting.

A shareholder who is unable to attend the general meetings is entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

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

The Group Chairman, Group MD, Directors, Group Financial Controller and Company Secretary are in attendance at AGMs and EGMs 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. All Directors had attended the AGM and EGM held on 29 April 2019.

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 EGMs 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 Constitution of the Company allows a shareholder to appoint up to two proxies to attend and vote in his or her place at general meetings. A shareholder who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

The Company prepares minutes of general meetings and makes these minutes of the discussion at the general meetings available to shareholders upon their request.
CORPORATE GOVERNANCE REPORT (CONT’D)

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.

Over the past four financial years ended up to 2018, the Group had declared total annual dividends at the rate of approximately 42.6% to 48.8% of the net profit attributable to equity holders of the Company. To reward shareholders for their continuous support, the Group has proposed a final dividend of 0.70 cents per share despite the Group reported a net loss attributable to equity holders for the financial year ended 31 December 2019.

Any dividend payments are clearly communicated to shareholders via announcements on SGXNET.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

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.

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 87 to 92 of this Annual Report.

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 2019, the Company received a number of email enquiries from shareholders, investors and analysts which were attended to within a stipulated period.

The Company holds post-results briefings with analysts after the announcement of the full year financial results. 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 conducts media interviews to give shareholders and the public deeper insights of the Group’s business and management thinking when opportunities present themselves.
5. MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Our Policy and Practices:

The Company regularly engage our stakeholders through various media and channels to ensure that our business interests are aligned with those of our stakeholders. Our stakeholders have been identified as those who are impacted by our business and operations and those who are similarly able to impact our business and operations. We have identified six stakeholders groups through an assessment of their significance to our operations. They are namely, customers, employees, suppliers, shareholders, community and government regulators.

The Company has identified key areas of focus in relation to the management of stakeholder relationships. For details on the key areas of focus, please refer to the Sustainability Report on pages 62 to 71 of this Annual Report.

The Company maintains a website at http://www.okph.com to communicate and engage with stakeholders.

6. SECURITIES TRANSACTIONS

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

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. After the cessation of quarterly reporting by the Company, Directors and key executives are not allowed to deal in the Company’s shares during the period commencing one month before the announcement of the Company’s half year or full year results, and ending on the date of 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.
7. 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 2019 or if not then subsisting, entered into since the end of the financial year ended 31 December 2018.

8. 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 reviews any interested person transaction entered into by the Group. If the Group intends to enter into an interested person transaction, the Board will ensure that the Group 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 2019.

9. UTILISATION OF PROCEEDS

Exercise of 59,928,802 warrants at $0.20 for each share as at 4 January 2013 raising net proceeds of $12.2 million

<table>
<thead>
<tr>
<th>Use of proceeds</th>
<th>Amount allocated ($’million)</th>
<th>Amount utilised ($’million)</th>
<th>Balance amount ($’million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To be used as general working capital for the Company</td>
<td>12.22</td>
<td>10.72</td>
<td>1.50</td>
</tr>
</tbody>
</table>

The amount of $10.72 million had been utilised to fund the investment in and the loan to CS Amber Development Pte Ltd, a former associated company of the Group.

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.