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For Immediate Release

OKP HOLDINGS LIMITED 9M2015 NET PROFIT SURGES 199.7% TO S\$5.1 MILLION

- *Gross profit rises 40.1% to S\$9.9 million while gross profit margin increases 4.1 percentage points*
- *S\$266.4 million in net construction order book, with projects lasting till 2019*
- *Free cash and cash equivalents rise to S\$45.6 million, fortifying balance sheet for future projects and growth opportunities*

GROUP'S FINANCIAL HIGHLIGHTS						
S\$ million	3Q2015	3Q2014	▲/▼	9M2015	9M2014	▲/▼
Revenue	24.2	26.2	▼ 7.5%	78.8	83.8	▼ 6.0%
Gross Profit	3.0	2.1	▲ 42.1%	9.9	7.1	▲ 40.1%
GP Margins	12.5%	8.1%	▲ 4.4 ppt	12.6%	8.5%	▲ 4.1 ppt
Profit After Tax & MI	1.0	0.3	▲ 254.8%	5.1	1.7	▲ 199.7%
EPS – Basic (cents)	0.32	0.09	▲ 255.6%	1.64	0.55	▲ 198.2%
As at 30 September 2015:						
Net Tangible Assets: S\$101.0 million, NTA Per Share: 32.73 cents						

Singapore, 30 October 2015 – MAINBOARD-LISTED infrastructure and civil engineering company, OKP Holdings Limited (胡金标控股有限公司) (“OKP” or the “Group”), today reported a 199.7% growth in net profit attributable to equity holders to S\$5.1 million for the nine months ended 30 September 2015 (“9M2015”) on revenue of S\$78.8 million. This was compared to a net profit attributable to equity holders of S\$1.7 million and revenue of S\$83.8 million recorded in the previous corresponding period (“9M2014”).

Earnings per share (basic) for 9M2015 correspondingly increased by 198.2% to 1.64 Singapore cents from 0.55 Singapore cent in 9M2014.

GROUP’S REVENUE HIGHLIGHTS						
S\$ million	9M2015		9M2014		Increase/(decrease)	
Construction	57.9	73.5%	53.3	63.7%	4.6	8.5%
Maintenance	20.9	26.5%	30.5	36.3%	(9.6)	(31.4%)
Total Revenue	78.8	100.0%	83.8	100.0%	(5.0)	(6.0%)

OKP’s overall decline in 9M2015 revenue was largely attributable to the lower revenue contribution from its maintenance segment. The segment registered a 31.4% decrease in revenue to S\$20.9 million due mainly to the lower percentage of revenue recognised from several maintenance projects that were nearing completion during the period. This was partially offset by an 8.5% increase in the Group’s construction segment’s revenue to S\$57.9 million in 9M2015.

Gross profit rose 40.1% to S\$9.9 million while gross profit margin increased 4.1 percentage points in 9M2015. The improvement was primarily due to a few maintenance projects achieving better gross margins coupled with the recognition of variation orders for a construction project.

The Group’s net construction order book as at 30 October 2015 amounted to S\$266.4 million, with projects extending till 2019.

Group Managing Director, Mr Or Toh Wat (胡士发) remarked, “We’ve seen a good pipeline of five contracts secured year-to-date totalling approximately S\$196.7 million, with our most recent win from JTC Corporation for a S\$12.7 million contract for road extension, drain and sewer works at Woodlands Avenue 4.”

Balance Sheet Highlights

OKP’s balance sheet remained healthy, with net tangible assets (“NTA”) rising 4.7% to S\$101.0 million. NTA per share stood at 32.73 Singapore cents as at 30 September 2015. This was compared to NTA of S\$96.4 million and NTA per share of 31.26 Singapore cents as at 31 December 2014.

The Group’s overall free cash and cash equivalents amounted to S\$45.6 million as at 30 September 2015, up from S\$32.6 million as at 30 September 2014.

OKP registered S\$15.7 million in net cash generated from operating activities in 9M2015, an increase from the S\$2.4 million net cash generated from operating activities in 9M2014. The rise of S\$13.3 million in net cash generated was mainly due to an increase in net working capital inflow amounting to S\$8.8 million and an increase in cash generated from operating activities before working capital changes of S\$4.2 million.

Net cash generated from investing activities rose to S\$2.5 million in 9M2015 from net cash used in investing activities of S\$0.8 million in 9M2014, largely because of the receipt of repayment of a loan by a joint venture amounting to S\$3.9 million. This was offset by the S\$1.0 million incurred on the purchase of property, plant and equipment as well as an investment of S\$0.5 million in an associated company during the period.

Due primarily to the S\$0.6 million payment of dividends to shareholders and the repayment of finance lease liabilities of S\$0.8 million, net cash used in financing activities was S\$1.5 million in 9M2015.

OKP's market capitalisation was S\$59.8 million based on the closing share price of S\$0.194 as at 30 October 2015.

Outlook

Advance estimates by The Ministry of Trade and Industry ("MTI") indicated Singapore's economy to have grown 1.4% in the third quarter of 2015, on a year-on-year basis, easing from a 2.0% growth rate achieved in the previous quarter. On Singapore's construction sector, the MTI approximated growth to have expanded by 1.6% on a year-on-year basis. This was a moderation from the 2.0% growth rate attained in the previous quarter. The moderation in growth was largely a result of weaker construction activities in the private sector.

Mr Or commented, "Although the business environment remains challenging, particularly with the increased cost of doing business as well as the shortage in experienced and skill labour, given the pipeline of contracts that we secured for the year, we are optimistic on the outlook for the remaining part of 2015. Going forward, our strategic focus will continue to be on construction and maintenance works, where we have secured a strong foothold within the industry.

"On the geographical front, other than Indonesia which holds good growth potential for us, we will explore suitable opportunities around the region when they arise. This is in addition to our established home base in Singapore, where we have built a proven track record and which remains our core business market."

About OKP Holdings Limited (www.okph.com)

OKP Holdings Limited (胡金标控股有限公司) (OKP) is a leading home-grown infrastructure and civil engineering company, specialising in the construction of airport runways and taxiways, expressways, flyovers, vehicular bridges, urban and arterial roads, airport infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals. Established in 1966 by Founder and Chairman, Mr Or Kim Peow, OKP operates in two core business segments, Construction and Maintenance. The Group tenders for both public and private civil engineering and infrastructure construction projects.

The Group's clientele includes public sector agencies such as Changi Airport Group, Housing & Development Board, JTC Corporation, Land Transport Authority, National Parks Board, Public Utilities Board and Urban Redevelopment Authority, as well as private sector companies like ExxonMobil, Foster Wheeler Asia Pacific Pte Ltd, WorleyParsons Pte Ltd and Angullia Development Pte. Ltd..

The Group made an entry into the oil and gas industry in 2006 when it secured a project connected to the S\$750 million Universal Terminal, a massive petroleum storage facility on Jurong Island, Singapore's oil refining and petrochemical hub. Upon completing the project, it went on to secure numerous other projects, including civil works relating to ExxonMobil's multi-billion dollar petrochemical project, known as the Second Petrochemical Complex. In August 2010, it made further inroads into the sector with the signing of a contract for land reclamation works on Jurong Island.

In August 2010, OKP made the Forbes Asia's 'Best Under A Billion' List, the magazine's annual ranking of the best 200 firms in the Asia-Pacific region, selected from a list of nearly 13,000 publicly-listed top performers with sales under US\$1 billion evaluated based on factors such as sales and earnings growth, and shareholders' return on equity over a three-year period and the past one year. On 17 February 2009, it received a Certificate of Achievement from DP Information Group and its partners comprising Ernst & Young, SPRING Singapore, IE Singapore and The Business Times, marking the Company's entry into the 22nd "Singapore 1000 & SME 500" rankings. It has been listed on the Stock Exchange of Singapore since 26 July 2002. OKP has also won several awards for its annual reports, corporate governance and excellence in Investor Relations.

Its wholly-owned subsidiary, Or Kim Peow Contractors (Pte) Ltd (胡金标建筑 (私人) 有限公司), is an A1 grade civil engineering contractor, under the BCA Contractors' Registry System which allows it to tender for public sector construction projects of unlimited value. Its other wholly-owned subsidiary, Eng Lam Contractors Co (Pte) Ltd (永南建筑 (私人) 有限公司), is an A2 grade civil engineering contractor which allows it to tender for public sector construction projects with contract values of up to S\$90 million each.

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NOTES TO THE EDITOR:

Corporate updates and projects

The Group is currently involved in a number of public sector projects from the Land Transport Authority (“LTA”), Public Utilities Board (“PUB”) and JTC Corporation (“JTC”).

On-going LTA projects include:

- A S\$19.7 million contract for the improvement of road related facilities, road structures and road safety schemes in the East sector of Singapore;
- Two contracts for the construction of sheltered link ways under the Walk2Ride Programme worth S\$143.9 million;
- Widening of Tanah Merah Coast Road worth S\$37.3 million;
- Extension of the Central Expressway/Tampines Expressway/Seletar Expressway Interchange worth S\$75.3 million; and
- Ad-hoc repairs, maintenance and upgrading of roads (inclusive of expressways), road structures and road related facilities in central Singapore worth S\$18.2 million.

On-going PUB projects include:

- Construction of Stamford Diversion Canal Contract 1 – Tanglin and Kim Seng worth S\$50.6 million;
- Improvement to roadside drains at Lorong 101 – 108 Changi Road/Langsat Road, Hillview Avenue, Thomson Road, Jalan Teliti and Balestier Road/Boon Teck Road worth S\$19.2 million;
- Improvement to Alexandra Canal (between Zion Road and Kim Seng Road) worth S\$46.8 million;
- Improvement to roadside drains at Joo Chiat worth S\$10.2 million;
- Improvement to roadside drains at Lucky Heights Estate (Eastern) worth S\$15.0 million; and
- Improvement to roadside drains at Geylang area worth S\$13.6 million.

On-going JTC projects include:

- Road extension, drain and sewer works at Woodlands Avenue 4 contract worth S\$12.7 million contract; and
- Construction of roads, drains, sewers and soil improvement works contract at Tuas South Avenue 7/14 worth S\$20.4 million.

On the property development front, we embarked on our first project in property development with the launch of freehold residential development, Amber Skye, on 10 September 2014. Amber Skye was developed following our minority investment of 10% stake in July 2012 in CS Amber Development Pte. Ltd., a wholly-owned subsidiary of China Sonangol Land Pte. Ltd., the property arm of China Sonangol International (S) Pte. Ltd..

In addition, we also hold a 10% stake in a property development joint venture, Lakehomes Pte. Ltd. to develop an Executive Condominium ("EC"), Lake Life, in Jurong. This was the first EC to be developed on the Western side of Singapore in 17 years. It was successfully launched on 4 October 2014 and recorded strong sales performance.