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### For Immediate Release

## OKP HOLDINGS LIMITED ACHIEVES 175.7% JUMP IN NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS TO S\$7.0 MILLION IN FY2015

- *Gross profit surges 57.2% to S\$13.8 million while gross profit margin increases 5.3 percentage points to 13.3%*
- *Celebrates 50<sup>th</sup> anniversary in 2016, building on strong and sustainable track record since 1966*
- *Recommends total dividends of 1.0 cent per share, consisting of final dividend of 0.7 cent per share and special dividend of 0.3 cent per share*
- *Visible pipeline with net construction order book totalling S\$344.8 million*
- *Robust balance sheet with rise in free cash and cash equivalents to S\$49.5 million*

GROUP'S FINANCIAL HIGHLIGHTS						
S\$' million	4Q2015	4Q2014	▲/▼	FY2015	FY2014	▲/▼
Revenue	24.5	25.7	▼ 4.5%	103.3	109.5	▼ 5.7%
Gross Profit	3.8	1.7	▲ 129.6%	13.8	8.8	▲ 57.2%
GP Margins	15.7%	6.5%	▲ 9.2 ppt	13.3%	8.0%	▲ 5.3 ppt
Profit After Tax & MI	1.9	0.8	▲ 127.8%	7.0	2.5	▲ 175.7%
EPS – Basic (cents)	0.63	0.28	▲ 125.0%	2.27	0.82	▲ 176.8%
As at 31 December 2015:						
<b>Net Tangible Assets: S\$102.9 million, NTA Per Share: 33.37 cents</b>						

**Singapore, 23 February 2016 – MAINBOARD-LISTED** infrastructure and civil engineering company, OKP Holdings Limited (胡金标控股有限公司) (“OKP” or the “Group”), today announced its results for the full year ended 31 December 2015 (“FY2015”). The Group achieved a 175.7% growth in net profit attributable to equity holders to S\$7.0 million, on revenue of S\$103.3 million. Comparatively, OKP registered a net profit attributable to equity holders of S\$2.5 million and revenue of S\$109.5 million in the previous year (“FY2014”).

For FY2015, earnings per share (basic) correspondingly rose 176.8% to 2.27 cents from 0.82 cent in FY2014.

The Board of Directors has recommended a final dividend of 0.7 cent per share and a special dividend of 0.3 cent per share in appreciation of the support from the Group’s shareholders. Based on OKP’s closing share price of 22.5 cents, the total dividends of 1.0 cent represent a dividend yield of 4.4% and a dividend payout ratio of 44.1% for FY2015.

<b>GROUP’S REVENUE HIGHLIGHTS</b>						
<b>S\$’ million</b>	<b>FY2015</b>		<b>FY2014</b>		<b>Increase/(decrease)</b>	
<b>Construction</b>	77.6	75.1%	71.1	65.0%	6.5	9.1%
<b>Maintenance</b>	25.7	24.9%	38.4	35.0%	(12.7)	(33.0%)
<b>Total Revenue</b>	103.3	100.0%	109.5	100.0%	(6.2)	(5.7%)

In FY2015, the Group registered an overall decrease in revenue mainly as a result of the lower revenue contribution from its maintenance segment. The substantial completion of some existing maintenance projects during the financial year led to the maintenance segment recording a 33.0% decline in revenue to S\$25.7 million. However, this was partially offset by a 9.1% increase in the revenue of the construction segment driven by the progression of existing and new projects into a more active phase. This led to a rise in the segment’s revenue to S\$77.6 million in FY2015.

Gross profit improved by 57.2% to S\$13.8 million while gross profit margin rose 5.3 percentage points to 13.3% in FY2015. This was largely due to the completion of several maintenance projects which commanded higher margins, as well as the recognition of variation orders for a construction project.

OKP's current net construction order book stood at S\$344.8 million, with projects extending till 2019.

**Group Managing Director, Mr Or Toh Wat (胡土发)** remarked, "We are glad to have achieved an improved set of results in FY2015, driven by higher project margins. The pace at which we secured new projects remained good, having won a total of seven projects, worth a total of S\$301.1 million, all of which were public sector projects.

"As we step into 2016, we will also be celebrating OKP's 50<sup>th</sup> year in business. We are proud to be a home-grown organisation, which has since 1966 evolved into a company with a strong and sustainable track record in the infrastructure and civil engineering sector. We remain committed to fostering close relationships with well-established clients and look forward to strengthening our revenue base in the year ahead."

### **Balance Sheet Highlights**

On the balance sheet front as at 31 December 2015, net tangible assets ("NTA") achieved a 6.7% growth to S\$102.9 million, with NTA per share rising to 33.37 cents. Comparatively, the Group's NTA and NTA per share was S\$96.4 million and 31.26 cents respectively as at 31 December 2014.

OKP held a total of S\$49.5 million in free cash and cash equivalents as at 31 December 2015, an increase from S\$28.9 million as at 31 December 2014.

The Group generated S\$20.3 million in net cash from operating activities in FY2015, representing a rise of S\$21.4 million from the S\$1.1 million in net cash used in operating activities in FY2014. The increase in net cash generated was largely attributable to a S\$14.4 million growth in net working capital inflow and a S\$6.6 million rise in cash generated from operating activities before working capital changes.

Net cash generated from investing activities increased to S\$2.1 million in FY2015 largely due to the receipt of repayment of a S\$3.9 million loan from a joint venture, which was offset by the purchase of property, plant and equipment amounting to S\$1.5 million.

Mainly as a result of dividend payments to shareholders of S\$0.6 million and the repayment of finance lease liabilities of S\$1.0 million, OKP recorded net cash used in financing activities of S\$1.8 million in FY2015.

The Group's market capitalisation as at 23 February 2015 was S\$69.4 million based on the day's closing share price of S\$0.225.

## **Outlook**

For the fourth quarter of 2015, the Ministry of Trade and Industry estimated Singapore's economy to have grown 2.0% on a year-on-year ("y-o-y") basis, an improvement from the previous quarter's rise of 1.8%<sup>1</sup>. A rise in public sector construction activities buoyed the construction sector's growth in the fourth quarter of 2015. This led to a 2.2% growth of the sector on a y-o-y basis as compared to the 1.1% increase recorded in the previous quarter<sup>1</sup>.

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<sup>1</sup> *Singapore's GDP Grew by 2.0 Per Cent in the Fourth Quarter of 2015 – Ministry of Trade and Industry, 4 January 2016*

The Building and Construction Authority has forecasted overall construction contracts to be awarded in 2016 to reach S\$27.0 billion to S\$34.0 billion, exceeding 2015's construction demand of approximately S\$27.2 billion. Of the projected demand for 2016, approximately 65.0% is expected to be driven by the public sector and would represent the highest proportion of construction demand from the public sector in the last 14 years. The private sector, on the other hand, may witness a slower demand contributed by a slower economy and a larger supply of completed private housing and office projects<sup>2</sup>.

Looking ahead into 2017 and 2018, average construction demand is predicted to be between S\$26.0 billion and S\$35.0 billion while for 2019 and 2020, it is expected to be in the range of S\$26.0 billion to S\$37.0 billion. For these periods, public sector construction demand is expected to be between S\$16 billion and S\$20.0 billion per annum, out of which 40.0% is projected to be civil engineering projects<sup>2</sup>.

Over the mid-to-longer-term, Singapore has planned several large public transport infrastructure projects such as the S\$24.0 billion Thomson-East Coast MRT line<sup>3</sup> and the construction of the North-South Expressway, all of which may provide the Group with potential project opportunities. The development of Terminal 5 at Changi Airport, which is planned to be completed in the second half of the 2020s and to cost tens of billions of dollars<sup>4</sup>, is also expected to be an avenue for potential construction contracts.

**Mr Or** commented, "With the visibility of our order book that will stretch over the next 3 years, and a number of major public infrastructure developments in Singapore that have or are expected to come on-stream, we remain optimistic on our short-to-mid-term prospects."

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<sup>2</sup> *BCA estimates \$27 billion to \$34 billion worth of construction contracts to be awarded this year – Building and Construction Authority, 15 January 2016*

<sup>3</sup> *Work begins on two more stations of the Thomson-East Coast Line – The Straits Times, 24 January 2015*

<sup>4</sup> *Changi's Runway 3 works on hold till after air show – The Straits Times, 21 December 2015*

“However, along with players in our sector, we are also cognisant of challenges from rising operational costs and the dampened business environment which will invariably affect us. By prudently managing our balance sheet and increasing our productivity through initiatives such as regular staff training and the adoption of new construction technology, we strive to mitigate the impact on the Group. Going forward, we remain committed to strengthening our civil engineering expertise within our core market of Singapore and to pursue compelling opportunities overseas when they arise.”

**About OKP Holdings Limited ([www.okph.com](http://www.okph.com))**

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 26 July 2002, OKP Holdings Limited (胡金标控股有限公司) (“OKP” or the “Group”) 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. OKP has also ventured into property development and investment in recent years.

OKP was established in 1966 by Founder and Chairman, Mr Or Kim Peow, and today operates under two core business segments, Construction and Maintenance. The Group tenders for both public and private civil engineering, as well as infrastructure construction projects, primarily in Singapore.

The Group’s clientele includes public sector agencies such as Changi Airport Group, Housing & Development Board, JTC Corporation, Land Transport Authority, National Parks Board, PUB, the water agency and Urban Redevelopment Authority. OKP’s private sector clients include companies such as ExxonMobil, Foster Wheeler Asia Pacific Pte Ltd, WorleyParsons Pte Ltd and Angullia Development Pte. Ltd..

The Group had worked on several large oil and gas projects including one relating to the S\$750 million Universal Terminal – a massive petroleum storage facility on Jurong Island – and civil works relating to ExxonMobil’s multi-billion dollar Second Petrochemical Complex project. The Group was also involved in land reclamation works on Jurong Island, a milestone project.

Since 2012, OKP has ventured into property development and investment through minority stakes in the developer of Amber Skye, a freehold residential development, and Lake Life, an executive condominium in Jurong.

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. OKP has also won several awards for its annual reports, corporate governance and investor relations effort as well as “Singapore 1000 Company” Certificates of Achievement from DP Information Group over the years.

Both its wholly-owned subsidiaries, Or Kim Peow Contractors (Pte) Ltd (胡金标建筑（私人）有限公司) and Eng Lam Contractors Co (Pte) Ltd (永南建筑（私人）有限公司), are A1 grade civil engineering contractors, under the BCA Contractors’ Registry System which allows it to tender for public sector construction projects of unlimited value.

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Issued on behalf of OKP Holdings Limited by: Citigate Dewe Rogerson, i.MAGE

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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”), PUB, the national water agency and JTC Corporation (“JTC”).

On-going LTA projects include:

- Construction of viaduct from Tampines Expressway to Pan Island Expressway (Westbound) and Upper Changi Road East worth S\$94.6 million;
- 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; 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; and
- Improvement to Roadside Drains at Lorong 101 – 108 Changi Road/Langsat Road, Hillview Avenue, Thomson Road, Jalan Teliti and Balestier Road/Boon Teck Road Areas worth S\$19.2 million.



On-going JTC projects include:

- Road extension, drain and sewer works at Woodlands Avenue 4 contract worth S\$12.7 million; 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, the Group embarked on its first project with freehold residential development, Amber Skye. The Group has a 10% stake in the developer, 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..

The Group also holds a 10% stake in a property development joint venture, Lakehomes Pte. Ltd., the developer of an Executive Condominium (“EC”), Lake Life, in Jurong. This was the first EC to be developed in the western part of Singapore in 17 years. It was successfully launched and has recorded strong sales performance.