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**For Immediate Release**

**OKP HOLDINGS LIMITED'S NET PROFIT INCREASES 24.6% TO S\$6.3 MILLION IN 9M2016**

- ***Gross profit rises 12.3% to S\$11.1 million and gross profit margin increases 1.9 percentage points to 14.5%***
- ***Balance sheet remains robust, with free cash and cash equivalents of S\$63.0 million***
- ***Clear revenue visibility till 2019, with net construction order book standing at S\$366.6 million***

<b>GROUP'S FINANCIAL HIGHLIGHTS</b>						
<b>S\$' million</b>	<b>3Q2016</b>	<b>3Q2015</b>	<b>▲/▼</b>	<b>9M2016</b>	<b>9M2015</b>	<b>▲/▼</b>
<b>Revenue</b>	28.1	24.2	▲ 15.9%	76.7	78.8	▼ 2.7%
<b>Gross Profit</b>	4.1	3.0	▲ 35.1%	11.1	9.9	▲ 12.3%
<b>GP Margins</b>	14.5%	12.5%	▲ 2.0 ppt	14.5%	12.6%	▲ 1.9 ppt
<b>Profit After Tax &amp; MI</b>	2.0	1.0	▲ 98.2%	6.3	5.1	▲ 24.6%
<b>EPS – Basic (cents)</b>	0.64	0.32	▲ 100.0%	2.05	1.64	▲ 25.0%
As at 30 September 2016:						
<b>Net Tangible Assets: S\$104.7 million, NTA Per Share: 33.94 cents</b>						

**Singapore, 8 November 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 that its net profit attributable to equity holders for the nine months ended 30 September 2016 (“9M2016”) grew 24.6% to S\$6.3 million on the back of a marginal 2.7% decrease in revenue to S\$76.7 million. In comparison, the Group recorded a net profit attributable to equity holders of S\$5.1 million on revenue of S\$78.8 million in the previous corresponding period (“9M2015”).

For 9M2016, earnings per share (basic) rose 25.0% to 2.05 Singapore cents from 1.64 Singapore cents in 9M2015.

<b>GROUP’S REVENUE HIGHLIGHTS</b>						
<b>S\$’ million</b>	<b>9M2016</b>		<b>9M2015</b>		<b>Increase/(decrease)</b>	
<b>Construction</b>	64.4	83.9%	57.9	73.5%	6.5	11.1%
<b>Maintenance</b>	12.3	16.1%	20.9	26.5%	(8.6)	(41.0%)
<b>Total Revenue</b>	76.7	100.0%	78.8	100.0%	(2.1)	(2.7%)

The dip in 9M2016’s topline was a result of the 41.0% decline in the maintenance segment’s revenue to S\$12.3 million. This was due to a lower percentage of revenue recognised from several maintenance projects that were reaching completion during 9M2016. However, the decrease in the maintenance segment’s revenue was partly offset by the construction segment’s 11.1% growth in revenue to S\$64.4 million, largely attributable to the higher percentage of revenue recognised on existing and newly secured construction projects that progressed to a more active phase during 9M2016.

The completion of a few maintenance projects which had commanded better gross profit resulted in a 12.3% growth in 9M2016’s overall gross profit to S\$11.1 million, while gross profit margin rose 1.9 percentage points to 14.5%.

The Group’s net construction order book stood at S\$366.6 million as at 30 September 2016, with projects extending till 2019.

**Group Managing Director, Mr Or Toh Wat (胡士发)** said, “Thus far, we have secured a good project pipeline from long-standing Singapore public sector clients such as JTC, LTA and PUB. Moving forward, the Singapore Government is putting more emphasis on construction productivity and efficient building methods in tender evaluations. We will continue to place a strong emphasis on acquiring and adopting new construction technologies that can achieve higher efficiencies and effectiveness of our processes. We believe that this will give us an edge in winning future public sector projects.”

### **Balance Sheet Highlights**

OKP’s balance sheet remained robust as at 30 September 2016, with net tangible assets (“NTA”) registering a 1.7% rise to S\$104.7 million, from S\$102.9 million as at 31 December 2015. Correspondingly, NTA per share increased to 33.94 Singapore cents as at 30 September 2016 from 33.37 Singapore cents as at 31 December 2015.

The Group’s free cash and cash equivalents also grew, recording a S\$17.4 million growth to S\$63.0 million as at 30 September 2016, as compared to S\$45.6 million as at 30 September 2015.

OKP recorded net cash generated from operating activities of S\$19.8 million in 9M2016, an improvement from the S\$15.7 million in net cash generated from operating activities in 9M2015. This improvement was primarily attributable to an increase in net working capital inflow of S\$3.2 million.

Net cash used in investing activities amounted to S\$1.2 million in 9M2016, mainly as a result of the purchase of new property, plant and equipment amounting to S\$1.1 million.

The S\$5.2 million net cash used in financing activities recorded in 9M2016 was largely attributable to dividend payments to shareholders of S\$4.6 million and repayment of finance lease liabilities of S\$1.2 million. These were offset by a S\$0.7 million decline in pledged deposit from the cancellation of a bank facility during 9M2016.

Based on OKP's closing share price of S\$0.30 as at 8 November 2016, the Group's market capitalisation was S\$92.5 million.

## **Outlook**

For the third quarter of 2016, the Ministry of Trade and Industry ("MTI") forecasted Singapore's economy to have achieved a growth of 0.6% on a year-on-year ("y-o-y") basis. On a quarter-on-quarter basis, the economy contracted by 4.1%<sup>1</sup>.

Primarily due to the slowdown in private sector construction activities, the construction sector recorded a marginally slower growth rate of 2.5% on a y-o-y basis during the third quarter of 2016 as compared to 2.6% registered in the immediate preceding quarter. On a quarter-on-quarter basis, the sector's growth decelerated to 0.5% compared to the 1.1% growth during the second quarter of 2016.

**Mr Or** said, "We remain optimistic, given our healthy order book of S\$366.6 million which comprises a good pipeline of public sector projects, with revenue visibility till 2019. This, coupled with our strong emphasis on cost efficiencies, will put us on a firm footing to manage the industry cycle well. In the medium-to-longer-term, major infrastructure projects such as those relating to the North-South Corridor and Changi Airport Terminal 5 are expected to boost overall demand for civil engineering expertise. We will continue to participate in the tenders for these new large-scale projects in Singapore to further expand our order book."

"In this last quarter of OKP's golden jubilee in 2016, we look forward to closing the year on a strong note. At the same time, we will continue to strengthen our foundation as we work towards our diamond jubilee in 2026."

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<sup>1</sup> *Singapore's GDP Grew by 0.6 Per Cent in Third Quarter of 2016 - Ministry of Trade and Industry Singapore, 14 October 2016*

## **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, Singapore’s National 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 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 subsidiary corporations, 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 them 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:

- Road resurfacing works along seven major and other expressways worth S\$54.7 million;
- 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 region of Singapore;
- Two contracts for the construction of sheltered link ways under the Walk2Ride Programme worth S\$143.9 million; and
- Widening of Tanah Merah Coast Road worth S\$37.3 million.

On-going PUB projects include:

- Improvement of drainage system along Lorong 22 to 44, Geylang, worth S\$18 million;
- Reconstruction of drains and culverts in Jalan Buroh, Jalan Sampurna, Pioneer Sector 1, Tanjong Penjuru/Penjuru Road and West Coast Road/Penjuru Road worth S\$9.8 million;
- Construction of Stamford Diversion Canal Contract 1 – Tanglin and Kim Seng worth S\$50.6 million; and
- Improvement to Roadside Drains at Balestier Road, together with the completed areas at Lor 101 – 108 Changi Road, Langsat Road, Hillview Avenue and Jalan Teliti, worth S\$19.2 million.

On-going JTC projects include:

- Infrastructure works at Punggol, including the new roads, drains, cycling paths, culverts, sumps, sewer pipes and manholes, and the proposed underground basement linkways at Punggol Road, worth S\$19.3 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 corporation 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.