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**First Quarter  
Financial Statement  
for the Period Ended  
31 March 2017**

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**8 May 2017**

## Table of Contents

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		<u>Page No</u>
1(a)	Income statement	2
1(a)(i)	Consolidated statement of comprehensive income	3
1(b)(i)	Statements of financial position	6
1(b)(ii)	Borrowings and debts securities	19
1(c)	Consolidated statements of cash flows	20
1(d)(i)	Consolidated statement of changes in equity	23
1(d)(ii)	Changes in share capital	25
1(d)(iii)	Total number of issued shares	25
1(d)(iv)	Statement of sales, transfers, disposals, cancellation and/or use of treasury shares	25
2 & 3	Audit statement	25
4	Accounting policies	25
5	Changes in accounting policies	26
6	Earnings per share	27
7	Net asset value per share	27
8	Review of Group's performance	28
9	Variance from previous prospect statement	31
10	Outlook	32
11 & 12	Dividend	33
13	Interested persons transactions	34
14	Use of proceeds as at 31 March 2017	34
15	Confirmation by the Board on financial results	34
16	Confirmation that the issuer has procured undertakings from all its directors and executive officers	35

**First Quarter Financial Statement for the Period Ended 31 March 2017**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**
**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	The Group		Increase/ (Decrease)
	Current first quarter ended 31 Mar 2017	Previous first quarter ended 31 Mar 2016	
	\$'000	\$'000	
<b>Revenue</b>	29,701	24,554	21.0
Cost of works	(23,758)	(21,593)	10.0
<b>Gross profit</b>	<b>5,943</b>	<b>2,961</b>	100.7
Other income	175	1,046	(83.3)
Expenses			
- Administrative	(2,537)	(2,210)	14.8
- Finance	(20)	(16)	25.0
- Share of profit of associated companies and joint ventures	1,959	87	2,151.7
<b>Profit before income tax</b>	<b>5,520</b>	<b>1,868</b>	195.5
Income tax expense	(467)	(15)	3,013.3
<b>Net profit</b>	<b>5,053</b>	<b>1,853</b>	172.7
Gross profit margin	20.0%	12.1%	
Net profit margin	17.0%	7.5%	
Effective tax rate	8.5%	0.8%	
Net profit attributable to:			
Equity holders of the Company	5,053	1,853	172.7



(i) Consolidated statement of comprehensive income for the first quarter ended 31 March 2017

		The Group		
	Note	Current first quarter ended 31 Mar 2017	Previous first quarter ended 31 Mar 2016	Increase/ (Decrease)
		\$'000	\$'000	%
<b>Net profit</b>		5,053	1,853	172.7
Other comprehensive income:				
Financial assets, available-for-sale				
- Fair value losses, net of tax	i	(7)	(2)	250.0
<b>Total comprehensive income, net of tax</b>		5,046	1,851	172.6
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company		5,046	1,851	172.6

Note:

- (i) Fair value losses were mainly attributable to lower quoted prices of financial assets, available-for-sale.



(ii) Additional disclosures

Profit before income tax was arrived at:

		The Group		
	Note	Current first quarter ended 31 Mar 2017	Previous first quarter ended 31 Mar 2016	Increase/ (Decrease)
		\$'000	\$'000	%
<u>After charging:</u>				
Non-audit fee paid to the auditors of the Company		7	9	(22.2)
Amortisation of intangible assets		1	3	(66.7)
Depreciation of property, plant and equipment		104	159	(34.6)
Directors' remuneration				
- Directors of the Company		1,040	754	37.9
- Other directors		107	110	(2.7)
Directors' fee		45	45	-
Loss on foreign exchange	i	99	125	(20.8)
Interest paid and payable				
- Finance lease liabilities		20	16	25.0
Employees compensation		787	782	0.6
<u>After crediting:</u>				
Interest income				
- Bank deposits		168	140	20.0
- Financial assets, available-for-sale		13	13	-
(Loss)/gain on disposal of property, plant and equipment (net)		(19)	4	(575.0)
Rental income from investment properties		47	48	(2.1)
Technical management consultancy fee		-	644	n.m.
Government grant		59	316	(81.3)
<u>Included in the cost of works are the following:</u>				
Depreciation of property, plant and equipment		540	491	10.0
Amortisation of intangible assets		1	16	(93.8)
Employees compensation		6,658	6,084	9.4

Note:

- (i) Loss on foreign exchange mainly arose from the revaluation of assets denominated in United States dollar and Indonesian Rupiah to Singapore dollar.

n.m. – not meaningful.



(iii) Extraordinary/Exceptional items

Nil

(iv) Income tax expense

The Group	
31 Mar 2017	31 Mar 2016
\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial period:

-Current income tax - Singapore

-Deferred income tax

464	134
3	(119)
<u>467</u>	<u>15</u>



**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

Statements of Financial Position

		The Group		The Company	
Note		31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
	Cash and cash equivalents	87,911	74,685	3,838	3,771
i	Trade and other receivables	20,810	30,202	10,196	10,107
	Construction contract work-in-progress	1,450	1,502	-	-
		110,171	106,389	14,034	13,878
<b>Non-current assets</b>					
ii	Investments in subsidiary corporations	-	-	17,522	17,522
iii	Investments in joint ventures	7,208	5,604	-	-
iv	Investments in associated companies	1,303	973	-	-
v	Investment properties	5,080	5,080	-	-
vi	Other receivables	24,050	24,026	18,281	18,194
vii	Financial assets, available-for-sale	1,008	1,015	-	-
	Property, plant and equipment	19,608	19,417	5,190	5,211
viii	Intangible assets	1,711	1,713	9	10
		59,968	57,828	41,002	40,937
<b>Total assets</b>		170,139	164,217	55,036	54,815
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
ix	Trade and other payables	44,447	43,740	8,496	8,413
	Finance lease liabilities	1,071	1,120	-	-
	Current income tax liabilities	2,418	1,953	24	19
		47,936	46,813	8,520	8,432
<b>Non-current liabilities</b>					
	Finance lease liabilities	1,779	2,028	-	-
	Deferred income tax liabilities	955	953	4	5
		2,734	2,981	4	5
<b>Total liabilities</b>		50,670	49,794	8,524	8,437
<b>NET ASSETS</b>		<b>119,469</b>	<b>114,423</b>	<b>46,512</b>	<b>46,378</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
	Share capital	36,832	36,832	36,832	36,832
x	Other reserves	1,366	1,373	-	-
	Retained profits	81,271	76,218	9,680	9,546
<b>Total equity</b>		<b>119,469</b>	<b>114,423</b>	<b>46,512</b>	<b>46,378</b>
<b>Net tangible assets</b>		<b>117,758</b>	<b>112,710</b>	<b>46,503</b>	<b>46,368</b>



**Notes to Statements of Financial Position:**

(i) Trade and other receivables

	The Group		The Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	4,343	9,135	-	-
- Subsidiary corporations	-	-	9,957	10,036
	4,343	9,135	9,957	10,036
Construction contracts				
- Due from customers	11,913	16,592	-	-
- Retentions	2,138	2,135	-	-
	14,051	18,727	-	-
Non-trade receivables				
- Subsidiary corporations	-	-	721	729
- Joint venture partner	3	6	-	-
- Non-related parties	57	105	4	4
	60	111	725	733
Less: Allowance for impairment of receivables	-	-	(688)	(688)
Non-trade receivables - net	60	111	37	45
Advance to suppliers	381	386	-	-
Deposits	953	956	181	7
Prepayments	1,022	887	21	19
	20,810	30,202	10,196	10,107

The non-trade amounts due from subsidiary corporations and joint venture partner are unsecured, interest-free and repayable on demand.





(ii) Investments in subsidiary corporations

The Company	
31 Mar 2017	31 Dec 2016
\$'000	\$'000

Equity investments at cost

17,522	17,522
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Name of subsidiary corporations	Principal activities	Country of incorporation	Equity holding	
			31 Mar 2017	31 Dec 2016

Held by the Company

Or Kim Peow Contractors (Pte) Ltd <sup>(@)</sup>	Business of road and building construction and maintenance	Singapore	100%	100%
Eng Lam Contractors Co. (Pte) Ltd <sup>(@)</sup>	Business of road construction and maintenance	Singapore	100%	100%
OKP Technical Management Pte Ltd <sup>(@)(*)</sup>	Provision of technical management and consultancy services	Singapore	100%	100%
OKP Investments (Singapore) Pte Ltd (previously known as OKP Investments (China) Pte Ltd) <sup>(@)(*)</sup>	Investment holding	Singapore	100%	100%
OKP (Oil & Gas) Infrastructure Pte Ltd <sup>(@)(&amp;)</sup>	Business of carrying out civil engineering projects in respect of oil, petrochemical and gas related businesses in Singapore	Singapore	100%	100%
United Pavement Specialists Pte Ltd <sup>(@)(*)</sup>	Provision of rental services and investment holding	Singapore	100%	100%
OKP Land Pte Ltd <sup>(@)</sup>	Investment holding and property development	Singapore	100%	100%
OKP Transport & Trading Pte Ltd <sup>(@)(*)</sup>	Provision of transport and logistics services	Singapore	100%	100%

(@) Audited by Nexia TS Public Accounting Corporation.

(\*) Dormant company.

(&) On 14 July 2015, OKP (Oil & Gas) Infrastructure Pte Ltd was granted a licence to operate a representative foreign construction service company in Jakarta, Indonesia.



(iii) Investments in joint ventures

The Group	
31 Mar 2017	31 Dec 2016
\$'000	\$'000

**Interests in joint ventures**

Beginning of financial period/year	5,604	2,988
Share of profit of joint ventures	1,629	2,707
Notional fair value of loan (net)	(25)	(91)
End of financial period/year	7,208	5,604

Details of the joint ventures are as follows:

Name of joint ventures	Principal activities	Country of incorporation	Percentage of ownership interest	
			31 Mar 2017	31 Dec 2016

Held by subsidiary corporations

Incorporated joint ventures

CS-OKP Construction and Development Pte Ltd <sup>(@)(1)</sup>	Design, construction and execution of urban developments (including road infrastructure)	Singapore	50%	50%
Forte Builder Pte Ltd <sup>(#)(2)</sup>	Business of general construction	Singapore	50%	50%
Lakehomes Pte. Ltd. <sup>(^)(3)</sup>	Property development	Singapore	10%	10%

Unincorporated joint ventures

Chye Joo – Or Kim Peow JV <sup>(*)(4)</sup>	Business of general construction	Singapore	50%	50%
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- (@) Audited by Heng Lee Seng LLP.  
 (#) Audited by Nexia TS Public Accounting Corporation.  
 (^) Audited by Ernst & Young LLP.  
 (\*) Registered on 4 May 2015.

- (1) CS-OKP Construction and Development Pte Ltd (“CS-OKP”), incorporated in Singapore on 1 December 2009, remained inactive as at 31 March 2017. CS-OKP is a joint venture company of OKP Technical Management Pte Ltd (“OKPTM”), a wholly-owned subsidiary corporation, and CS Mining Pte Ltd, a subsidiary corporation of China Sonangol International Limited, with a share capital of \$100,000 consisting of 100 ordinary shares. OKPTM has a 50% equity interest at a cost of \$50,000 (2016: \$50,000) in CS-OKP.
- (2) On 8 December 2010, Or Kim Peow Contractors (Pte) Ltd (“OKPC”), a wholly-owned subsidiary corporation, entered into a joint venture agreement with Soil-Build (Pte) Ltd (“SBPL”), incorporated in Singapore and a subsidiary corporation of Soilbuild Construction Group Ltd., to form a 50:50 joint venture company. On the same date, the joint venture company, Forte Builder Pte. Ltd. (“FBPL”) was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKPC has a 50% equity interest at a cost of \$500,000 in FBPL. The principal activity of FBPL is the construction of the condominium housing development, comprising one (1) 36-storey block of 54 residential units at Angullia Park.



- (3) On 15 August 2013, a joint venture company, Lakehomes Pte. Ltd. ("LH") was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKP Land Pte Ltd ("OKPL"), a wholly-owned subsidiary corporation, has a 10% equity interest at a cost of \$100,000 in LH. The principal activity of LH is to develop a land parcel into an executive condominium at Yuan Ching Road/Tao Ching Road. On 13 September 2013, OKPL entered into a joint venture agreement with BBR Development Pte Ltd, Evia Real Estate (5) Pte Ltd, CNH Investment Pte Ltd and Ho Lee Group Pte Ltd for the aforesaid executive condominium development.
- (4) On 4 May 2015, a joint venture partnership, Chye Joo - Or Kim Peow JV was registered to execute the improvement to Bukit Timah First Diversion Canal Contract 3 (Holland Green to Clementi Road) awarded by the Public Utilities Board.

The Group has joint control over these joint ventures as unanimous consent is required from all parties to the arrangements for all relevant activities under the contractual agreements.

The Group's joint arrangements are structured as limited companies and partnerships such that the Group and the parties to the agreements have the rights to the net assets of the limited companies and partnerships under the arrangements. Therefore, these arrangements are classified as joint ventures.

The following amounts represent the summarised financial information of the joint ventures:

The Group		
	31 Mar 2017	31 Dec 2016
	\$'000	\$'000
Assets		
- Current assets	238,817	293,295
Liabilities		
- Current liabilities	(114,866)	(188,759)
- Non-current liabilities	(70,633)	(67,144)
Net assets	53,318	37,392
Revenue	210,682	344,337
Expenses	(191,513)	(311,727)
Profit before income tax	19,169	32,610
Income tax expense	(3,244)	(5,789)
Net profit	15,925	26,821

The information above reflects the amounts included in the financial statements of the joint ventures, adjusted to reflect adjustments made by the Group when applying the equity method of accounting.



(iv) Investments in associated companies

The Group	
31 Mar 2017	31 Dec 2016
\$'000	\$'000

**Interests in associated companies**

Beginning of financial period/year	973	651
Share of profit of associated companies	330	322
End of financial period/year	1,303	973

Name of associated companies	Principal activities	Country of incorporation	Equity holding	
			31 Mar 2017	31 Dec 2016

Held by subsidiary corporations

CS Amber Development Pte Ltd <sup>(@)(1)</sup>	Property development	Singapore	10%	10%
United Singapore Builders Pte Ltd <sup>(#)(2)</sup>	General contractors	Singapore	25%	25%

(@) Audited by PricewaterhouseCoopers LLP.

(#) Audited by Nexia TS Public Accounting Corporation.

- (1) On 27 June 2012, OKP Land Pte Ltd ("OKPL"), a wholly-owned subsidiary corporation, entered into an investment agreement with CS Amber Development Pte Ltd ("CSAmber") and China Sonangol Land Pte Ltd, pursuant to which OKPL subscribed for 111,111 ordinary shares in CSAmber, representing approximately 10% of the enlarged issued and paid-up share capital of CSAmber. The aggregate consideration for the subscription of the shares is \$111,111.

The Group accounts for its investment in CSAmber as an associated company although the Group holds less than 20% of the issued shares of CSAmber as the Group is able to exercise significant influence over the investment due to the Group's voting power (both through its equity holding and its representation on the Board).

- (2) On 8 January 2014, Or Kim Peow Contractors (Pte) Ltd ("OKPC"), a wholly-owned subsidiary corporation, entered into a shareholders' agreement with Chye Joo Construction Pte Ltd, Ho Lee Construction Pte Ltd, Hwa Seng Builder Pte Ltd, Swee Hong Limited and United Singapore Builders Pte Ltd ("USB") to tender for and, if successful, undertake Mass Rapid Transit projects, including the construction of related infrastructure such as stations, tunnels and depots. As at 31 December 2014, OKPC had a 20% equity interest at a cost of \$200,000 in USB.

On 3 June 2015, OKPC acquired another 5% of the issued share capital of USB by way of acquisition of 50,000 ordinary shares for \$1.00. Consequently, OKPC had a 25% equity interest at a cost of \$200,001 in USB. On 17 August 2015, OKPC was allotted and issued 500,000 new ordinary shares by the capitalisation of its advance to USB and hence, its shareholding in USB increased to 750,000 shares. The shareholding percentage remains unchanged at 25% of the total issued and paid-up capital in USB.



The summarised financial information of the associated companies, not adjusted for the proportion of ownership interest held by the Group, is as follows:

The Group		
	31 Mar 2017	31 Dec 2016
	\$'000	\$'000
<b>Assets</b>		
- Current assets	289,436	284,362
- Non-current assets	600	638
<b>Liabilities</b>		
- Current liabilities	(26,315)	(24,770)
- Non-current liabilities	(274,980)	(272,771)
<b>Net liabilities</b>	<b>(11,259)</b>	<b>(12,541)</b>
<b>Revenue</b>		
	18,915	52,358
<b>Expenses</b>		
	(17,521)	(51,678)
<b>Profit before income tax</b>	<b>1,394</b>	<b>680</b>
<b>Income tax expense</b>	<b>(112)</b>	<b>(79)</b>
<b>Net profit</b>	<b>1,282</b>	<b>601</b>

The Group has not recognised its share of losses of an associated company, CS Amber Development Pte. Ltd. amounting to \$3,701 (31 December 2016: \$69,060) as the Group's cumulative share of losses exceeded its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses with respect to this entity amounted to \$533,879 (31 December 2016: \$530,178) at the balance sheet date.

(v) Investment properties

The Group		
	31 Mar 2017	31 Dec 2016
	\$'000	\$'000
Beginning of financial period/year	5,080	5,250
Fair value loss recognised in profit and loss	-	(170)
<b>End of financial period/year</b>	<b>5,080</b>	<b>5,080</b>

The Group's policy is to revalue its investment properties on an annual basis. An update to the fair values will be done at the end of the financial year.



(vi) Other receivables (non-current)

	The Group		The Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	\$'000	\$'000	\$'000	\$'000
Loan to associated company				
- CS Amber Development Pte Ltd	19,680	19,680	-	-
Less: Allowance for impairment	(1,408)	(1,408)	-	-
	18,272	18,272	-	-
Loan to joint venture				
- Lakehomes Pte. Ltd.	5,778	5,754	-	-
Loan to subsidiary corporation	-	-	18,281	18,194
	<u>24,050</u>	<u>24,026</u>	<u>18,281</u>	<u>18,194</u>

The loan to associated company is unsecured, interest-free and will be repayable in full on 26 June 2018. The Group charged interest at 2.0% per annum above SIBOR since the first drawdown on 27 June 2012. The Group has ceased to charge interest on the loan with effect from 1 March 2015.

The loan to joint venture and loan to subsidiary corporation are unsecured and interest-free advances for the purpose of operating and development activities in their respective fields. The loans are not expected to be repaid within the next 12 months.



(vii) Financial assets, available-for-sale (non-current)

	The Group	
	31 Mar 2017	31 Dec 2016
	\$'000	\$'000
Beginning of financial period/year	1,015	990
Fair value (loss)/gain recognised in other comprehensive income	(7)	25
End of financial period/year	1,008	1,015
Financial assets, available-for-sale are analysed as follows:		
Listed debt securities		
- Bonds with fixed interest of 5.125% p.a. without fixed maturity - Singapore	1,008	1,015

The fair values of listed debt securities are based on available market or common reference prices provided by the bank.



(viii) Intangible assets

The Group		The Company	
31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
\$'000	\$'000	\$'000	\$'000

Composition:

Goodwill arising on consolidation	1,688	1,688	-	-
Computer software licences	23	25	9	10
	<u>1,711</u>	<u>1,713</u>	<u>9</u>	<u>10</u>

(a) Goodwill arising on consolidation

*Cost/net book value*

Beginning and end of financial period/year	<u>1,688</u>	<u>1,688</u>	<u>-</u>	<u>-</u>
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This represents goodwill on consolidation which is the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

(b) Computer software licences

*Cost*

Beginning of financial period/year	388	369	55	55
Additions	-	19	-	-
End of financial period/year	<u>388</u>	<u>388</u>	<u>55</u>	<u>55</u>

*Accumulated amortisation*

Beginning of financial period/year	363	286	45	34
Amortisation charge	2	77	1	11
End of financial period/year	<u>365</u>	<u>363</u>	<u>46</u>	<u>45</u>
Net book value	<u>23</u>	<u>25</u>	<u>9</u>	<u>10</u>

Computer software licences relate to fees paid to third parties in relation to the entitlement to use the computer software licences and are amortised over 5 years.





(ix) Trade and other payables

	The Group		The Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	29,755	25,849	93	141
Non-trade payables				
- Subsidiary corporations	-	-	5,345	5,347
- Joint venture partner	50	50	-	-
	50	50	5,345	5,347
Construction contracts				
- Advances received	1,051	1,840	-	-
Accrued operating expenses	13,432	15,861	3,058	2,925
Other payables	159	140	-	-
	<u>44,447</u>	<u>43,740</u>	<u>8,496</u>	<u>8,413</u>

The non-trade amounts due to subsidiary corporations and joint venture partner are unsecured, interest-free and repayable on demand.



(x) Other reserves

The Group	
31 Mar 2017	31 Dec 2016
\$'000	\$'000

(a) **Composition:**

Fair value reserve	(6)	1
Asset revaluation reserve	1,372	1,372
	<u>1,366</u>	<u>1,373</u>

**Fair value reserve**

Beginning of financial period/year	1	(24)
Financial assets – available-for-sale -Fair value (losses)/gains	(7)	25
End of financial period/year	<u>(6)</u>	<u>1</u>

**Asset revaluation reserve**

Beginning and end of financial period/year	1,372	1,372
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Other reserves are non-distributable.



## **Explanatory Notes:**

### (i) Current assets

Current assets increased by \$3.8 million, from \$106.4 million as at 31 December 2016 to \$110.2 million as at 31 March 2017. The increase was attributable to:

- (a) an increase in cash and cash equivalents of \$13.2 million. This was due mainly to the cash generated from operations for the first quarter ended 31 March 2017 of \$14.3 million, which was partially offset by cash used in investing activities of \$0.8 million and cash used in financing activities of \$0.3 million,

which was partially offset by:

- (b) a decrease in trade and other receivables of \$9.4 million due to settlement of billings by customers as at 31 March 2017.

### (ii) Non-current assets

Non-current assets increased by \$2.1 million, from \$57.8 million as at 31 December 2016 to \$59.9 million as at 31 March 2017. The increase was attributable to:

- (a) an increase in property, plant and equipment of \$0.2 million resulting from the purchase of new plant and equipment, which was partially offset by the disposal and depreciation of property, plant and equipment;
- (b) an increase in investments in joint ventures of \$1.6 million due mainly to the share of profit from Lakehomes Pte. Ltd., the developer for the LakeLife Executive Condominium, based on the recognition of profits from units of the development which are ready for handover during the first quarter ended 31 March 2017, and
- (c) an increase in investments in associated companies of \$0.3 million arising from the share of profit of an associated company, United Singapore Builders Pte Ltd.

### (iii) Current liabilities

Current liabilities increased by \$1.1 million, from \$46.8 million as at 31 December 2016 to \$47.9 million as at 31 March 2017. The increase was attributable to:

- (a) an increase in trade and other payables of \$0.7 million arising from billings received from sub-contractors and suppliers for work done and materials supplied towards the end of March 2017; and
- (b) an increase in current income tax liabilities of \$0.5 million due to tax provision resulting from profits generated during the first quarter ended 31 March 2017,

which were partially offset by:

- (c) a decrease in finance lease liabilities of \$0.1 million as a result of repayment of finance lease liabilities during the first quarter ended 31 March 2017.

### (iv) Non-current liabilities

Non-current liabilities decreased by \$0.3 million, from \$3.0 million as at 31 December 2016 to \$2.7 million as at 31 March 2017. The decrease was due mainly to a decrease in finance lease liabilities as a result of repayment of finance lease liabilities during the first quarter ended 31 March 2017.



(v) Shareholders' equity

Shareholders' equity, comprising share capital, other reserves and retained profits, increased by \$5.1 million, from \$114.4 million as at 31 December 2016 to \$119.5 million as at 31 March 2017. The increase was largely attributable to the profit generated from operations of \$5.1 million for the first quarter ended 31 March 2017.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

(a) Amount repayable in one year or less, or on demand

As at 31 Mar 2017		As at 31 Dec 2016	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,071	-	1,120	-

(b) Amount repayable after one year

As at 31 Mar 2017		As at 31 Dec 2016	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,779	-	2,028	-

(c) Details of any collateral

The above secured borrowings of the Group relate to finance lease liabilities secured by corporate guarantees issued by the Company and charges over the property, plant and equipment under the finance leases.



1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated statements of cash flows for the first quarter ended 31 March:

	The Group	
	Current first quarter ended 31 Mar 2017	Previous first quarter ended 31 Mar 2016
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Net profit	5,053	1,853
Adjustments for:		
- Income tax expense	467	15
- Depreciation of property, plant and equipment	644	650
- Amortisation of intangible assets	2	19
- Loss /(gain) on disposal of property, plant and equipment (net)	19	(4)
- Share of results of associated companies and joint ventures	(1,959)	(87)
- Interest income	(181)	(153)
- Interest expense	20	16
<b>Operating cash flow before working capital changes</b>	4,065	2,309
Change in working capital		
- Trade and other receivables	9,392	(2,121)
- Construction contract work-in-progress	52	546
- Trade and other payables	707	3,908
<b>Cash generated from operations</b>	14,216	4,642
- Interest received	168	140
- Income tax paid	-	(52)
<b>Net cash provided by operating activities</b>	14,384	4,730
<b>Cash flows from investing activities</b>		
- Additions to property, plant and equipment	(863)	(103)
- Disposal of property, plant and equipment	9	22
- Advance to a joint venture	-	(50)
- Interest received	13	13
<b>Net cash used in investing activities</b>	(841)	(118)



The Group	
Current first quarter ended 31 Mar 2017	Previous first quarter ended 31 Mar 2016
\$'000	\$'000

**Cash flows from financing activities**

- Repayment of finance lease liabilities
- Interest paid
- Bank deposits pledged

(298)	(398)
(20)	(16)
16	666

**Net cash (used in)/generated from financing activities**

(302)	252
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**Net increase in cash and cash equivalents**

13,241	4,864
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Cash and cash equivalents at beginning of financial period

70,112	49,508
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**Cash and cash equivalents at end of financial period**

83,353	54,372
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**Explanatory Notes:**

- (i) For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents at the end of the financial period comprised the following:

	The Group	
	31 Mar 2017	31 Mar 2016
	\$'000	\$'000
Cash at bank and on hand	21,303	25,448
Short-term bank deposits	66,608	33,438
Bank deposits pledged	87,911	58,886
	(4,558)	(4,514)
Cash and cash equivalents per consolidated statement of cash flows	83,353	54,372

Bank deposits of \$4,557,512 (31 March 2016: \$4,514,462) are pledged to banks for banking facilities of certain subsidiary corporations.



(ii) **Review of Cash Flows for first quarter ended 31 March 2017**

Net cash generated from operating activities

Our Group reported net cash generated from operating activities of \$14.4 million in the first quarter ended 31 March 2017, an increase of \$9.7 million from net cash generated from operating activities of \$4.7 million in the first quarter ended 31 March 2016. The \$9.7 million increase in net cash generated from operating activities was due mainly to:

- (a) an increase in net working capital inflow of \$7.8 million;
- (b) an increase in cash generated from operating activities before working capital changes of \$1.8 million; and
- (c) an increase in interest received of \$28,000.

Net cash used in investing activities

Net cash of \$0.8 million used in investing activities was due to:

- (a) the purchase of new property, plant and equipment of \$0.9 million,

which was partially offset by:

- (b) the proceeds received from the disposal of property, plant and equipment during the first quarter ended 31 March 2017.

Net cash used in financing activities

Net cash of \$0.3 million was used in financing activities in the first quarter ended 31 March 2017. The major outflows for the three months ended 31 March 2017 related to repayment of finance lease liabilities and servicing of interest payments of \$0.3 million.

Overall, free cash and cash equivalents stood at \$83.4 million as at 31 March 2017, an increase of \$29.0 million, from \$54.4 million as at 31 March 2016. This works out to cash of 27.0 cents per share as at 31 March 2017 as compared to 17.6 cents per share as at 31 March 2016 (based on 308,430,594 shares issued as at 31 March 2017 and 31 March 2016).



**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Attributable to equity holders of the Company				
Share capital	Fair value reserve	Asset revaluation reserve	Retained profits	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000

The Group

<b>As at 1 Jan 2017</b>	36,832	1	1,372	76,218	114,423
Total comprehensive (loss)/income for the period	-	(7)	-	5,053	5,046
<b>As at 31 Mar 2017</b>	36,832	(6)	1,372	81,271	119,469
<b>As at 1 Jan 2016</b>	36,832	(24)	1,372	66,507	104,687
Total comprehensive (loss)/income for the period	-	(2)	-	1,853	1,851
<b>As at 31 Mar 2016</b>	36,832	(26)	1,372	68,360	106,538





Attributable to equity holders of the Company		
Share capital	Retained profits	Total equity
\$'000	\$'000	\$'000

The Company

<b>As at 1 Jan 2017</b>	36,832	9,546	46,378
Total comprehensive income for the period	-	134	134
<b>As at 31 Mar 2017</b>	<u>36,832</u>	<u>9,680</u>	<u>46,512</u>
<b>As at 1 Jan 2016</b>	36,832	6,997	43,829
Total comprehensive income for the period	-	522	522
<b>As at 31 Mar 2016</b>	<u>36,832</u>	<u>7,519</u>	<u>44,351</u>



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

There have been no changes in the issued share capital of the Company since 31 December 2016.

Under the Share Buy Back Mandate which was approved by the Shareholders on 18 April 2016, no shares were bought back by the Company during the first quarter ended 31 March 2017.

There were no outstanding convertibles issued or treasury shares held by the Company as at 31 March 2017 and 31 March 2016.

- 1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	31 Mar 2017	31 Dec 2016
Total number of issued shares (excluding treasury shares)	308,430,594	308,430,594

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements as at 31 December 2016.



**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2017 or later periods and which the Group has not early adopted.

Effective for annual periods beginning on and or after 1 January 2017

- Amendments to FRS 7 Disclosure Initiative
- Amendments to FRS 12 Recognition of Deferred Tax Assets for Unrealised Losses
- Improvements to FRSs (December 2016)
  - Amendments to FRS 112 Disclosure of Interest in Other Entities

Effective for annual periods beginning on and or after 1 January 2018

- FRS 109 Financial Instruments
- FRS 115 Revenue from Contracts with Customers
- Amendments to FRS 40: Transfers of Investment Property
- Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers
- Improvements to FRSs (December 2016)
  - Amendment to FRS 28 Investments in Associates and Joint Ventures
  - Amendment to FRS 101 First-Time Adoption of Financial Reporting Standards
- INT FRS 122 Foreign Currency Transactions and Advance Consideration

Effective for annual periods beginning on and or after 1 January 2019

- FRS 116 Leases

Effective date to be determined\*

- Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group anticipates that the adoption of the above FRSs and amendments to FRS will not result in any substantial change to the Group's accounting policies or any material impact on the financial statements of the Group for the current period.

\* The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore ("ASC") in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.



**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Basic/diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

The Group			
	Current first quarter ended 31 Mar 2017	Previous first quarter ended 31 Mar 2016	Increase/ (Decrease) %
Net profit attributable to equity holders of the Company (\$'000)	5,053	1,853	172.7
Weighted average number of ordinary shares in issue	308,430,594	308,430,594	-
Basic earnings per share (cents per share)	1.64	0.60	173.3
Diluted earnings per share (cents per share)	1.64	0.60	173.3

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares, of the issuer at the end of the**  
**(a) current period reported on and**  
**(b) immediately preceding financial year**

	The Group		The Company		Increase / (Decrease) %	
	As at 31 Mar 2017	As at 31 Dec 2016	As at 31 Mar 2017	As at 31 Dec 2016	The Group	The Company
Net tangible assets (\$'000)	117,758	112,710	46,503	46,368	4.5	0.3
Number of shares	308,430,594	308,430,594	308,430,594	308,430,594	-	-
NTA per share (cents)	38.18	36.54	15.08	15.03	4.5	0.3



8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

### **Our Business**

OKP Holdings Limited is a home-grown infrastructure and civil engineering company in the region. We specialise in the construction of urban and arterial roads, expressways, vehicular bridges, flyovers, airport infrastructure and oil & gas related infrastructure for petrochemical plants and oil storage terminals as well as the maintenance of roads and roads-related facilities and building construction-related works. We tender for both public and private civil engineering and infrastructure construction projects. We have expanded our core business to include property development and investment.

We have two core business segments: Construction and Maintenance.

### **Income Statement Review (First Quarter of 2017 vs First Quarter of 2016)**

	The Group					
	Current first quarter ended 31 Mar 2017		Previous first quarter ended 31 Mar 2016		Increase / (Decrease)	
	\$'000	%	\$'000	%	\$'000	%
Construction	20,514	69.1	20,718	84.4	(204)	(1.0)
Maintenance	9,187	30.9	3,836	15.6	5,351	139.5
<b>Total Revenue</b>	<b>29,701</b>	<b>100.0</b>	<b>24,554</b>	<b>100.0</b>	5,147	21.0

### **Revenue**

Our Group registered a revenue of \$29.7 million in the first quarter ended 31 March 2017 compared to \$24.6 million recorded in the first quarter ended 31 March 2016. The increase was due mainly to a 139.5% increase in revenue from the maintenance segment to \$9.2 million, partially offset by a marginal 1.0% decrease in revenue from the construction segment to \$20.5 million.

The strong growth in revenue from the maintenance segment was due mainly to the higher percentage of revenue recognised from a number of both existing and newly awarded maintenance projects as they progressed to a more active phase in the first quarter ended 31 March 2017.



The decrease in revenue from the construction segment was largely attributable to a lower percentage of revenue recognised from a few construction projects which were reaching completion during the first quarter ended 31 March 2017.

The construction segment continued to be the major contributor to our Group's revenue. On a segmental basis, our core construction segment and maintenance segment accounted for 69.1% (2016: 84.4%) and 30.9% (2016: 15.6%), respectively, of our Group's revenue for the first quarter ended 31 March 2017.

#### Cost of works

Our cost of works increased by 10.0% or \$2.2 million from \$21.6 million for the first quarter ended 31 March 2016 to \$23.8 million for the first quarter ended 31 March 2017. The increase in cost of works was due mainly to:

- (a) an increase in labour costs due to the hiring of new middle management staff to support the existing projects in the first quarter ended 31 March 2017;
- (b) an increase in sub-contracting costs which were mainly costs incurred for specialised works such as bored piling, asphalt works, mechanical and electrical works, soil-testing, landscaping and metalworks which are usually subcontracted to external parties, during the first quarter ended 31 March 2017; and
- (c) an increase in preliminary costs and overheads such as professional fees, depreciation of property, plant and machinery, hiring costs and transportation costs during the first quarter ended 31 March 2017. The professional fees related to the engagement of consultants to design the construction methods of our on-going projects. Hiring and transportation costs related to the rental of additional heavy equipment and machineries to support existing projects during the first quarter ended 31 March 2017.

#### Gross profit and gross profit margin

Consequently, our gross profit for the first quarter ended 31 March 2017 increased by 100.7% or \$2.9 million from \$3.0 million for the first quarter ended 31 March 2016 to \$5.9 million for the first quarter ended 31 March 2017.

Our gross profit margin improved from 12.1% for the first quarter ended 31 March 2016 to 20.0% for the first quarter ended 31 March 2017.

The higher gross profit margin was largely attributable to a few construction projects which had commanded better gross profit during the first quarter ended 31 March 2017.

#### Other income

Other income decreased by \$0.8 million or 83.3% from \$1.0 million for the first quarter ended 31 March 2016 to \$0.2 million for the first quarter ended 31 March 2017. The decrease was largely attributable to:

- (a) a technical management consultancy fee of \$0.6 million received in relation to a piling project in Jakarta, Indonesia during the first quarter ended 31 March 2016, which did not recur in the first quarter ended 31 March 2017; and
- (b) a decrease in government grants of \$0.3 million received which comprised wage credit payouts received from the Inland Revenue Authority of Singapore and incentives received from the Building and Construction Authority's Construction Engineering Capability Development Programme (CED Programme),



which were partially offset by:

- (c) an increase in interest income received due to higher interest earned from higher bank deposits during the first quarter ended 31 March 2017.

#### Administrative expenses

Administrative expenses increased by \$0.3 million or 14.8% from \$2.2 million for the first quarter ended 31 March 2016 to \$2.5 million for the first quarter ended 31 March 2017. The increase was largely attributable to higher directors' remuneration (including profit sharing) accrued as a result of the higher profit generated by the Group for the first quarter ended 31 March 2017.

#### Finance expenses

Finance expenses remained relatively constant at \$20,000 and \$16,000 in the first quarter ended 31 March 2017 and 31 March 2016 respectively.

#### Share of profit of associated companies and joint ventures

	The Group	
	31 Mar 2017	31 Mar 2016
	\$'000	\$'000
Share of profit of joint ventures <sup>(a)</sup>	1,629	18
Share of profit of associated companies <sup>(b)</sup>	330	69
	1,959	87

#### (a) Share of profit of joint ventures

The share of profit of joint ventures increased by \$1.6 million due mainly to:

- (i) the recognition of profit of \$1.6 million from Lakehomes Pte. Ltd., the developer for the LakeLife Executive Condominium, based on the recognition of profits from units of the development which were ready for handover during the first quarter ended 31 March 2017; and
- (ii) the recognition of profit of \$46,000 for a construction project undertaken by Chye Joo – Or Kim Peow JV during the first quarter ended 31 March 2017.

#### (b) Share of profit of associated companies

The \$0.3 million increase in the share of profit of associated companies in the first quarter ended 31 March 2017 was due mainly to our associated company, United Singapore Builders Pte Ltd, recognising further profits for a construction project secured during the first quarter ended 31 March 2017.



#### Profit before income tax

Profit before income tax increased by \$3.7 million or 195.5% from \$1.8 million in the first quarter ended 31 March 2016 to \$5.5 million in the first quarter ended 31 March 2017. The increase was due mainly to (1) the increase in gross profit of \$2.9 million and (2) the increase in share of profit of associated companies and joint ventures of \$1.9 million. The increase was partially offset by (1) the increase in administrative expenses of \$0.3 million and (2) the decrease in other income of \$0.8 million, as explained above.

#### Income tax expense

Income tax expense increased by \$0.5 million or 3,013.3% from \$15,000 in the first quarter ended 31 March 2016 to \$0.5 million in the first quarter ended 31 March 2017.

The effective tax rate for the first quarter ended 31 March 2017 was 8.5%, which was lower than the statutory tax rate of 17.0%, due mainly to (1) the profit before income tax of \$5.5 million which comprised share of profit of associated companies and joint ventures of \$2.0 million, which was already taxed at the associated company and joint venture levels, (2) statutory stepped income tax exemption and (3) a tax rebate of 20% on the corporate tax payable.

The effective tax rate for the first quarter ended 31 March 2016 was 0.8%, which was lower than the statutory tax rate of 17.0%, due mainly to (1) enhanced tax deductions under the Productivity and Innovation Credit Scheme, (2) statutory stepped income tax exemption, (3) a tax rebate of 50% on the corporate tax payable and (4) a reversal of deferred tax of \$0.1 million made during the first quarter ended 31 March 2016.

#### Net profit

Overall, for the first quarter ended 31 March 2017, net profit increased by \$3.2 million or 172.7%, from \$1.9 million for the first quarter ended 31 March 2016 to \$5.1 million for the first quarter ended 31 March 2017, following the increase in profit before income tax of \$3.7 million which was partially offset by the increase in income tax expense of \$0.5 million, as explained above.

Our net profit margin improved from 7.5% for the first quarter ended 31 March 2016 to 17.0% for the first quarter ended 31 March 2017.

### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

There is no material deviation in the actual results for the first quarter ended 31 March 2017 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the financial year ended 31 December 2016.





**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Economic outlook

According to the Ministry of Trade and Industry (“MTI”) advance estimates, Singapore’s economy expanded by 2.5% during the first quarter of 2017 on a year-on-year (“y-o-y”) basis, easing from the 2.9% growth in the immediate preceding quarter.

Industry outlook

The construction sector contracted by 1.1% in the first quarter on a y-o-y basis, extending the 2.8% decline in the previous quarter, mainly due to a slowdown in private sector construction activities. On a quarter-on-quarter seasonally adjusted annualised basis, the sector grew by 5.4%, accelerating from the 0.8% growth in the preceding quarter.

For 2017, the Building and Construction Authority projected the total construction demand or the value of construction contracts to be awarded this year to reach between \$28.0 billion and \$35.0 billion. This is higher than the preliminary estimate of \$26.1 billion that was previously forecasted.

Out of this, 70% of projects will be from the public sector, boosted by an increase in demand for most building types and civil engineering works. In the public sector construction segment, demand is expected to surge from about \$15.8 billion last year to between \$20.0 billion and \$24.0 billion this year. Over the medium to long term, the average construction demand is projected to be between \$26.0 billion and \$37.0 billion per annum in 2020 and 2021. In the public sector construction segment, demand is expected to be between \$18.0 billion and \$23.0 billion per annum from 2018 to 2021.

Other major infrastructure projects, including the North-South Corridor, Circle Line 6, Jurong Regional Line and Changi Airport Terminal 5, continue to underpin demand. In addition, the Government will also be bringing forward \$700.0 million worth of public sector infrastructure projects to start construction in 2017 and 2018. These include building projects such as the upgrading of community clubs and sports facilities.

Company outlook and order book update

Overall, the industry will continue to experience headwinds due to rising business costs including labour costs as well as a shortage of experienced manpower. As a key player in the public sector arena, we remain optimistic as we are well positioned to capture opportunities from the Singapore Government’s announcement of a strong pipeline of projects being brought forward to 2017. We will actively pursue new projects while delivering on our order book.

As at 31 March 2017, our net construction order book remains robust, with \$306.1 million (31 March 2016: \$322.1 million) of secured contracts, extending till 2019.



On the property development and investment front, we have a 10% minority investment in CS Amber Development Pte. Ltd., the developer of our first residential property project - Amber Skye - and a subsidiary corporation of CS Land Pte. Ltd.. Amber Skye obtained the Temporary Occupation Permit on 27 April 2017. Efforts in marketing the remaining units of the 109-unit freehold development will continue.

In addition, we also hold a 10% stake in Lakehomes Pte. Ltd. - a property development joint venture - which launched the LakeLife Executive Condominium ("EC") located in Jurong. LakeLife EC obtained the Temporary Occupation Permit on 30 December 2016 and an additional 188 units had been handed over to buyers during the first quarter ended 31 March 2017.

The Group will continue to pursue growth and investment opportunities locally and abroad to strengthen our income streams, while delivering results in the civil engineering and infrastructure sector where our core business lies.

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

None.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared/recommended for the first quarter ended 31 March 2017.

The final one-tier tax exempt dividend of 0.7 cent per ordinary share and special one-tier tax exempt dividend of 0.8 cent per ordinary share for the financial year ended 31 December 2016 was approved at the Company's Fifteenth Annual General Meeting on 24 April 2017. Payment of the dividends will be made on 17 May 2017.



### 13. Interested person transactions disclosure

Name of Interested Person	Aggregate value of all interested person transactions during three months ended 31 March 2017 (excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during three months ended 31 March 2017 conducted under shareholders' mandate pursuant to Rule 920
	\$'000	\$'000
Niru & Co LLC - Professional fees	24.4	-

**Notes:**

- (a) Mr Nirumalan s/o V Kanapathi Pillai, who is the independent director of the Company, is the Managing Director of Niru & Co LLC, which provides legal and professional services to the Group.

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920.

### 14. Use of proceeds as at 31 March 2017

Exercise of 61,139,186 warrants at \$0.20 for each share as at 4 January 2013 raising net proceeds of \$12.2 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	12.22	10.72	1.50

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

The unutilised proceeds are deposited with a bank pending deployment.

### 15. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of OKP Holdings Limited confirms that, to the best of their knowledge, nothing has come to their attention which may render the financial statements for the first quarter ended 31 March 2017 to be false or misleading in any material aspect.



**16. Confirmation that the issuer has procured undertakings from all its directors and executive officers**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Or Toh Wat  
Group Managing Director  
8 May 2017