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For Immediate Release

OKP HOLDINGS LIMITED ACHIEVES 172.7% GROWTH IN 1Q2017 NET PROFIT TO S\$5.1 MILLION

- ***Gross profit doubles to S\$5.9 million; gross profit margin increases by 7.9 percentage points to 20.0%***
- ***S\$1.6 million gain from share of profit from a joint venture – Lakehomes Pte. Ltd.***
- ***Net construction order book of S\$306.1 million provides clear revenue visibility till 2019***
- ***Healthy balance sheet, with free cash and cash equivalents totalling S\$83.4 million***
- ***Prospects remain favourable given good flow of public sector infrastructure projects brought forward to 2017***

GROUP'S FINANCIAL HIGHLIGHTS			
S\$' million	1Q2017	1Q2016	▲/▼
Revenue	29.7	24.6	▲21.0%
Gross Profit	5.9	3.0	▲100.7%
GP Margins	20.0%	12.1%	▲7.9 ppt
Profit After Tax	5.1	1.9	▲172.7%
EPS – Basic (cents)	1.64	0.60	▲173.3%
As at 31 March 2017:			
Net Tangible Assets: S\$117.8 million, NTA Per Share: 38.18 cents			

Singapore, 8 May 2017 – 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 a 172.7% rise in its net profit attributable to equity holders to S\$5.1 million for the three months ended 31 March 2017 (“1Q2017”). This was on the back of a 21.0% increase in revenue to S\$29.7 million for the financial year. In comparison, the Group registered a net profit attributable to equity holders of S\$1.9 million and revenue of S\$24.6 million in the previous corresponding period (“1Q2016”).

Overall, the increase in bottomline was mainly in line with the higher revenue, gross profit and an increase in share of results of associated companies and joint ventures of S\$1.9 million. The increase was mainly due to a \$1.6 million gain from the share of profit from a joint venture, Lakehomes Pte. Ltd., the developer of 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.

For 1Q2017, earnings per share (basic) similarly increased by 173.3% to 1.64 Singapore cents from 0.60 Singapore cent in 1Q2016.

Review of Performance

GROUP'S REVENUE HIGHLIGHTS						
S\$' million	1Q2017		1Q2016		Increase/(decrease)	
Construction	20.5	69.1%	20.7	84.4%	(0.2)	(1.0)%
Maintenance	9.2	30.9%	3.8	15.6%	5.4	139.5%
Total Revenue	29.7	100.0%	24.6	100.0%	5.1	21.0%

The overall increase in the Group's 1Q2017 revenue was due mainly to its maintenance segment recording a 139.5% surge in revenue to S\$9.2 million. This was attributable 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.

This was partially offset by a marginal 1.0% decrease in revenue from the Group's construction segment, with a lower percentage of revenue recognised from a few projects which were reaching completion during the first quarter ended 31 March 2017.

Gross profit doubled to S\$5.9 million in line with the robust revenue growth for the Group's maintenance segment whilst the Group's gross profit margin expanded by 7.9 percentage points to 20.0% largely as a result of a few construction projects achieving higher gross profit during the quarter.

OKP had a net construction order book of S\$306.1 million as at 31 March 2017, with projects extending till 2019.

Group Managing Director, Mr Or Toh Wat (胡士发) said, "We are supported by a pipeline of projects with good revenue visibility for the next two years. Being a specialist in the transport infrastructure and civil engineering space with core competencies in areas such as airport runways and taxiways, expressways, flyovers, and urban and arterial roads, we will continue to focus on our core business and actively bid for suitable tenders that will effectively tap on our expertise. We have long ingrained an innovative culture and employed the use of technology in our operations and will continue to place a strong focus on productivity to grow our core construction business."

Balance Sheet Highlights

The Group continued to retain a strong balance sheet, with net tangible assets ("NTA") recording an increase of 4.5% to S\$117.8 million while NTA per share was 38.18 Singapore cents as at 31 March 2017. As at 31 December 2016, NTA and NTA per share was S\$112.7 million and 36.54 Singapore cents respectively.

OKP's free cash and cash equivalents increased by S\$29.0 million to S\$83.4 million as at 31 March 2017, from S\$54.4 million as at 31 March 2016.

Net cash generated from operating activities during the quarter remained strong at S\$14.4 million, as compared to net cash generated from operating activities of S\$4.7 million in 1Q2016. The improvement was largely due to an increase in net working capital inflow of S\$7.8 million as well as a rise in cash generated from operating activities before working capital changes of S\$1.8 million and an increase in interest received of S\$28,000.

The Group's net cash used in investing activities of S\$0.8 million in 1Q2017 was due mainly to the purchase of new property, plant and equipment, partially offset by proceeds received from the disposal of property, plant and equipment during the first quarter ended 31 March 2017.

Based on OKP's closing share price of S\$0.40 as at 8 May 2017, the Group's market capitalisation is S\$123.4 million.

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.¹

For 2017, the Building and Construction Authority (BCA) projected the total construction demand or the value of construction contracts to be awarded this year to reach between S\$28.0 billion and S\$35.0 billion. This is higher than the preliminary estimate of S\$26.1 billion that was previously forecasted.¹

¹ *Public sector construction demand is expected to increase this year – Building and Construction Authority, 6 January 2017*

For the public sector construction segment, demand is expected to surge from about S\$15.8 billion last year to between S\$20.0 billion and S\$24.0 billion this year.² Over the medium to long term, the average construction demand is projected to be between S\$26.0 billion and S\$37.0 billion per annum in 2020 and 2021. In the public sector construction segment, demand is expected to be between S\$18.0 billion and S\$23.0 billion per annum from 2018 to 2021.²

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 S\$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.²

Mr Or commented, “Given that 70% of these infrastructure projects will be from the public sector, and as a key player in the public sector arena, we remain optimistic that we are well positioned to capture opportunities from this strong pipeline of public projects being brought forward to 2017. We will actively pursue new projects while delivering on our order book.

“We 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.”

² *More support and incentives to transform built environment sector – Building and Construction Authority, 7 March 2017*

About OKP Holdings Limited (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 LakeLife, 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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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; and
- Construction of Stamford Diversion Canal Contract 1 – Tanglin and Kim Seng worth S\$50.6 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 CS Land Pte. Ltd., the property arm of CS International (S) Pte. Ltd.. Amber Skye obtained the Temporary Occupation Permit on 27 April 2017.

The Group also holds a 10% stake in a property development joint venture, Lakehomes Pte. Ltd., the developer of Executive Condominium ("EC"), LakeLife, 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. The Temporary Occupation Permit had been received on 30 December 2016.