

OKP Holdings Limited  
 No. 6 Tagore Drive #B1-06  
 Tagore Industrial Building  
 Singapore 787623

Tel: (65) 6456 7667  
 Fax: (65) 6459 7757

## **FOR IMMEDIATE RELEASE**

# **OKP Achieves Turnover of S\$56.8m for FY2003**

**SINGAPORE – 27 February 2004** – SGX SESDAQ listed OKP Holdings Limited (“OKP”), a leading transportation infrastructure builder and civil engineering company in Singapore, today announced its full-year results for the financial year ended 31 December 2003.

### **Group Financial Snapshot**

<b>S\$'000</b>	<b>FY2003</b>	<b>FY2002</b>	<b>% Change</b>
<b>Turnover</b>	56,756	51,818	9.5
<b>Net profit before tax</b>	2,682	3,235	(17.1)
<b>Net profit after tax</b>	1,408	2,223	(36.7)
<b>Net Cash generated from operating activities</b>	3,155	4,351	
<b>Cash &amp; Cash equivalents</b>	10,400	9,471	
<b>Net asset value per share (cents)</b>	11.91	11.19	

### **Segmental Revenue Breakdown**

<b>Road Construction (S\$'000)</b>	32,734	25,885	26.5
<b>Road Maintenance (S\$'000)</b>	24,022	25,933	(7.4)

### **FY2003 Review**

Revenue for the Group grew 9.5% from \$51.8m in FY2002 to \$56.8m in FY2003. However, gross profit remains stable at \$7.2m in both FY2002 and FY2003.

During the year in review, the Group recorded a net profit after taxation and finance costs of \$1.4 million, 36.7% lower than FY2002. This is attributed to the increase in other income of \$0.1 million and administrative expenses of \$0.7 million. This is partially offset by the decrease in other operating and finance costs.

Net asset value per ordinary share improved from 11.19 cents to 11.91 cents while earnings per share decreased 1.63 cents to 1.03 cents for the same corresponding period.

To reward shareholders, the Group declared a one-tier tax-exempt dividend of 0.41 Singapore cents per share.

### **Segmental Breakdown**

The road construction segment recorded a 26.5% revenue growth to \$32.7m. Owing to the continuous stringent cost-saving efforts and better project management of some road construction projects, the Group registered an improved profit margin of 6.3% from the road construction segment.

Revenue from the road maintenance segment slide marginally by 7.4% to \$24.0m in FY2003. The drop in profit margin from the road maintenance segment was due to the increase in subcontracting costs as a percentage of revenue.

Mr Or Toh Wat, Managing Director of OKP Holdings Limited said, "Despite the generally weak construction sentiments, OKP managed to emerge relatively unscathed and continue to remain profitable as a viable business among a shrinking field of players. Our cash and cash equivalent has grown from \$9.4m in FY2002 to \$10.4m in FY2003. We have also maintained a healthy construction order book, which stands at \$137.6m as at today."

During the year in review, the Group initiated its first high-rise building construction related project - Dunman View Condominium in its efforts to move beyond road construction and maintenance. This project is expected to contribute positively but have no material impact on our Group's FY2004 earnings. In an effort to regionalize its operations, the Group has entered into an Alliance Agreement with other building and construction professionals to form the STA Consortium, to offer one-stop building and construction services to clients in India. In addition, a wholly-owned subsidiary, OKP Investments (China) Pte Ltd was incorporated to handle all construction-related business in China. It has invested in an associated company known as Anhui-SIN-HK Management & Consultancy Company Limited to provide technical management and consultancy services.

### **Outlook**

According to the Building and Construction Authority ('BCA'), total construction demand in FY2004 is expected to range between \$10 billion and \$11 billion. The public sector construction demand will continue to underpin total construction demand and it is expected to award between \$5.4 billion to \$6.1 billion worth of contracts. The government has also announced a 3-year plan for \$600 million worth of accelerated public construction projects to give the struggling construction industry a financial boost.

“We are actively looking beyond our shores for construction related projects in China and India. We are also very receptive to new construction-related business opportunities wherever there is possible synergy with our core business operations. Our priority remains to achieve consistent long-term profitability by tendering for projects that yield reasonable returns.” Mr Or concluded.

-end-

#### **About OKP Holdings Limited**

*OKP Holdings Limited was incorporated in Singapore on 15 February 2002 as an investment holding company. The company has four subsidiaries namely Or Kim Peow Contractors (Private) Limited, Eng Lam Contractors Co (Pte) Ltd, OKP Investments (China) Pte Ltd and OKP Technical Management Pte Ltd.*

*Established in 1966 by Founder and Chairman, Or Kim Peow, the Group has two main business segments, Road Construction and Road Maintenance. The Group mainly tenders for government construction projects.*

*OKP Holdings has been listed on the Singapore Exchange of Singapore Dealing and Automated Quotation System (“SESDAQ”) since 26 July 2002.*

---

Issued for and on behalf of **OKP Holdings Limited**  
By **Financial PR Pte Ltd**

*For more information, please contact:*  
Agnes HO, agnes@financialpr.com.sg  
Kathy ZHANG, kathy@financialpr.com.sg  
Tel: (65) 6438 2990  
Fax: (65) 6438 0064