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FOR IMMEDIATE RELEASE

OKP's revenue surges 28.1% to hit \$72.7 million for FY2004

- **Positive Cash and Cash Equivalents at \$11.9m**
- **Profit after tax improves 10.9% to record \$1.6m**
- **Strong defensive order book of \$155.5 million**
- **Strong and Profitable, shrinking pool of competitors**

SINGAPORE – 22 February 2005 – SGX listed OKP Holdings Limited (“OKP”), a leading home-grown infrastructure builder and civil engineering specialist, today announced its full year results for the financial year ended 31 December 2004.

Group Financial Highlights

	31 Dec 2004	31 Dec 2003	% Change
Revenue (S\$'000)	72,710	56,756	28.1
Gross Profit (S\$'000)	5,449	7,204	(24.4)
Profit after Taxation (S\$'000)	1,562	1,408	10.9
Net Cash Generated from Operating Activities (S\$'000)	4,183	3,155	32.6
Cash and Cash Equivalents (S\$'000)	11,935	10,400	14.8
Net Tangible Asset per Share (cents)	12.64	11.91	6.1
Earnings per Share (cents)	1.15	1.03	11.7

Segmental Revenue Breakdown

Road and Building Construction (S\$'000)	54,129	32,734	65.4
Road Maintenance (S\$'000)	18,581	24,022	(22.7)

OKP's revenue surges 28.1% to hit \$72.7 million for FY2004

Revenue for the Group reported an upsurge of 28.1% from \$56.8 million in FY2003 to \$72.7 million in FY2004. The growth was primarily due to higher contribution from the road and building construction segment, which was partially offset by lower revenue generated from the road maintenance segment.

Gross profit dipped 24.4% from \$7.2 million in FY2003 to \$5.4 million in FY2004, as a result of lower gross profit margin from some existing projects. Correspondingly, profit before taxation decreased from \$2.7 million in FY2003 to \$1.7 million in FY2004, partly offset by a decrease in administrative expenses.

Profit after taxation increased by \$0.2 million to \$1.6 million in FY2004. This was attributed to the reduction in taxation.

Net tangible asset per ordinary share improved from 11.9 cents to 12.6 cents while earnings per share increased from 1.03 cents to 1.15 cents for the same corresponding period. As at 31 December 2004, amidst the poor market condition, cash and cash equivalents achieved growth of 14.8% to \$11.9 million. Net cash inflow generated from operational activities was higher at \$4.2 million, a 32.6% increase because of stronger operational performance.

Mr Or Toh Wat, the Group Managing Director of OKP Holdings Limited said, "We are pleased to announce a good set of FY2004 results despite the generally weak construction sentiments. With our capable and prudent management team and expertise, we believe OKP will continue to grow from strength to strength in a shrinking field of players."

Road and Building Construction Segment Surges 65.4% to hit \$54.1m

FY2004 revenue growth was largely boosted by a 65.4% surge from its road construction segment. Road and building construction revenue rose to \$54.1 million in FY2004 from \$32.7 million in FY2003. The strong growth was due to the recognition of higher revenue from new road construction projects secured in FY2004. Profit before interest and tax arising from the road and building construction segment, however declined from \$2.9 million in FY2003 to \$1.9 million in FY2004. This was primarily due to lower profit margin from existing projects.

Revenue from the road maintenance segment recorded \$18.6 million in FY2004. The lower contribution was due to completion of a few road maintenance projects in the second half of FY2004. Owing to a set of successful and stringent cost control measures, the Group's profit before interest and tax arising from the road maintenance segment increased by 7.1% to \$1.2 million.

Strong Defensive Order Book of \$155.5 million

The Group has proved itself to be strong and unparalleled in the continued weak and competitive construction sector. OKP successfully tendered and was awarded eight new contracts in FY2004, with a combined contract value worth approximately \$67.6 million.

Mr Or remarked, "We have entered FY2005 confidently with a strong defensive order book of \$155.5 million as at 31 December 2004, of which \$62.3 million is expected to be recognised as revenue for FY2005 and thereafter. While this strong order book will lay

the foundation of our business continuity, we will continue to seek to bid for viable and profitable projects to achieve long term profitability.”

During the year, OKP successfully completed the construction of the Dunman View Condominium project, the first high-rise building construction related project in its 38 years of history. This demonstrated its capability to compete and tender for projects that involve both civil engineering and building works.

Outlook

According to the Ministry of National Development (“MND”), the local construction volume is expected to stabilise in the range of \$10 billion to \$11 billion in FY2005. The outlook of the construction industry in Singapore remains weak and very competitive.

“OKP will remain focussed on what it does and knows best – road maintenance and road construction in Singapore. While we continue to build our project list on hand and explore suitable opportunities overseas, we will remain prudent and will only consider projects that are commercially viable and profitable. We will continue to ride on our strength at home and tender primarily for government projects.” Mr Or concluded.

Dividends

To reward its loyal shareholders, OKP has declared a first and final dividend of 0.49 cents per share, subject to shareholders’ approval at its Annual General Meeting. The dividend is the first and final one-tier tax-exempt and represents a dividend yield of 4.5% per annum based on its last transacted price of 11 cents on 7 January 2005. The total dividend paid, amounting to \$667,000, represents 42.7% of its total profit after tax (FY2003: 40%).

About OKP Holdings Limited

OKP Holdings 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 Technical Management Pte Ltd and OKP Investments (China) Pte Ltd. Established in 1966 by Founder and Chairman, Mr Or Kim Peow, PBM, the Group has two main business segments, Road and Building Construction and Road Maintenance. The Group mainly tenders for government construction projects.

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

For more information, please visit www.okph.com.

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