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For Immediate Release

OKP HOLDINGS LIMITED POSTS 104.7% SURGE IN NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS TO S\$14.3 MILLION FOR FY2016

- **Gross profit rises 59.2% to S\$21.9 million; gross profit margin increases by 6.4 percentage points to 19.7%**
- **S\$2.6 million gain from share of profit from a joint venture – Lakehomes Pte Ltd**
- **Total dividends of 1.5 cents per share recommended, consisting of 0.7 cent per share in final dividend and 0.8 cent per share in special dividend**
- **Robust net construction order book of S\$329.9 million provides clear revenue visibility till 2019**
- **Healthy balance sheet, with free cash and cash equivalents totalling S\$70.1 million**

GROUP'S FINANCIAL HIGHLIGHTS						
S\$' million	4Q2016	4Q2015	▲/▼	FY2016	FY2015	▲/▼
Revenue	34.5	24.5	▲ 40.6%	111.1	103.3	▲ 7.6%
Gross Profit	10.8	3.8	▲ 180.2%	21.9	13.8	▲ 59.2%
GP Margins	31.3%	15.7%	▲ 15.6 ppt	19.7%	13.3%	▲ 6.4 ppt
Profit After Tax & MI	8.0	1.9	▲ 314.7%	14.3	7.0	▲ 104.7%
EPS – Basic (cents)	2.60	0.63	▲ 312.7%	4.65	2.27	▲ 104.8%
As at 31 December 2016:						
Net Tangible Assets: S\$112.7 million, NTA Per Share: 36.54 cents						

Singapore, 20 February 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 104.7% rise in its net profit attributable to equity holders to S\$14.3 million for the full year ended 31 December 2016 (“FY2016”). This was on the back of a 7.6% increase in revenue to S\$111.1 million for the financial year. In comparison, the Group registered a net profit attributable to equity holders of S\$7.0 million and revenue of S\$103.3 million in the previous financial year (“FY2015”).

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\$2.9 million. The increase was mainly due to a \$2.6 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 are ready for handover.

Correspondingly, earnings per share (basic) for FY2016 grew 104.8% to 4.65 cents from 2.27 cents in FY2015.

In appreciation of the support from OKP’s shareholders, the Board of Directors has recommended a final dividend of 0.7 cent per share and a special dividend of 0.8 cent per share. Together with the interim dividend paid of 0.5 cent per share, the total dividends of 2.0 cents per share represent a dividend yield of 6.0%¹ and a dividend payout ratio of 43.0% for FY2016 based on OKP’s closing share price of 33.5 cents¹.

¹ Based on closing share price dated 20 February 2017

Review of Performance

GROUP'S REVENUE HIGHLIGHTS						
S\$' million	FY2016		FY2015		Increase/(decrease)	
Construction	90.5	81.5%	77.6	75.1%	12.9	16.7%
Maintenance	20.6	18.5%	25.7	24.9%	(5.1)	(19.9%)
Total Revenue	111.1	100.0%	103.3	100.0%	7.8	7.6%

Higher revenue contribution from the Group's construction segment, which rose 16.7% to S\$90.5 million in FY2016, led to the increase in the Group's overall revenue. The better performance of the segment was mainly driven by the higher percentage of revenue recognised due to the progression of a number of existing construction projects towards a more active phase during the financial year. Revenue for the Group was however impacted by a 19.9% decline in the maintenance segment's revenue to S\$20.6 million. This resulted from the substantial completion of several existing maintenance projects in FY2016.

In line with the improved topline performance, gross profit rose by 59.2% to S\$21.9 million and gross profit margin increased 6.4 percentage points to 19.7% in FY2016. The improvement stemmed mainly from the higher gross profit commanded for some maintenance projects and the recognition of variation orders for a construction project.

The Group has a net construction order book of S\$329.9 million as at 31 December 2016, with projects extending till 2019.

Group Managing Director, Mr Or Toh Wat (胡士发) said, "We are heartened by the improved financial performance achieved for FY2016. This was mainly driven by our construction segment, which remained the major part of our business and represented 81.5% of total revenue for FY2016. At the same time, for our property segment, we have seen the fruition of our joint venture with Lakehomes, following the successful TOP of LakeLife EC in 4Q2016.

“We are also pleased to have secured contracts during the financial year worth a collective S\$101.8 million. These public sector projects from our clients, including PUB, Singapore’s National Water Agency, LTA and JTC, are testament to our specialised technical capabilities and robust relationships cultivated with these long-time clients. Our strong order book provides us with clear revenue visibility as we continue to tender for projects and expand our presence in tandem.”

Balance Sheet Highlights

Net tangible assets (“NTA”) as at 31 December 2016 increased by 9.5% to S\$112.7 million from S\$102.9 million as at 31 December 2015 while NTA per share rose to 36.54 cents from 33.37 cents over the respective year-ends.

As at 31 December 2016, OKP’s free cash and cash equivalents stood at S\$70.1 million, representing a S\$20.6 million increase from free cash and cash equivalents of S\$49.5 million as at 31 December 2015.

The Group registered a S\$7.9 million increase in net cash from operating activities to S\$28.2 million during the financial year. This was mainly due to an increase in cash generated from operating activities before working capital changes of S\$5.8 million coupled with a S\$2.1 million growth in net working capital inflow.

Net cash used in investing activities amounted to S\$2.0 million in FY2016 largely as a result of S\$2.0 million in purchases of property, plant and equipment and intangible assets.

OKP also utilised S\$5.6 million of net cash used in financing activities in FY2016 which was due mainly to S\$4.6 million in dividend payments to shareholders and S\$1.5 million in repayment of finance lease liabilities. These were partially offset by a S\$0.6 million decrease in pledged deposit which resulted from the cancellation of a bank facility.

As at 20 February 2017, the Group's market capitalisation was S\$103.3 million based on the day's closing share price of S\$0.335.

Outlook

The Ministry of Trade and Industry Singapore ("MTI") announced that the Singapore economy grew by 2.0% in 2016, a slight increase from the 1.9% expansion in 2015. The MTI has maintained its 2017 GDP growth forecast at 1% to 3%². As for the construction sector, it experienced a 2.8% contraction on a y-o-y basis during the fourth quarter of 2016, which was an improvement from the 4.7% decline on a q-o-q basis. The y-o-y slowdown in the construction sector was mainly attributable to the private sector's slower pace of construction activities.

Given the flow of public sector projects that have been planned by the Singapore government in the near future, including the second phase of the Deep Tunnel Sewerage System, the North-South Corridor and the Circle Line³, OKP expects the demand for construction projects to remain buoyant. In the near-term, the total value of construction contracts for 2017 has been estimated by the Building and Construction Authority to be between S\$28.0 billion and S\$35.0 billion, of which about 70.0% are expected to be from the public sector².

² *MTI maintains 2017 GDP growth forecast at "1.0 to 3.0 per cent" - Ministry of Trade and Industry, 17 February 2017*

³ *Public sector construction demand is expected to increase this year – Building and Construction Authority, 6 January 2016*

Over the medium-to-longer-term, overall demand is also expected to be bolstered by major infrastructure projects such as the Jurong Regional Line and Cross Island Line as well as other infrastructure developments for the Changi Airport Terminal 5 project. Average annual construction demand in 2018 and 2019 is projected to reach S\$26.0 billion to S\$35.0 billion while for 2020 and 2021, it is expected to be between S\$26.0 billion and S\$37.0 billion⁴.

Mr Or commented, “Over the years, we have built strong expertise and track records within our core public sector infrastructure space in Singapore, which we are confident will place us in a favourable position to capitalise on opportunities as they become available in the market. Looking ahead, we continue to be optimistic on our prospects given the positive industry outlook.

“The tight manpower market that is beleaguering the industry, dearth of skilled experienced labour and rising business costs will inevitably cause some strain on our operations. Nevertheless, we intend to continue taking progressive steps to strengthen our leading position in the industry and adopt new technologies in the construction industry while remaining disciplined in our approach towards actively tendering for projects, including large scale infrastructure projects. In doing so, we are confident that it will lead us to achieve greater performance that will benefit shareholders.”

⁴ *Singapore's GDP Grew by 1.8 Per Cent in Fourth Quarter of 2016 - Ministry of Trade and Industry Singapore, 3 January 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 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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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

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”), 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.