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**For Immediate Release**

**OKP HOLDINGS LIMITED REPORTS 130.4% GROWTH IN 1H2017 NET PROFIT TO S\$10.0 MILLION**

- ***Net construction order book of S\$299.0 million provides revenue visibility till 2019***
- ***Healthy balance sheet, with free cash and cash equivalents totalling S\$75.3 million***

<b>GROUP'S FINANCIAL HIGHLIGHTS</b>						
<b>S\$' million</b>	<b>2Q2017</b>	<b>2Q2016</b>	<b>▲/▼</b>	<b>1H2017</b>	<b>1H2016</b>	<b>▲/▼</b>
<b>Revenue</b>	34.4	24.0	▲ 43.2%	64.1	48.6	▲ 31.9%
<b>Gross Profit</b>	8.0	4.1	▲ 95.3%	14.0	7.1	▲ 97.6%
<b>GP Margins</b>	23.3%	17.1%	▲ 6.2 ppt	21.8%	14.6%	▲ 7.2 ppt
<b>Profit After Tax</b>	5.0	2.5	▲ 99.0%	10.0	4.3	▲ 130.4%
<b>EPS – Basic (cents)</b>	1.61	0.81	▲ 98.8%	3.24	1.41	▲ 129.8%
As at 30 June 2017:						
<b>Net Tangible Assets: S\$118.1 million, NTA Per Share: 38.29 cents</b>						

**Singapore, 31 July 2017 – MAINBOARD-LISTED** infrastructure and civil engineering company, OKP Holdings Limited (胡金標控股有限公司) (“OKP” or the “Group”), today announced a 130.4% rise in its net profit attributable to equity holders to S\$10.0 million for the six months ended 30 June 2017 (“1H2017”). This was on the back of a 31.9% increase in revenue to S\$64.1 million. In comparison, the Group registered a net profit

attributable to equity holders of S\$4.3 million and revenue of S\$48.6 million in the previous corresponding period (“1H2016”).

Overall, the increase in bottomline was mainly in line with the higher revenue and gross profit, contributed to by an increase in share of results of associated companies and joint ventures of S\$2.1 million. The increase was mainly due to a S\$1.8 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 1H2017.

For 1H2017, earnings per share (basic) increased by 129.8% to 3.24 Singapore cents from 1.41 Singapore cents in 1H2016.

## Review of Performance

GROUP'S REVENUE HIGHLIGHTS						
	1H2017		1H2016		Increase/(decrease)	
	S\$' Million	% of Total	S\$' Million	% of Total	S\$' Million	% Change
<b>Construction</b>	43.0	67.1	41.1	84.6	1.9	4.6
<b>Maintenance</b>	21.1	32.9	7.5	15.4	13.6	182.1
<b>Total Revenue</b>	64.1	100.0	48.6	100.0	15.5	31.9

The overall increase in the Group's 1H2017 revenue was due mainly to its maintenance segment recording a 182.1% increase in revenue to S\$21.1 million. This was attributable to the higher percentage of revenue recognised from a few major maintenance projects which were in full swing in 1H2017.

Additionally, the Group's construction segment also recorded a 4.6% increase to S\$43.0 million, with a higher percentage of revenue recognised from a number of existing construction projects as they progressed to a more active phase in 1H2017.

Gross profit increased to S\$14.0 million in line with the revenue growth for the Group's maintenance segment whilst the Group's gross profit margin increased by 7.2 percentage points to 21.8% 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\$299.0 million as at 30 June 2017, with projects extending till 2019.

**Group Managing Director, Mr Or Toh Wat (胡士发)** said, "This set of results is supported by the pipeline of projects we have secured to-date. Last month, the Group clinched two contracts from JTC worth approximately S\$20.5 million to carry out infrastructure works at Singapore's Admiralty Road West, North Coast Avenue, Attap Valley Road as well as Bulim in Jurong West."

### **Balance Sheet Highlights**

The Group continued to retain a strong balance sheet, with net tangible assets ("NTA") recording an increase of 4.8% to S\$118.1 million while NTA per share was 38.29 Singapore cents as at 30 June 2017. As at 31 December 2016, NTA and NTA per share were S\$112.7 million and 36.54 Singapore cents respectively.

OKP's free cash and cash equivalents increased by S\$11.5 million to S\$75.3 million as at 30 June 2017, from S\$63.8 million as at 30 June 2016.

Net cash generated from operating activities during 1H2017 remained strong at S\$11.7 million, as compared to net cash generated from operating activities of S\$17.9 million in 1H2016. The decrease was mainly due to a decline in net working capital inflow of S\$10.0 million as well as a rise in income tax paid, which more than offset the increase in cash generated from operating activities before working capital changes of S\$4.4 million and an increase in interest received of S\$0.1 million.

The Group's net cash used in investing activities of S\$1.3 million in 1H2017 was due to the purchase of new property, plant and equipment.

Based on OKP's closing share price of S\$0.37 as at 31 July 2017, the Group's market capitalisation is S\$114.1 million.

## **Outlook**

According to the Ministry of Trade and Industry ("MTI") advance estimates, Singapore's economy expanded by 2.5% on a year-on-year ("y-o-y") basis in the second quarter of 2017, which is the same growth as the preceding quarter.<sup>1</sup>

In January 2017, the Building and Construction Authority (BCA) projected the total value of construction contracts to be awarded this year to reach between S\$28.0 billion and S\$35.0 billion. This projection is higher than the preliminary estimate of S\$26.1 billion that was previously forecasted.<sup>2</sup>

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<sup>1</sup> *Singapore's GDP Grew by 2.5 % in Second Quarter of 2017 - Ministry of Trade and Industry Singapore, 14 July 2017*

<sup>2</sup> *Public sector construction demand is expected to increase this year – Building and Construction Authority, 6 January 2017*

**Mr Or** commented, “The operating environment remains challenging as the sector continues to face keen competition. Meanwhile, the Group is very saddened by the unfortunate and regrettable incident at the Pan-Island Expressway exit to Tampines Expressway on 14 July 2017. The Group is working closely with the authorities on the on-going investigations arising out of the incident. The Group will continue to provide all necessary assistance and support to ensure that the needs of the deceased’s family and the other affected workers are fully taken care of. The Group is currently assessing the damages and additional costs for this project. Moving forward, we will continue to deliver on existing projects.”

**About OKP Holdings Limited ([www.okph.com](http://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, 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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Issued on behalf of OKP Holdings Limited by: Citigate Dewe Rogerson, i.MAGE

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