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INITIATION | 1 APRIL 2025

OKP HOLDINGS

BUY

Share Price:	**S$0.565**
Target Price:	**S$0.93**
Upside:	**+64.6%**

COMPANY DESCRIPTION

OKP Holdings Limited (OKP) and its subsidiary corporations are a leading transport infrastructure and civil engineering group in Singapore. The Group specialises in the construction of airport runways and taxiways, expressways, flyovers, vehicular bridges, urban and arterial roads, airport infrastructure, and oil and gasrelated infrastructure for petrochemical plants and oil storage terminals.

Name	**OKP HOLDINGS**
Bloomberg Code	**OKP SP EQUITY**
3M Avg Daily Trading Vol (K)	**292.1**
3M Avg Daily Trading Val (S$'000)	**140.9**
Major Shareholder / Holdings	**Or Family (54.9%)**
Shares Outstanding (m)	**307.0**
Market Capitalisation (S$m)	**173.4**
52 week Share Price High/Low	**S$0.58 / S$0.53**

STOCK PRICE PERFORMANCE

	1M	3M	12M
Absolute Return (%)	15.3	73.8	128.4

PRICE CHART

Source : Bloomberg

Don't miss the upcycle

OKP Holdings, with its holistic range of construction services, stands out as a prime candidate to capitalize on Singapore's construction boom. This long-awaited multi-year upcycle will see construction demand reaching historical highs. Commanding a robust order book (S$600.7mln) and a solid net cash position (c.63% of market cap) as of FY24, OKP boasts a compelling mix of strong fundamentals, including attractive valuations and a stellar track record. Additionally, with its operating leverage, OKP is better poised to capitalize on the construction boom, allowing it to deliver record profits and potentially raise dividends in FY25.

We thus initiate a BUY recommendation on OKP Holdings with a target price of S$0.93, based on a 8x forward P/E, in line with peers average. OKP is well supported by it's 35 cents net cash and our ascribed 8x P/E target conservatively represents a c.21% discount to its trough P/E of 10.1x in 2016 when its previous peak earnings came in at S$14.5mln.

Booming construction sector. Singapore's construction demand in FY24 came in at S$44.2bln, surpassing initial forecasts of S$35-41bln. BCA has projected an even stronger year for the construction sector, with more projects underway, including BTOs, T5, community hospital upgrades, and cycling paths. This influx of construction activity, especially in the public domain, bodes well for construction companies like OKP.

Consolidation of construction players. Since 2014, industry players have struggled with a decline in construction projects and demand, compounded by rising costs, with the peak of these challenges occurring during Covid-19. This bleak period led to the collapse of many construction firms, leaving the surviving players such as OKP with a larger share of a growing market.

Prime candidate with strong construction capabilities. OKP has demonstrated its competitiveness by building its order book to a record high of S$600.7 mln. OKP's experience in national projects and its A1 construction capabilities make it a prime candidate in many ongoing and future tenders, including those of unlimited value. In addition, unlike other construction firms, OKP rained their in-house project management personnel during the 2014-2022 construction downturn, and they are now able to have operational leverage as they capitalize on the expertise of their resources - avoiding outsourcing and reducing costs, hence maintaining their margins. We believe OKP, with their expertise and comparative efficiency, is well-positioned to capitalize on the current construction upturn and secure further contracts.

Strong balance sheet and cheap valuations. OKP possesses a net cash position representing c.62% of their market cap. This net cash position is likely to continue building up as they run down their current and growing order book. With an FY25F PE of 4.8x (FY24 ex-cash PE of 1.9x), we think OKP valuations are undemanding. Additionally, unlike many construction firms that rely on financial leverage, OKP is cash-rich, allowing it a strong margin of safety should the need for liquidity arise. This financial strength also supports the potential for higher dividends, especially given that the majority owner, the Or family, holds a 54.9% stake in the company.

KEY FINANCIALS

Dec YE	FY22	FY23	FY24	FY25F	FY26F
Revenue (S$mln)	118	160	182	218	243
Gross Profit (S$mln)	11	25	58	66	75
Gross Margin (%)	9.2	15.4	32.0	30.4	30.7
Net Profit (S$mln)	(1)	45	34	35.8	41
EPS (S cts)	(0.3)	14.5	11.0	11.7	13.4
PE (x)	N.A	3.9	5.1	4.8	4.2
PB (x)	1.4	1.0	0.9	0.7	0.7
ROE (%)	N.M	27.6	18.1	16.5	16.4
Dividend Per Share	0.7	2.0	2.5	2.9	3.3
Dividend Yield (%)	1.2	3.5	4.4	5.2	5.9
Payout Ratio	N.A	13.8	22.8	25.0	25.0

Source: Lim & Tan Research

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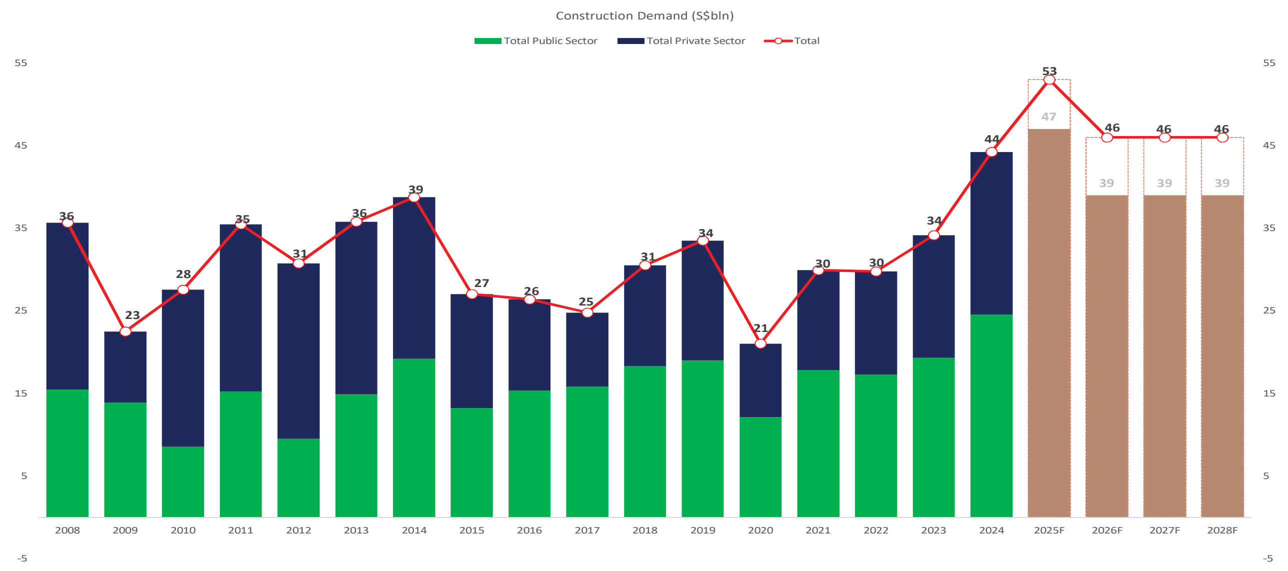
Booming Construction Sector

After more than a decade of stagnation since 2014, construction companies are finally witnessing growth, driven by government stimulus measures and increased private demand. According to BCA, c.$47lbn to c.$53bln in construction contracts are expected to be awarded in 2025. Although 2026 and beyond seem to project a dip in construction demand, the lowest projected levels are expected to exceed 2014 high, where most construction companies "peaked"

Exhibit 1: Construction Demand



Source: BCA, LTS Research

The increase in construction demand over the next few years is expected to be driven from both the public (BTOs/infrastructure projects) and private sector

Public Sector – Although the public construction demand is expected to be driven by BTOs, MRT projects (Cross Island Line P3, Downtime Line Extension) and Community Hospitals, the construction demand will also consist of road infrastructure and redevelopment of various junior colleges, amongst other urban rejuvenation developments such as cycling paths and link-way shelters. All of the latter falls into OKP's area of expertise.

Private Sector - While usually more unpredictable, the private sector construction contracts are large and command higher margins. Examples of such projects are usually huge, such as the construction of a semiconductor plant in Tampines by VisionPower Semiconductor Manufacturing Company (VSMC) with a total value of S$10.5bln and is expected to be completed by 2027. Another example is KLA Corporation's construction of a fourth semiconductor plant in Singapore, which is being developed in four phases. The second phase is expected to be completed by 2026.

As OKP has a decades-long track record and wide expertise in civil engineering with public sector clients, including the Housing & Development Board, JTC Corporation, Land Transport

Authority, National Parks Board, Public Utilities Board, and Urban Redevelopment Authority, we believe OKP can leverage on this experience to ride the construction upturn.

Consolidation of construction players

The positive upturn will, unfortunately, not be enjoyed by all construction companies as many construction firms have shuttered in the last decade as a result of lower projects/demand, escalating costs, and increasing competition. The outbreak of the Covid-19 pandemic in 2020 proved to be the final blow for many financially vulnerable construction firms. According to the BCA, the construction industry saw a sharp contraction of approximately 30% in construction output that year.

For smaller, less financially resilient firms, this downturn compounded the challenges they were already struggling with, forcing many toward insolvency. Subsequently, in 2021, around 2,200 construction firms ceased operations, despite the government's efforts to support the sector through handouts. The then further situation worsened after subsidies were reduced in 2024, compounded by a higher interest rate environment. Accordingly, Singapore Law Watch stated that the number of companies forced to wind up hit a record high in 2024, with the construction sector being one of the affected sectors

A notable example is Tiong Aik, which closed its subsidiary, Tiong Aik Construction, in July 2024, citing an inability to pay off debts due to a high-interest-rate environment, alongside a dramatic rise in labour and material costs, which increased by more than 35%. According to MAS, the construction sector recorded the highest loan default rate in 2023, at 6.81%, compared to the broader average of 1.72%. Additionally, a national business survey conducted in 2024 by the Singapore Business Federation revealed that an increasing number of construction businesses are facing financial difficulties. The report highlighted that 10% of the sector is now experiencing a severe credit crunch, up from 3% in 2022, further underscoring the industry's deepening financial strain.

All these point to a shrinking number of players in the construction industry, leaving a larger slice of the pie for those who have managed to survive the harsh environment in the last decade

OKP's holistic capabilities

OKP strives to be a leading transport infrastructure and civil engineering company in Singapore and beyond. Today, it boasts a diverse range of capabilities across various industries with notable projects under it's belt. With 2 subsidiaries having A1 grade civil engineering capabilities, this puts OKP above most of the construction firms as it allows OKP to tender for public construction projects of unlimited value.

OKP HOLDINGS

Exhibit 2: Highlight of OKP's previous projects

Year	Recent/Notable Achievements
2024	-Phoenix Residences attained TOP after selling out. -Achieved record high orderbook of 600.7mln comprising LTA/PUB contracts amongst others
2023	-Largest contract won at 188.3mln for LTA's construction of new cycling path. -TOPed The Essence, a private condo -Completed two road maintenance contracts executed by a joint venture partnership, Eng Lam – United E&P JV -Awarded four new maintenance projects: 2 by PUB and 2 by LTA to maintain, repair and upgrade roads
2022	Innovated and implemented smart earth control measure systems at project sites.
2021	Acquired a pair of adjoining 2-storey shophouse for addition into investment portfolio
2020	Acquired 3 storey shops house for addition into investment portfolio
2019	Launched The Essence (Attained full sales and obtained TOP in June 2023)
2018	Acquired 1st overseas property (freehold office complex) in Australia, tenanted to government and corporate tenants.
2009	Secured $119.3mln project to widen the stretch of CTE from PIE to Braddell Interchange
2006	Secured O&G project worth $50mln
2002	Secure 1st Airport Project woth $39.5mln

Source: OKP Holdings, LTS Research

2017 to 2023 was a bleak period for OKP as it was involved in an ongoing court case as a result of the PIE incident in 2017. However, this matter has been cleared, and OKP's successful arbitration against CPG consultants resulted in the latter needing to pay OKP c.$43.8mln in settlements.

This was a challenging period for OKP, as OKP found it harder to secure new projects during the long arbitration period. With its name now cleared and fees settled, OKP has since picked itself up by successfully rebuilding its order book to a record high, showcasing it's resilience and capability.

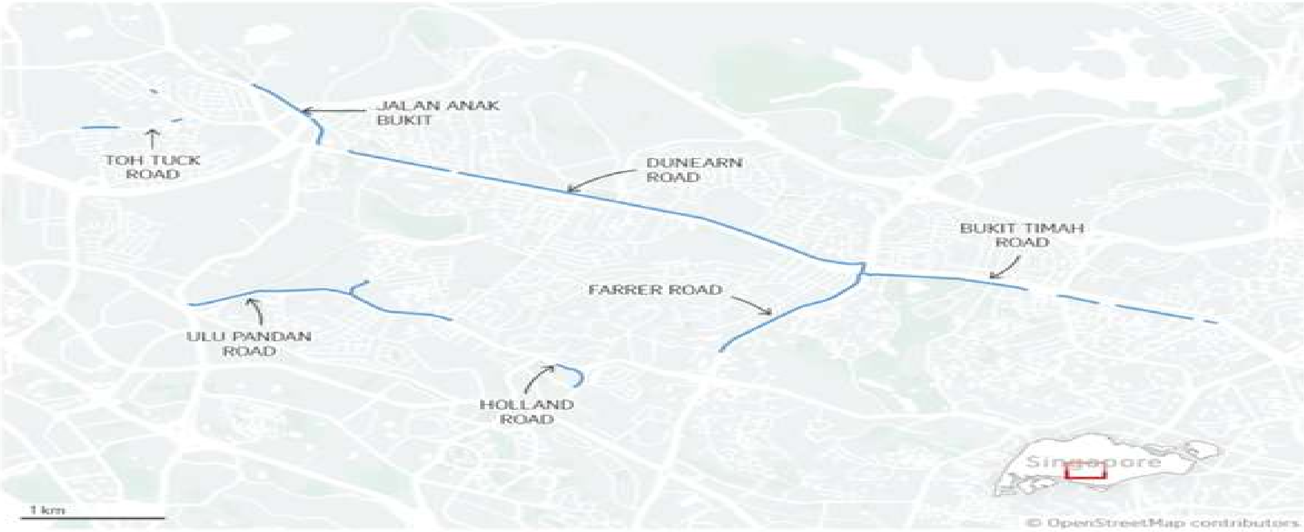
Despite the challenging period, OKP anticipated the post-COVID-19 construction rebound and took a bold approach—not only retaining its project personnel during the downturn but even expanding its team. While this strategy temporarily impacted profits, the hiring of key project personnel has now become a key competitive advantage, positioning OKP to capitalize on the construction upcycle ahead.

Push for a greener city

In an effort to promote sustainable transportation and reduce pollution, the Singapore government has outlined a roadmap to expand cycling paths and link-way shelters. This infrastructure push presents a significant opportunity for contractors like OKP, which is well-positioned to benefit from the increased demand for such projects.

For cycling paths, the government (via LTA) has a goal to double the existing cycling network here from 530km in 2024 to 1,300km by 2030. This aims to improve connectivity between transport nodes such that 8 in 10 HDB residents would be within minutes of their nearest cycling path. An example would be the addition of 60km of cycling paths around Bukit Merah, Bukit Timah, Kallang and the city centre by 2029.

Exhibit 3: LTA's Planned Cycling Paths



Source: Straits Times

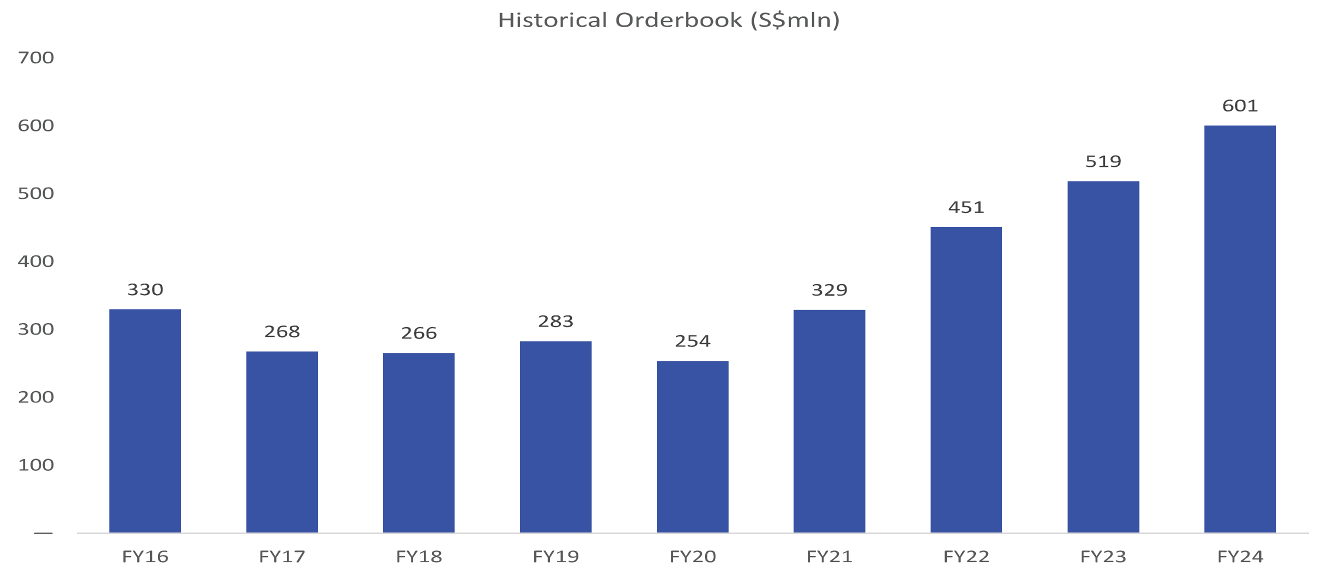
For walkways and shelters, all 6 divisions of Tanjong Pagar town will receive upgrades such as green corridors and pedestrian-friendly streets, which will create a more walkable and sustainable environment for residents. Additional sheltered walkways and ramps will also be added to improve accessibility throughout the town. This initiative is part of a five-year plan through 2030, meticulously crafted based on past learnings and shaped through months of community engagement, ensuring it meets the needs of the residents.

With experience in building cycling paths and walkway shelters, OKP has built a record order book and will be the beneficiary of the government's push for even more cycling paths/sheltered walkways in the future.

Record High Orderbook

For 2025, OKP has stated that their key projects would be the construction of Cycling Path network in 7 towns, the maintenance of roads, road-related and commuter-related facilities along South East sector and Commuter infrastructure enhancement works along TEL, CCL6, NEL and DTL, which are valued at approximately S$188.3 million, S$95.9 million and S$100.3 million respectively. We tabulate these OKP's projects that will contribute to earnings this year (not exhaustive) and found that the value ascribed to 2025 would be c.$257mln. However, we take a c.15% conservative estimate to this ascribed value and project FY25F revenue to come in at S$218.5mln, which we think is fair.

Exhibit 4: OKP's Record high orderbook



Source: OKP Holdings, LTS Research

OKP Holdings' record-high order book provides strong earnings visibility, and we anticipate additional construction project awards in FY25 and FY26. OKP also continues to sustain its momentum in securing new contracts, particularly in the relatively short-termed cycling paths, sheltered walkways, and drainage improvements construction contracts.

Notably, our projections for FY25 do not account for these future contract wins, which could further boost profits. With its order book at a record high, we believe OKP is now in a position to selectively take on projects that can command higher margins, unlike before when construction firms were starved for contracts

OKP HOLDINGS

In the medium to long term, OKP can leverage its A1-grade civil engineering capabilities to undertake complex infrastructure projects, such as bridge-related projects, which is important given that contract tenders are becoming increasing higher in value (as a result of higher costs and raw material prices).

OKP also benefits from higher operating leverage, having retained in-house project managers even during challenging periods. This strategic decision now enables more efficient project execution as demand recovers. While this was costly during the low-construction period, the current improved macro environment allows OKP to keep costs low while maintaining more control over project management, thus reducing reliance on external contractors for most construction firms.

Peer Valuations

- OKP Holdings trades at 4.8x forward PE and 0.8x PB, and with a dividend yield of 4.4% and our target price of S$0.93 represents a target PE of 8x, (slight 8% discount to peers). We note that amongst its peers, OKP is the cheapest stock in terms of forward PE, and is in a net cash position (35cts) that represents c.62% of market cap.

Exhibit 5: OKP is the cheapest amonst SG construction firms

Name	Market Cap (S$mln)	Stock Perf YTD%	Current PE (x)	Forward PE(x)	EPS Growth (1yr)	P/B(x)	ROE(x)	Div Yield
OKP HOLDINGS LTD	168.8	69.2%	5.1	4.8	6%	0.8	18%	4.4%
PAN-UNITED CORP LTD	440.2	13.5%	10.8	9.8	10%	1.7	16%	4.0%
BRC ASIA LTD	850.5	24.0%	9.1	10.2	-99%	1.8	21%	5.5%
CENTURION CORP LTD	933.3	15.6%	2.7	8.3	14%	0.8	35%	2.7%
ISOTEAM LTD	55.9	33.9%	8.0	7.9	12%	1.2	17%	1.0%
HONG LEONG ASIA LTD	778.1	14.3%	8.9	7.4	20%	0.8	9%	2.9%
CSC HOLDINGS LTD	38.4	10.0%	--	--	--	0.5	-17%	--
LEY CHOON GROUP HOLDINGS LTD	84.3	19.1%	6.6	--	--	1.3	22%	4.8%
HOCK LIAN SENG HOLDINGS LTD	0.2	20.6%	6.6	--	--	0.7	12%	3.7%
TIONG SENG HOLDINGS LTD	0.0	10.7%	14.5	--	--	0.5	4%	
KING WAN CORP LTD	25.8	19.4%	2.2	--	--	0.4	18%	--
SOILBUILD CONSTRUCTION GROUP	130.9	3.3%	4.7	--	--	2.3	29%	2.5%
HIAP SENG INDUSTRIES LTD	40.3	28.6%	1.3	--	--	1.5	--	--
KEONG HONG HOLDINGS LTD	21.6	1.1%	--	--	--	0.4	-8%	--
WEE HUR HOLDINGS LTD	455.0	17.9%	8.4	--	--	0.7	9%	1.2%
KSH HOLDINGS LTD	121.8	4.7%	--	--	--	0.4	-8%	4.4%
LUM CHANG HOLDINGS LTD	112.4	3.4%	15.6	--	--	0.7	4%	10.0%
HOR KEW CORP LTD	36.7	46.9%	2.4	--	--	0.4	17%	
TIONG WOON CORP HLDG LTD	135.6	-4.1%	7.0	--	--	0.4	6%	2.6%
SIN HENG HEAVY MACHINERY LTD	63.1	2.7%	10.1	--	--	0.6	6%	8.6%
HUATIONG GLOBAL LTD	38.1	44.3%	1.4	--	--	0.4	20%	4.7%
NAM LEE PRESSED METAL IND	79.9	8.1%	6.5	--	--	0.5	8%	6.1%
HG METAL MANUFACTURING LTD	100.3	32.7%	7.2	--	--	0.7	7%	--
Median		**15%**	**7.0**	**8.3**	**12%**	**0.7**	**9%**	**4.0%**
Average		**17%**	**7.1**	**8.7**	**-9%**	**0.8**	**11%**	**4.3%**

Source: Bloomberg, LTS Research

We believe our target FY25F profit of S$35.8 million and target price pegged to 8x P/E remain conservative, given that OKP's previous peak earnings in 2016 were S$14.5 million while trading at a similar c.7x P/E.

Net Cash Balance Sheet

- OKP possesses an extremely strong balance sheet, with net cash of S$109mln as of FY24, representing 63% of market cap. This translates to a trailing ex-cash PE of 1.9x and a FY25F ex-cash PE of 1.3x. We expect OKP to be well supported by this growing war chest and also expect this cash to further build up in anticipation of prompt payments from its public projects as it runs down its order book.

Exhibit 6: OKP is supported by it's net cash position

	FY22	FY23	FY24	FY25F	FY26F
Cash (S$mln)	26	88	131	141	179
ST Bank borrowings (S$mln)	13	9	9	9	9
LT Bank borrowings (S$mln)	16	15	13	13	13
Total Borrowings (S$mln)	29	24	22	22	22
Net Cash (S$mln)	(3)	64	109	119	157
Net Cash/Share (S$)	(0.01)	0.21	0.35	0.39	0.51
Ex Cash PE (x)	N.M	2.5	1.9	1.5	0.4

Source: LTS Research

We also note that OKP's leasehold fabrication yard/workshop lease in Singapore will expire this year in 2025, we expect OKP to incur c.$20mln for a new workshop. We do not foresee any difficulties in paying for the building or taking a loan given it's strong net cash position.

About OKP Holdings

- OKP mainly operates under 3 segments - Construction, Maintenance and Rental

Construction (63%/61% of FY24 revenue/gross profit) - OKP constructs urban and arterial roads, expressways, vehicular bridges, flyovers and buildings and airports infrastructure.

Maintenance (34%/33% of FY24 revenue/gross profit) - OKP does re-construction work on roads, road reserves, pavements, footpaths and kerbs, guardrails, drains, signboards as well as bus bays and shelters.

Rental (3%/7% of FY24 revenue/gross profit) - Rental stems only from their freehold office property situated in Perth, Australia, which was purchased in 2018 as a means to diversify their income stream. OKP has no need and has no plans to monetize this asset and looks forward to the steady income stream from the encouraging office market in Perth.

Risks

Earnings Lumpiness. Construction firms recognize revenue through the % of completion through their projects. However, due to the many delays in the construction industry, revenue can be delayed for a few months, leading to a certain lumpiness in their earnings. For OKP, they are currently engaged in various smaller scale projects, which means that the impact from any delay in their project should not impact them more materially as compared to companies with only a few big projects

Unsustainable Margins. It is in the nature of construction firms to carry razor thin margins, implying that any delay/errors in project execution can easily lead to a loss. This practice is usually a result of low construction demand, where firms bid more competitively to secure projects. However, given the mistakes learnt from Covid and the increasing number of projects in the market, OKP (as well as various construction firms) have now increasingly priced in this error in their tenders to at least remain profitable in the case of delays/errors in project execution.

Increased Share Price. OKP has seen their share price risen by quite a fair bit since 2024. However, valuations remain cheap and we believe that OKP is far from the peak given that construction demand is expected to remain robust over the next few years.

OKP 10 in 10 with SGX

- We highlight OKP's 10 in 10 with SGX

1.What is OKP's business about and what are some of its key business segments?

Founded in 1966 by Founder and Chairman, Mr Or Kim Peow, and listed on the Mainboard since 26 July 2002, OKP Holdings is a leading home-grown infrastructure and civil engineering company, with a foothold in property development and investment.

OKP operates three core business segments:
a.Construction – this is the Group's primary revenue driver, mainly undertaking public sector projects. Notably, both its wholly-owned subsidiary corporations, Or Kim Peow Contractors (Pte) Ltd and Eng Lam Contractors Co (Pte) Ltd, are A1 grade civil engineering contractors, allowing them to tender for public sector construction projects of unlimited value.

b.Maintenance – serves as the "bread-and-butter" of the Group's business, ensuring a stable recurring revenue stream.

c.Rental income from investment properties – the Group's investments in a freehold office complex in Perth, Australia and a shophouse portfolio in Singapore generate a stream of recurring rental income, enhancing income resilience.

Backed by a strong track record and decades of industry expertise, OKP remains committed to its long-term strategy of diversifying earnings and building on its portfolio of recurring income stream.

2. OKP reported a 135.4% increase in gross profit for FY2024 to S$58.2 million, supported by higher-margin projects. What drove this?

Notwithstanding a challenging operating environment marked by rising costs in manpower and materials, OKP achieved a 13.3% increase in revenue to S$181.8 million boosted by its two core business divisions, and a higher gross profit margin of 32.0% in FY2024, up 16.6 percentage points from 15.4% in FY2023. This reflects the Group's disciplined approach to cost management and operational prudence without comprising on quality.

Strong execution remains priority, ensuring projects are completed on time and within budget. The Group remains committed to a high level of operational efficiency and will continue to improve project management, while embracing technology for greater efficiency.

3. How has OKP's recent financial performance been?

Backed by up to 60 years of track record and core expertise, OKP delivered good topline performance in FY2024, driven by strong performance from both the construction and maintenance segments.

Aside from topline performance, net profit attributable to equity holders of S$33.7 million and net profit of S$32.8 million were recorded for FY2024. Supported by a robust order book of S$600.7 million, the Group is well-positioned to capitalise on growth opportunities.

The Group remains committed to sustaining its growth trajectory through disciplined cashflow management and financial prudence while diversifying earnings and geographical presence. By forming strategic partnerships, OKP strives to achieve greater diversification to enhance financial stability and advance sustainable growth.

4. What were key drivers behind the performance of the construction and maintenance segments?

Revenue from the construction and maintenance segments rose to S$114.0 million and S$61.7 million respectively, due to higher percentage of revenue recognition from various ongoing and newly awarded projects as they progressed to a more active phase in FY2024.

To sustain the growth trajectory, the Group is leveraging on its decades-long track record and core expertise to capitalise on growth opportunities by tendering for both public and private projects.

5. Does OKP see opportunities to leverage its balance sheet for future growth, including acquisitions or expansions into new business segments?

Backed by a strong balance sheet with free cash and cash equivalents totalling S$124.3 million, the Group is well-positioned to capitalise on growth opportunities. Its long-term strategy remains centred on leveraging its core capabilities, venturing into new overseas business, and diversifying earnings through property development and other investments.
To reinforce its strategy, the Group will continue to explore strategic partnerships to strengthen its foothold in property development and investment ventures. At the same time, the Group remains committed to maximising returns on investment while maintaining product and service excellence.

6. Singapore's construction sector grew 5.9% year-on-year in 4Q 2024, driven by increased public sector construction output. How is OKP positioning itself to capture upcoming public infrastructure projects?

The Group continues to be motivated by its mission – to be the first and preferred civil engineering contractor for the various industries, here and overseas. Some of the Group's past projects include large oil and gas projects including the S$750 million Universal Terminal, a massive petroleum storage facility on Jurong Island, civil works relating to ExxonMobil's multi-billion-dollar Second Petrochemical Complex project, and land reclamation works on Jurong Island, a milestone project.

In 2024, the Group secured five projects amounting to a total value of approximately S$257.2 million. This includes a project awarded by the Public Utilities Board for drainage improvement works and four projects awarded by the Land Transport Authority for the improvement of road-related and commuter-related facilities, as well as construction of cycling path networks.

With its strong track record in public sector works and civil engineering projects, OKP will stay focused in capturing the upcoming public infrastructure projects to deliver value to its shareholders.

7. Rising construction costs remain a challenge across the industry. How is OKP managing cost pressures, and are there any pricing strategies being employed to protect margins?

OKP is cognizant of the rising cost pressures in the construction industry and remains vigilant in navigating the challenging market conditions. The Group will continue to ensure effective cashflow management and remain prudent with its capital structure and finances.

Additionally, the Group is committed to raising its productivity by integrating technology into its business processes to reduce reliance on manpower and upgrade its workforce.

Strong execution remains critical to ensuring projects are completed on time and within budget and refraining from incurring unnecessary additional costs.

8. Sustainability and ESG have increasingly been a key focus, how is your company committed towards sustainability?

To integrate sustainability into its business, the Group invests in technology and innovation. This includes using solar panels at premises to reduce carbon emissions and using carbon mineralised concrete to reduce embodied carbon for its projects.

The Group prioritises workers' health and safety and general safety, and invests in and adopts cutting-edge technologies, innovative approaches, and strategic measures that pre-emptively address potential hazards and risks. For example, in order to cope with extreme weather conditions, its measures include prohibiting outdoor works during adverse weather conditions and providing cooling resources likes water stations, misting systems and solar fans. These measures and advancements have cultivated a healthier, safer and more sustainable built environment, promoting the well-being of its workforce.

The Group also pledges to enhance measures to safeguard the welfare of its workers, as it firmly believes that such investment will be beneficial in the long run, despite incurring additional cost.

9. How does OKP differentiate itself from competitors in both public and private sector tenders?

The Group has become a well-acknowledged business in the transport infrastructure and civil engineering industry in Singapore and the region, differentiating itself in both public and private sector tenders through its decades-long track record, wide expertise, and a proven ability to navigate industry cycles. Its strong reputation as a preferred civil engineering contractor gives the Group a competitive edge in securing contracts across various industries. This is reflected in its robust FY2024 order book of S$600.7 million, with projects extending till 2027, primarily driven by public sector projects.

The Group remains committed to being a trusted partner for key public agencies, having successfully undertaken projects for the Housing & Development Board, JTC Corporation, Land Transport Authority, National Parks Board, Public Utilities Board and Urban Redevelopment Authority. In the private sector, the Group has worked for esteemed clients, including Changi Airport Group, ExxonMobil, Foster Wheeler Asia Pacific Pte Ltd, and WorleyParsons Pte Ltd.

As a steadfast business in transport infrastructure and civil engineering, the Group meticulously complies with legislative and regulatory requirements to enhance workplace safety, environmental protection, and employee welfare. It implements strict safety management measures throughout all project stages, ensuring all staff, contractors, and subcontractors are skilled, well-equipped, and trained to work safely, with the guiding principle of providing a safe, accident-free working environment.

10. Looking ahead, what are OKP's top three strategic priorities for the next five years, and how do they align with the company's long-term vision?

Technological Innovation: The Group is committed to investing in and adopting cutting-edge technologies and innovate work processes to enhance productivity, improve operational efficiency, and drive innovation across its operations.

Sustainability: Embedded in every aspect of its business and operation, the Group continues to adopt environmentally sustainable practices and play an active role in making its climate a more sustainable and greener one.

Business Diversification: To drive long-term growth, the Group will continue to explore strategic partnerships to strengthen its foothold in property development and investment, with a strong focus on diversifying earnings and strengthening recurring income streams.

Together, these priorities position the Group for sustainable growth while maintaining its competitive edge in the industry.

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