

OKP HOLDINGS LIMITED

(Incorporated in Singapore with Company Registration No. 200201165G)

RESPONSE TO SGX-ST'S QUERIES ON ANNOUNCEMENT OF FULL YEAR RESULTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2012

The Board of Directors of OKP Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on the Company's financial statements for the fourth quarter and full year ended 31 December 2012 (the "**Results Announcement**"), and wishes to provide further information as follows:-

1. What were the specific circumstances leading to the write off of trade creditors amounting to S\$1,273,000 in FY12?

Reply: The said amount related to a write-back of accrued operating expenses of S\$0.7 million as a result of the liquidation of two overseas subsidiaries (upon liquidation, these accrued operating expenses were no longer required), and a write-back of trade payables of S\$0.5 million (as disclosed on page 37 of the Results Announcement under "Other income"). The write-back of trade payables of S\$0.5 million was a one-time exercise, mainly for trade payables that had been outstanding for more than seven years and it was unlikely that the Group would still be liable for these liabilities.

2. We note that an allowance for impairment on non-trade receivable from a third party of S\$1.5 million was made during FY12. In this respect, please provide further information on the following:

- (a) Who is this third party?**
- (b) What does the non-trade receivable relate to?**
- (c) What are the reasons for the provision?**

Reply: (a) The third party was a sub-contractor of the Group.

(b) The non-trade receivable relates to back charges on purchases of materials, tools, machinery and manpower paid by the Group on behalf of the sub-contractor.

(c) The contract with the sub-contractor had been terminated. The Group's management had carried out a review of the receivable of S\$1.5 million and determined that, arising from the termination of the contract, there was objective evidence that impairment existed, ie. recoverability of the receivable was uncertain, and hence an impairment was made in accordance with FRS 39 (Financial Instruments: Recognition and Measurement).

3. We note from the 2011 Annual Report that certain directors and key management personnel of the Company and its subsidiaries appear to be related and satisfy the requirement under Listing Rule 704(13). In this regard, please disclose the information in the format set out in Appendix 7.2 Part II (19) of the Listing Manual.

Reply:

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Or Yew Whatt	55	Nephew of Mr Or Kim Peow, Group Chairman	Executive Director of Eng Lam Contractors Co. (Pte) Ltd, responsible for the supervision of projects, resolving site issues and involved in the project tender process. Position held since 1992.	NA
Oh Kim Poy	73	Brother of Mr Or Kim Peow, Group Chairman	Executive Director of Eng Lam Contractors Co. (Pte) Ltd, responsible for supervising and monitoring of projects. Position held since 1992.	NA

By Order of the Board

Or Toh Wat
Group Managing Director
4 March 2013