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FOR IMMEDIATE RELEASE

OKP Holdings Limited posts 12.0% growth in revenue to S\$57.7 million for half year ended 30 June 2014

“Our civil engineering expertise and experience in undertaking complex projects has allowed us to secure S\$107.1 million worth of projects in the half year ended 30 June 2014. We continue to differentiate and pursue growth by committing to high standards of quality in our work, supported by selective tenders and prudent cost management,” said Group Managing Director, Mr Or Toh Wat

GROUP'S FINANCIAL HIGHLIGHTS						
S\$' million	2Q2014	2Q2013 (restated)*	▲/▼	1H2014	1H2013 (restated)*	▲/▼
Revenue	27.5	24.9	▲ 10.3%	57.7	51.5	▲ 12.0%
Gross Profit	2.3	2.1	▲ 9.4%	5.0	6.6	▼ 24.9%
GP Margins	8.5%	8.5%	-	8.6%	12.8%	▼ 4.2ppt
Profit After Tax & MI	0.3	0.7	▼ 51.5%	1.4	3.1	▼ 54.3%
EPS –Basic (cents)	0.11	0.23	▼ 52.2%	0.46	1.00	▼ 54.0%
As at 30 June 2014:						
Net Construction Order Book: S\$212.8 million, projects lasting till 2017						
Free Cash and Cash Equivalents: S\$30.1 million						
Net Tangible Assets: S\$95.3 million, NTA Per Share: 30.89 cents						

**Restated due to the adoption of new/revised Financial Reporting Standards 111(new) – Joint Arrangement, effective for annual periods beginning on or after 1 January 2014.*

Singapore, 7 August 2014 – 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 12.0% year-on-year (“yoy”) growth in revenue to S\$57.7 million while profit after tax attributable to equity holders (“net profit”) declined 54.3% yoy to S\$1.4 million for the half year ended 30 June 2014 (“1H2014”).

While the Group's core maintenance business segment led the overall increase in revenue, net profit declined as a result of industry competition. Apart from registering lower profit margins in new and existing construction and maintenance projects, the industry continues to face rising variable costs such as manpower and construction materials costs. As a result, the Group posted earnings per share (basic) of 0.46 Singapore cent for 1H2014. (1H2013: 1.00 Singapore cent)

GROUP'S REVENUE HIGHLIGHTS						
S\$' million	1H2014		1H2013 (restated)*		Increase/(decrease)	
Construction	36.1	62.6%	40.9	79.3%	(4.8)	(11.6%)
Maintenance	21.6	37.4%	10.6	20.7%	11.0	103.0%
Total Revenue	57.7	100.0%	51.5	100.0%	6.2	12.0%

**Restated due to the adoption of new/revised Financial Reporting Standards 111(new) – Joint Arrangement, effective for annual periods beginning on or after 1 January 2014.*

The Group's maintenance business segment recorded a 103.0% yoy growth to S\$21.6 million for 1H2014 as a higher percentage of revenue was recognised from a number of existing and newly awarded maintenance projects as they progressed to a more active phase. In comparison, revenue from the Group's mainstay construction business segment declined 11.6% yoy to S\$36.1 million due to the lower percentage of recognised revenue from construction projects secured in the second quarter ended 30 June 2014 ("2Q2014").

Despite the higher revenue achieved in 1H2014, the Group's profit margins were affected by industry competition and higher cost of works which saw gross profit decline 24.9% yoy to S\$5.0 million for the same period. Correspondingly, gross profit margin also decreased from 12.8% in 1H2013 to 8.6% in 1H2014 as a result of an increase in sub-contracting, construction material and manpower costs.

Group Managing Director, Mr Or Toh Wat (胡士发) remarked, "Our civil engineering expertise and experience in undertaking complex projects has allowed us to secure S\$107.1 million worth of projects in the half year ended 30 June 2014. We continue to differentiate and pursue growth by committing to high standards of quality in our work, supported by selective tenders and prudent cost management."

As at the date of this announcement, the Group's net construction order book based on secured contracts stands at S\$212.8 million, extending till 2017.

Balance Sheet Highlights

The Group maintains a resilient balance sheet and stable cash position.

The Group's net tangible assets amounted to S\$95.3 million as at 30 June 2014, representing a 0.6% increase from 31 December 2013. On a per share basis, this is equivalent to 30.89 Singapore cents as compared to 30.72 cents as at 31 December 2013.

The Group reported free cash and cash equivalents amounting to S\$35.2 million as at 30 June 2014, compared to S\$37.6 million on 31 December 2013.

The Group utilised S\$0.4 million in operating activities for 1H2014 due to a decrease in net working capital outflow of S\$2.8 million and decrease in income tax paid of S\$1.1 million, partially offset by decrease in cash generated from operating activities before working capital changes of S\$1.7 million.

For its investing activities, the Group used S\$0.6 million in 1H2014 as a result of the purchase of new property, plant and equipment amounting to S\$1.4 million and investment in an associated company, United Singapore Builders Pte. Ltd. for S\$0.2 million, partially offset by proceeds received from the sale of a financial asset worth S\$0.8 million and disposal of property, plant and equipment worth S\$0.2 million.

The Group also used S\$1.4 million in financing activities in 1H2014 for dividend payments to shareholders worth S\$0.9 million and repayment of finance lease liabilities of S\$0.4 million.

As at 7 August 2014, OKP's market capitalisation stood at S\$89.4 million based on the closing share price of S\$0.29.

Outlook

According to advance estimates announced by the Ministry of Trade and Industry on 14 July 2014, the Singapore economy grew by 2.1% yoy in 2Q2014. In particular, growth for the construction sector slowed to 5.0% yoy in 2Q2014 versus 6.4% in 1Q2014. Building and Construction Authority however projected overall construction demand of S\$31.0 billion to S\$38.0 billion for 2014, fuelled by the anticipated higher contracts awarded for institutional and civil engineering works.

Commenting on the growth outlook, **Mr Or** said, “We expect the business environment for the construction industry to remain challenging due to rising business costs, prevailing labour crunch situation and industry competition. Nonetheless, we remain positive as we endeavour to operate effectively through our construction processes and exercise vigilance in tender opportunities.”

Corporate update and projects

The Group is currently involved in a number of public sector projects from the Land Transport Authority (“LTA”) and Public Utilities Board (“PUB”).

Some on-going LTA projects include:

- Widening of Tanah Merah Coast Road worth S\$37.3 million;
- Extension of the Central Expressway/Tampines Expressway/Seletar Expressway Interchange worth S\$75.3 million;
- Design-and-build project involving the interchange at Tampines Expressway/Sengkang West Road/Seletar Aerospace Way worth S\$61.7 million; and
- Ad-hoc repairs, maintenance and upgrading of roads (inclusive of expressways), road structures and road related facilities in central Singapore worth S\$18.2 million

Some on-going PUB projects include:

- Construction of Stamford Diversion Canal, Contract 1 worth S\$50.6 million;
- Improvement to roadside drains at Lorong 101 – 108 Changi Road/Langsat Road, Hillview Avenue, Thomson Road, Jalan Teliti and Balestier Road/Boon Teck Road worth S\$19.2 million;
- Improvement to roadside drains at Chai Chee Road and New Upper Changi Road worth S\$4.0million;
- Improvement to Alexandra Canal (between Zion Road and Kim Seng Road) worth S\$46.8 million;
- Improvement to roadside drains at Joo Chiat worth S\$10.2 million;
- Improvement to roadside drains at Lucky Heights Estate (Eastern) worth S\$15.0 million; and
- Improvement to roadside drains at Geylang area worth S\$13.6 million

On the private sector front, the Group is involved in the construction of the East (North) aircraft parking apron, associated taxiways and ancillary works at Seletar Airport for Changi Airport Group, worth S\$39.8 million.

As part of the Group's strategy to diversify earnings through property development and investment, the Group also marked its maiden foray into property development via a S\$0.1 million (10% minority stake) investment in CS Amber Development Pte Ltd. OKP is also involved in the construction of a luxury condominium at 21 Angullia Park. This S\$83.5 million project is undertaken by Forte Builder Pte. Ltd., one of OKP's joint venture companies, and was awarded by Angullia Development Pte. Ltd, a wholly-owned subsidiary of China Sonangol Land Pte Ltd, the owner of the development site.

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About OKP Holdings Limited (www.okph.com)

OKP Holdings Limited (胡金标控股有限公司) (OKP) 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. Established in 1966 by Founder and Chairman, Mr Or Kim Peow, OKP operates in two core business segments, Construction and Maintenance. The Group tenders for both public and private civil engineering and infrastructure construction projects.

The Group's clientele includes public sector agencies such as Changi Airport Group, Housing & Development Board, JTC Corporation, Land Transport Authority, National Parks Board, Public Utilities Board and Urban Redevelopment Authority, as well as private sector companies like ExxonMobil, Foster Wheeler Asia Pacific Pte Ltd, WorleyParsons Pte Ltd and Angullia Development Pte. Ltd.

The Group broke into the oil and gas industry in 2006 when it secured a project connected to the S\$750 million Universal Terminal, a massive petroleum storage facility on Jurong Island, Singapore's oil refining and petrochemical hub. Upon completing the project, it went on to secure numerous other projects, including civil works relating to ExxonMobil's multi-billion dollar petrochemical project, known as the Second Petrochemical Complex. And in August 2010, it made further inroads into the sector with the signing of a contract for land reclamation works on Jurong Island.

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 evaluated based factors such as sales and earnings growth, and shareholders' return on equity over a three-year period and the past one year. On 17 February 2009, it received a Certificate of Achievement from DP Information Group and its partners comprising Ernst & Young, SPRING Singapore, IE Singapore and The Business Times, marking the Company's entry into the 22nd "Singapore 1000 & SME 500" rankings. It had been listed on the Stock Exchange of Singapore since 26 July 2002.

Its wholly-owned subsidiary, Or Kim Peow Contractors (Pte) Ltd (胡金标建筑 (私人) 有限公司), is an A1 grade civil engineering contractor, under the BCA Contractors' Registry System which allows it to tender for public sector construction projects of unlimited value. Its other wholly-owned subsidiary, Eng Lam Contractors Co (Pte) Ltd (永南建筑 (私人) 有限公司), is an A2 grade civil engineering contractor which allows to tender for public sector construction projects with contract values of up to S\$85 million each.

OKP has won several awards for its annual reports, corporate governance and excellence in Investor Relations. At the SIAS Investors' Choice Awards 2012 and 2013, OKP was conferred the "Most Transparent Company Award" under the Main Board Small Caps Category. At the Singapore Corporate Awards (SCA) 2013, it clinched the Best Annual Report (Gold), Best Managed Board Award (Silver) and Best Investor Relations Award (Bronze) in the 'Companies with less than S\$300 million in market capitalisation' category. At the SCA 2012, it won the Best CFO, Best Managed Board Award (Bronze) and Best Investor Relations Award (Bronze) in the same category. It took the Best Annual Report Award (Gold) in 2010. At SCA 2009, it bagged two awards – Best Investor Relations Award (Gold) and Best Annual Report Award (Silver). OKP was the Silver winner for Best Investor Relations Award at SCA 2008. It was also the second runner-up at the 30th Annual Report Awards in 2004 and Best Annual Report Award (Gold) at the Inaugural SCA 2006 for excellent standards of corporate disclosure.

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