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For Immediate Release

OKP HOLDINGS LIMITED REGISTERS 64.6% RISE IN 1Q2016 NET PROFIT TO S\$1.9 MILLION

- ***9.4% increase in gross profit to S\$3.0 million, with gross profit margin improving 2.2 percentage points to 12.1%***
- ***S\$322.1 million in net construction order book provides revenue visibility till 2019***
- ***Strong balance sheet, with free cash and cash equivalents of S\$54.4 million***
- ***Medium-term prospects remain favourable given good flow of public sector infrastructure projects***

GROUP'S FINANCIAL HIGHLIGHTS			
S\$' million	1Q2016	1Q2015	▲/▼
Revenue	24.6	27.4	▼ 10.4%
Gross Profit	3.0	2.7	▲ 9.4%
GP Margins	12.1%	9.9%	▲ 2.2 ppt
Profit After Tax & MI	1.9	1.1	▲ 64.6%
EPS – Basic (cents)	0.60	0.37	▲62.2%
As at 31 March 2016:			
Net Tangible Assets: S\$104.8 million, NTA Per Share: 33.97 cents			

Singapore, 9 May 2016 – 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 64.6% rise in net profit attributable to equity holders to S\$1.9 million for the three months ended 31 March 2016 (“1Q2016”) on revenue of S\$24.6 million. Comparatively, the Group registered net profit attributable to equity holders of S\$1.1 million and revenue of S\$27.4 million in the previous corresponding period (“1Q2015”).

For 1Q2016, earnings per share (basic) similarly increased by 62.2% to 0.60 Singapore cent from 0.37 Singapore cent in 1Q2015.

GROUP'S REVENUE HIGHLIGHTS						
S\$' million	1Q2016		1Q2015		Increase/(decrease)	
Construction	20.7	84.4%	19.7	72.0%	1.0	5.0%
Maintenance	3.9	15.6%	7.7	28.0%	(3.8)	(50.0%)
Total Revenue	24.6	100.0%	27.4	100.0%	(2.8)	(10.4%)

The overall decrease in the Group's 1Q2016 revenue was due mainly to its maintenance segment recording a 50.0% decline in revenue to S\$3.8 million. This was attributable to the lower percentage of revenue recognised from some maintenance projects that were approaching completion during the quarter.

However, the decline was partially offset by a rise in the revenue of the Group's construction segment. With the construction projects progressing to a more active phase in 1Q2016, this led to the construction segment recognising a higher percentage of revenue and a corresponding 5.0% rise in the segment's revenue to S\$20.7 million in 1Q2016.

Largely as a result of several maintenance projects achieving higher gross profit margins during the quarter, the Group's gross profit grew 9.4% to S\$3.0 million and gross profit margin expanded by 2.2 percentage points.

OKP had a net construction order book of S\$322.1 million as at 31 March 2016, with projects extending till 2019.

Group Managing Director, Mr Or Toh Wat (胡士发) said, “While our revenue visibility remains clear given our good-sized order book of projects extending till 2019, we are firmly focused on securing profitable projects within our sphere of core expertise and in driving productivity. Our order book was also boosted by a two-year S\$9.8 million contract awarded by the Public Utilities Board (“PUB”) in February 2016, for drainage improvement works in the western region of Singapore.”

Balance Sheet Highlights

The Group continued to retain a strong balance sheet, with net tangible assets (“NTA”) recording an increase of 1.8% to S\$104.8 million while NTA per share was 33.97 Singapore cents as at 31 March 2016. As at 31 December 2015, NTA and NTA per share was S\$102.9 million and 33.37 Singapore cents respectively.

OKP’s free cash and cash equivalents increased by S\$29.1 million to S\$54.4 million as at 31 March 2016, from S\$25.3 million as at 31 March 2015.

Net cash generated from operating activities during the quarter remained strong at S\$4.7 million, as compared to net cash used in operating activities of S\$2.3 million in 1Q2015. The improvement was largely due to an increase in net working capital inflow of S\$6.5 million as well as a rise in cash generated from operating activities before working capital changes of S\$0.4 million.

The Group’s net cash used in investing activities of S\$0.1 million in 1Q2016 was due mainly to the purchase of property, plant and equipment.

With a decrease in pledged deposits of S\$0.7 million from the cancellation of a bank facility during the quarter which was offset by a collective S\$0.4 million for the repayment of finance lease liabilities and the servicing of interest payments, net cash generated from financing activities was S\$0.3 million in 1Q2016.

Based on OKP's closing share price of S\$0.245 as at 9 May 2016, the Group's market capitalisation is S\$75.6 million.

Outlook

The Ministry of Trade and Industry ("MTI") estimated that Singapore's economy expanded at a rate of 1.8% during the first quarter of 2016 on a year-on-year ("y-o-y") basis. Comparatively, the growth of the economy was flat when measured against the immediate preceding quarter¹.

For the construction sector, a strong growth of 6.2% was achieved during the quarter on a y-o-y basis which was mainly attributable to more construction activities from the public and private sectors¹.

Mr Or commented, "Over the short-term, we recognise industry-wide challenges such as rising manpower costs. As such, being in a strong financial position provides us with a good buffer against these headwinds and will enable us to quickly capitalise on compelling opportunities should they emerge. Over the medium-term, our prospects remain favourable given the good flow of public sector infrastructure projects arising from Singapore's aim to have the majority of commuters utilise public transport as their main mode of transport by 2030.

¹ Singapore's GDP Grew by 1.8 Per Cent in the First Quarter of 2016 - Ministry of Trade and Industry Singapore, 14 April 2016

“We are continuing to look into optimising our operations as part of our evolving strategy to stay nimble within a traditional industry. In areas of technology, we are exploring initiatives that include the utilisation of new machinery to raise construction efficiency. Consistent staff training is another area which we place strong emphasis on, to nurture an effective workforce capable of taking on more complex projects.”

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, the 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 the developer of 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 subsidiaries, 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 it 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:

- 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 sector of Singapore;
- Two contracts for the construction of sheltered link ways under the Walk2Ride Programme worth S\$143.9 million;
- Widening of Tanah Merah Coast Road worth S\$37.3 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.

On-going PUB projects include:

- 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
- Improvement to Roadside Drains at Lorong 101 – 108 Changi Road/Langsat Road, Hillview Avenue, Thomson Road, Jalan Teliti and Balestier Road/Boon Teck Road Areas worth S\$19.2 million.

On-going JTC projects include:

- Road extension, drain and sewer works at Woodlands Avenue 4 contract worth S\$12.7 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 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"), Lake Life, 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.