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**For Immediate Release**

**OKP HOLDINGS LIMITED REPORTS 70.1% GROWTH IN 9M2017 NET PROFIT TO S\$10.7 MILLION**

- **Gross profit up 49.0% to S\$16.6 million; gross profit margin increased by 3.7 percentage points to 18.2%**
- **S\$1.8 million gain from share of profit from a joint venture, Lakehomes Pte. Ltd.**
- **Healthy balance sheet, with free cash and cash equivalents totalling S\$71.0 million**
- **Net construction order book of S\$288.0 million provides clear revenue visibility till 2020**

<b>GROUP'S FINANCIAL HIGHLIGHTS</b>						
<b>S\$' million</b>	<b>3Q2017</b>	<b>3Q2016</b>	<b>▲/▼</b>	<b>9M2017</b>	<b>9M2016</b>	<b>▲/▼</b>
<b>Revenue</b>	27.1	28.1	<b>▼3.6%</b>	91.2	76.7	<b>▲18.9%</b>
<b>Gross Profit</b>	2.6	4.1	<b>▼35.3%</b>	16.6	11.1	<b>▲49.0%</b>
<b>GP Margins (%)</b>	9.8	14.5	<b>▼4.7 ppt</b>	18.2	14.5	<b>▲3.7 ppt</b>
<b>Profit After Tax</b>	0.7	2.0	<b>▼62.4%</b>	10.7	6.3	<b>▲70.1%</b>
<b>EPS – Basic (cents)</b>	0.24	0.64	<b>▼62.5%</b>	3.48	2.05	<b>▲69.8%</b>
As at 30 September 2017:						
<b>Net Tangible Assets: S\$118.8 million, NTA Per Share: 38.5 cents</b>						

**Singapore, 7 November 2017 – 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 70.1% rise in its net profit attributable to equity holders to S\$10.7 million for the nine months ended 30 September 2017 (“9M2017”). This was on the back of a 18.9% increase in revenue to S\$91.2 million. In comparison, the Group registered a net profit attributable to equity holders of S\$6.3 million and revenue of S\$76.7 million in the previous corresponding period (“9M2016”).

Overall, the rise in bottomline was in line with the higher revenue and gross profit, and supported by an increase in contribution from the share of results of associated companies and joint ventures of S\$2.6 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 9M2017.

For 9M2017, earnings per share (basic) increased by 69.8% to 3.48 Singapore cents from 2.05 Singapore cents in 9M2016.

## Review of Performance

GROUP'S REVENUE HIGHLIGHTS						
	9M2017		9M2016		Increase/(decrease)	
	S\$' Million	% of Total	S\$' Million	% of Total	S\$' Million	% Change
<b>Construction</b>	60.7	66.5	64.4	83.9	(3.7)	(5.7)
<b>Maintenance</b>	30.5	33.5	12.3	16.1	18.2	147.4
<b>Total Revenue</b>	91.2	100.0	76.7	100.0	14.5	18.9

The overall increase in the Group's 9M2017 revenue was due mainly to its maintenance segment recording a 147.4% increase in revenue to S\$30.5 million. This was attributable to the higher percentage of revenue recognised from a number of both existing and newly awarded maintenance projects which progressed to a more active phase. However, the Group's construction segment recorded a 5.7% decrease in revenue to S\$60.7 million, which was due largely to lower contribution from a few construction projects which were reaching completion, coupled with reduced revenue generated from a construction project at the Pan-Island Expressway exit to Tampines Expressway.

The Group's gross profit increased to S\$16.6 million whilst gross profit margin increased by 3.7 percentage points to 18.2%, resulting from higher gross profit margins achieved by certain construction and maintenance projects during 9M2017.

OKP's net construction order book amounted to S\$288.0 million as at 30 September 2017, with projects extending till 2020.

### **Balance Sheet Highlights**

The Group continued to maintain a strong balance sheet, with net tangible assets ("NTA") increasing by 5.4% to S\$118.8 million while NTA per share was 38.53 Singapore cents as at 30 September 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\$8.0 million to S\$71.0 million as at 30 September 2017, from S\$63.0 million as at 30 September 2016.

Net cash generated from operating activities during 9M2017 was S\$7.4 million, as compared to net cash generated from operating activities of S\$19.8 million in 9M2016. The decrease was mainly due to a decline in net working capital inflow of S\$14.4 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\$3.1 million and an increase in interest received of S\$0.1 million.

The Group's net cash used in investing activities of S\$0.9 million in 9M2017 was due to the purchase of new property, plant and equipment as well as the purchase of an investment property at 7 Woodlands Industrial Park E2.

Based on OKP's closing share price of S\$0.375 as at 7 November 2017, the Group's market capitalisation is S\$115.7 million.

## **Outlook**

According to the Ministry of Trade and Industry ("MTI") advance estimates, Singapore's economy expanded by 4.6% on a year-on-year ("y-o-y") basis in the third quarter of 2017, which is higher than the 2.9% growth in the previous quarter<sup>1</sup>.

With the continued slowdown in private sector construction activities, the construction sector contracted by 6.3% in the third quarter on a y-o-y basis, following the 6.8% decline in the second quarter<sup>1</sup>. On a quarter-on-quarter basis, the sector contracted by 9.2%, compared to the 2.4% growth in the preceding quarter<sup>1</sup>.

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<sup>1</sup> *Singapore's GDP Grew by 4.6 Per Cent in the Third Quarter of 2017, Ministry of Trade and Industry Singapore, 13 October 2017*

**Group Managing Director, Mr Or Toh Wat** (胡士发) commented, “The operating environment remains challenging due to keen competition. However, the Group stays optimistic on the back of healthy demand from the public sector, given that the government is bringing forward projects worth a total of S\$1.4 billion to this year and next.

“Meanwhile, the Group continues to work closely with the authorities on the on-going investigations relating to the worksite incident at the Pan-Island Expressway exit to Tampines Expressway. We will continue to provide all necessary assistance and support to ensure that the needs of the affected workers are fully taken care of.”

**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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