

19th ANNUAL GENERAL MEETING

26 APRIL 2021
11.00am



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Business Review

BUSINESS OVERVIEW



A Leading Home-grown Infrastructure and Civil Engineering Group

- Track record and expertise in construction since 1966
- Expanded into property development and investment since 2012

Business Segments

CORE

Construction | Maintenance

NON-CORE

Property development & investment



BUSINESS OVERVIEW

- Supported by **healthy pipeline of construction projects**; continue to leverage on **solid track record** and **civil engineering expertise**

- **Public sector clients include:**



- **Private sector clients include:**

- Focused on **diversifying earnings base** and **building on recurring income stream** :
 - The Essence** (along Chong Kuo Road): 84-unit condominium launched in March 2019
 - Phoenix Heights**: approved for fresh 99-year lease extension, to be developed into 74-unit residential property
 - 6-8 Bennett Street, Perth, Australia**: Freehold office complex for recurring rental income contribution
 - 35 Kreta Ayer Road, Singapore**: Newly acquired investment property announced in Jan 2021

A photograph of a modern highway interchange. A curved asphalt road with a white center line and black-and-white striped curbs leads towards the viewer. In the distance, a yellow car is driving on the road. Above the road, there are several concrete overpasses supported by pillars. The sky is bright blue with some light clouds. The overall scene is clean and well-maintained.

Construction & Maintenance

BUSINESS REVIEW

Construction & Maintenance

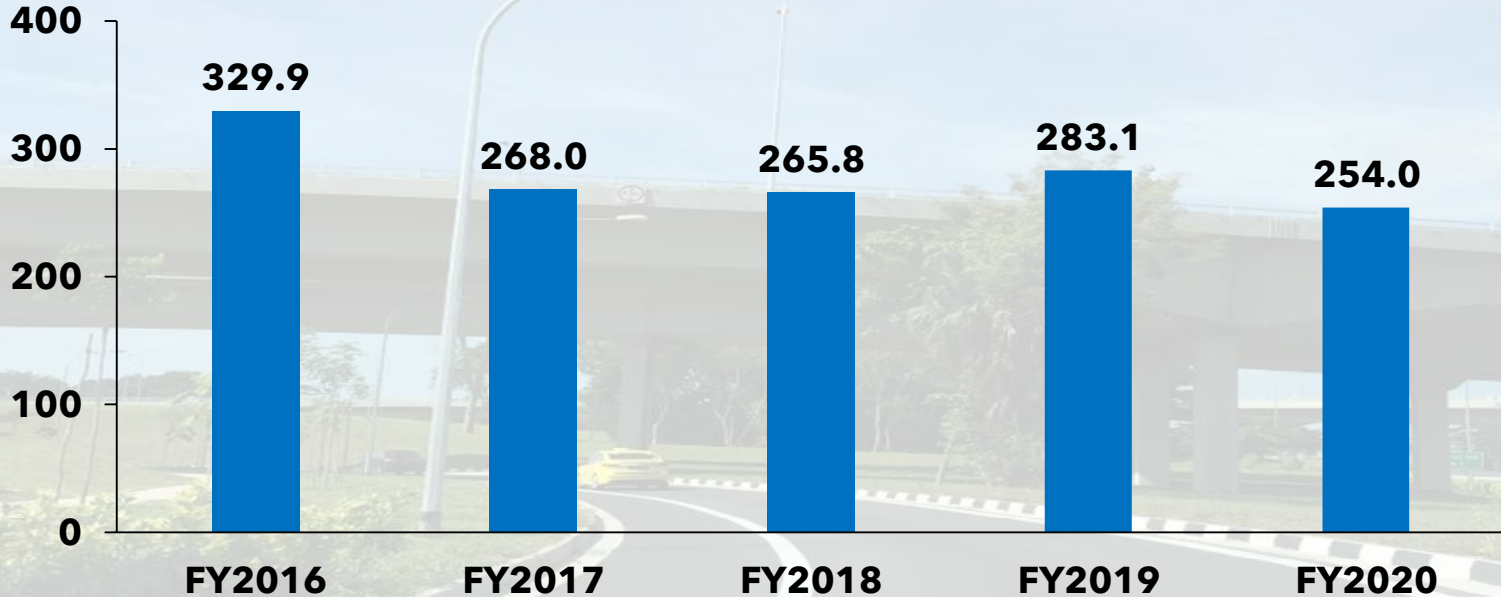
- Construction & Maintenance segment continues to be a **strong revenue pillar** and **core business**, consistently accounting for **90.9%** of the group's total revenue for FY2020
- **Public sector projects** remain as OKP's key revenue contributor
- Current **net construction order book** of **S\$254.0 million**¹, with projects extending till 2023

¹ As at 31 December 2020



Healthy Net Construction Order Book

Net Order Book (S\$'m)



Some on-going Projects

Project Description	Contract Value S\$'million	Commencement Date	Expected Completion Date	Sector
Contract ER442 Walk2Ride Programme	46.1 (revised)	Feb 2015	Extended till Apr 2021	Public
Contract ER443 Walk2Ride Programme	34.6 (revised)	Feb 2015	Extended till Oct 2021	Public
Improvement to Roadside Drains V Contract E5 (Yishun Avenue 1/6, Jalan Kembangan, Pasir Ris Estate and Hai Sing Estate Areas)	13.8	Jan 2018	May 2021	Public
Improvement to Sungei Tampines (Tampines Avenue 7 to Tampines Expressway)	48.8	May 2018	Aug 2021	Public
Improvement to Roadside Drains V Contract C5 (Stamford Road, River Valley Road, Upper Thomson Road and Burghley Drive)	4.0	Jul 2018	Feb 2021	Public
Construction of Covered Linkways to Thomson East Coast Line Stage 1,2 and 3 Stations	36.9	Sep 2018	Mar 2022	Public
Widening of Tampines Road Between Kallang Paya Lebar Expressway to Tampines Avenue 10	30.1	Oct 2018	Jan 2022	Public
Construction of Link Sewers for the DTSS Phase 2 Project - Schedule III Contract I (Jalan Buroh/Tanjong Kling Road)	27.7	Jan 2019	May 2023	Public

Some on-going Projects (Cont'd)

Project Description	Contract Value S\$'million	Commencement Date	Expected Completion Date	Sector
Improvement to Roadside Drains and Watermain Replacement Works under Estate Upgrading Programme Batch 9 - Contract 1 (Clover and Thomson Faber Island Gardens Estates)	13.9	Jan 2019	Nov 2021	Public
Road Maintenance Contract for Expressway	22.5	Apr 2019	Jul 2022	Public
Road Maintenance Contract for North East Sector	17.0	Apr 2019	Jul 2022	Public
Proposed Construction of New Infrastructure at Tukang Estate	18.3	Oct 2019	May 2021	Public
Commuter and Road Infrastructure Works in Pasir Ris and Loyang	82.7	Dec 2019	Apr 2023	Public
Term Contract for Road Related Facilities, Road Structures and Road Safety Schemes for East Sector	31.6	May 2020	Sep 2023	Public
Maintenance Works at Various Locations	0.5	May 2021	Sep 2021	Public

A modern multi-story apartment building at dusk. The building features large glass windows and balconies, some of which are illuminated from within. In the foreground, there is a swimming pool with a wooden deck and lounge chairs. The pool is surrounded by lush greenery and a covered outdoor dining area with tables and chairs. The sky is dark, and the overall atmosphere is serene and luxurious.

Property

Property Development - Singapore



The Essence

- Launched in March 2019
- 84-unit development along Chong Kuo Road
- 500m away from new Springleaf MRT Station (Thomson-East Coast Line)
- 99-year leasehold with land area of 4,282.9 sqm
- Expected TOP: February 2023
- Approximately over 90% sold to-date

Jointly acquired with two other business partners in February 2018 for S\$43.9 million

Property Development - Singapore



Phoenix Residences

- Approved for redevelopment into 74-unit condominium
- Land area of 3,971.9 sqm
 - Allowable GFA of 5,560.66 sqm
 - Max height of 5 storeys
- Expected TOP: November 2023
- Stepped up marketing efforts to engage homebuyers through both physical and virtual channels

Acquired through a 25% owned associated company, USB Holdings Pte Ltd. for S\$33.1 million

Property Development - Singapore (Track Record)



LakeLife

- 546-unit EC at Yuan Ching Road/Tao Ching Road
- First EC in 17 years to be developed in the Western side of Singapore
- Recorded strong sales performance - fully sold and recognised in FY2018; TOP obtained on 30 December 2016

10% stake in JV company Lakehomes Pte. Ltd.

BUSINESS REVIEW

Property Investments - Singapore

35 Kreta Ayer Road, Singapore

- Freehold tenure - a three-storey with attic shophouse
 - Lot area of approx. 1,568 sq ft
 - Total floor area of approx. 4,240 sq ft
- Acquisition of the property for investment purposes

Acquired in January 2021 for S\$11.3 million



Property Investment - Overseas (Australia)



6-8 Bennett Street, Perth, Australia

- Freehold office complex on eastern fringe of Perth CBD
 - Land area of 3,115 sqm
 - Net Lettable Area of 10,219 sqm
 - 100% occupancy as at 31 December 2020
- Stable, recurring income stream, making up 9.1% of total revenue for FY2020

Jointly acquired with a business partner in April 2018 for AUD43.5 million

BUSINESS REVIEW

Other Property Investment Properties - Singapore



	190 Moulmein Road #10-03 The Huntington	6 Tagore Drive B1-05/06	7 Woodlands Industrial Park E2
Property Brief	Freehold apartment property	Two freehold office units	Factory, 60-year lease from 25 Sep 2006
Fair Value	S\$1.9 million	S\$1.6m (B1-05); S\$1.6m (B1-06)	S\$2.6m
Other Details	100% stake GFA : 1,152 sq ft	100% stake GFA : 2,486 sq ft (B1-05); 2,626 sq ft (B1-06)	100% stake GFA : 7,319 sq ft



Financial Review

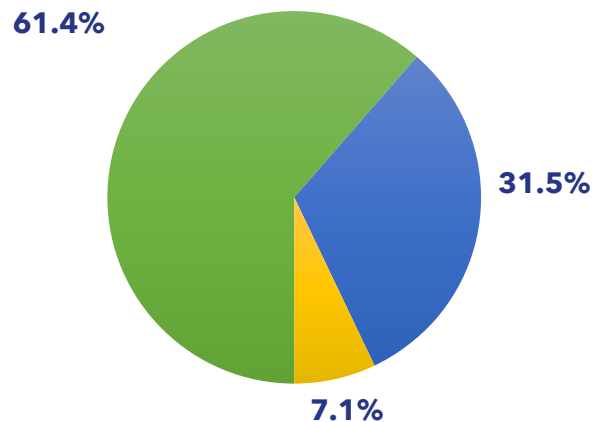
FINANCIAL REVIEW

	FY2020 (S\$m)	FY2019 (S\$m)	FY2018 (S\$m)	FY2017 (S\$m)	FY2016 (S\$m)
Revenue	69.6	81.3	90.4	117.5	111.1
Gross profit	7.4	10.8	17.4	21.9	21.9
Gross profit margin	10.6%	13.3%	19.2%	18.6%	19.7%
Profit before taxation	4.4	1.0	6.6	15.0	16.5
Net profit	4.0	0.7	5.6	12.7	14.3

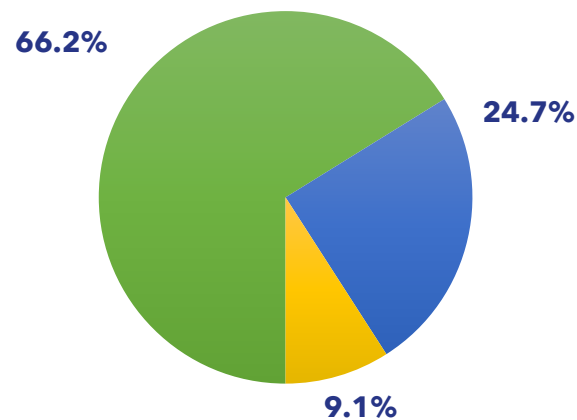
REVENUE BY SEGMENT

	FY2020 (S\$m)	FY2019 (S\$m)	FY2018 (S\$m)	FY2017 (S\$m)	FY2016 (S\$m)
Construction	46.1	50.0	46.0	78.5	90.5
Maintenance	17.2	25.6	40.4	38.8	20.6
Rental Income	6.3	5.7	4.0	0.2	NA
Total Revenue	69.6	81.3	90.4	117.5	111.1

Revenue - FY2019



Revenue - FY2020



■ Construction ■ Maintenance ■ Rental Income

BALANCE SHEET AND KEY RATIOS

	FY2020 (S\$m)	FY2019 (S\$m)	FY2018 (S\$m)	FY2017 (S\$m)	FY2016 (S\$m)
Current Assets	103.1	97.2	96.4	112.1	106.4
Current Liabilities	38.5	22.4	27.6	41.3	46.8
Net Current Assets	64.6	74.8	68.8	70.8	59.6
Current Ratio (x)	2.7	4.3	3.5	2.7	2.3
Total Assets	197.1	180.2	186.6	166.3	164.2
Total Liabilities	73.9	59.0	63.0	43.8	49.8
Net tangible assets	121.4	119.4	121.8	120.8	112.7
NTA per share (cents)	39.6	38.7	39.5	39.2	36.5
EPS (cents)	1.1	(0.1)	2.1	4.1	4.7

LEVERAGE (TOTAL DEBT TO EQUITY)

	FY2020 (S\$m)	FY2019 (S\$m)	FY2018 (S\$m)	FY2017 (S\$m)	FY2016 (S\$m)
Cash and Cash Equivalents	79.1	64.6	74.3	86.1	74.7
Total Debt	31.6	29.9	28.1	2.5	3.1
Total Debt to Equity (x)	0.3	0.2	0.2	<0.1	<0.1
Interest Cover (x)	8.4	4.5	9.8	235.2	270.5

Dividend

FOR
LEASE

• 600sqm² • 3,215sqm²
• 2 Full Floor Available
• Fully Fitted Out

Call Linda
021 771 111

8 BENNETT STREET PUBLIC CARPARK

DIVIDEND

0.7 cent
Total Dividend

Proposes one-tier tax-exempt dividend of 0.7 cent per ordinary share

Payable on 17 May 2021, subject to the approval of shareholders at the forthcoming Annual General Meeting

3.9%¹
Dividend yield

65.4%
Dividend payout ratio

Based on share price of S\$0.178 as at 31 December 2020



Prospects

MANAGING THROUGH THE COVID-19 CRISIS

- **Protect Employees** - The Group has implemented a Business Continuity Plan which includes remote work arrangements. Safe distancing measures are also put in place for all our premises. Additionally, OKP promotes a culture of safety and good environmental awareness within the Group through training and taking all necessary measures to ensure that the working environment is kept safe, risk-free and virus-free
- **Manage Costs** - OKP has implemented group-wide efficiency and cost containment initiatives; as well as tapped on the Job Support Scheme to manage costs
- **Embrace Change** - The Group has and will continue to evolve through devised, sustainable strategies and by building a stronger team
- **Enhance Competencies and Broaden Horizon** - The Group has reviewed our operations and enhanced our productivity through various measures. OKP has also been widening our expertise and increasing our capabilities. To broaden our horizon, we continue to prudently expand our property investments and developments, locally and overseas

Industry Outlook

- BCA projects total construction demand in 2021 to remain strong, supported by **public sector construction demand**

Construction Demand		Public Sector	Private Sector	Total
2020	Estimated (S\$'b)	17.5 - 20.5	10.5 - 12.5	28 - 33
2021	Forecast (S\$'b)	15 - 18	8 - 10	23 - 28

Source: BCA

Public sector boosted by major infrastructure and industrial building projects:

- Jurong Region MRT Line
- Cross Island MRT Line Phase 1
- Deep Tunnel Sewerage System Phase 2

Private sector supported by:

- Development of remaining en-bloc residential sites
- Major retrofitting of commercial developments
- Construction of high-specification industrial buildings

- Over medium term, BCA expects construction demand to steadily improve

Construction Demand		Public Sector	Private Sector
2022 - 2025	Forecast per year (S\$'b)	14 - 18	11 - 14

Source: BCA



Thank You