



**Full Year Financial
Statements and Dividend
Announcement for the year ended**

31 December 2022



20 February 2023

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Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2022
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	The Group			The Group		
		Half Year ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
		2022	2021		2022	2021	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	4	64,052	44,970	42.4	117,646	90,035	30.7
Cost of sales		(58,221)	(42,652)	36.5	(106,828)	(83,241)	28.3
Gross profit		5,831	2,318	151.6	10,818	6,794	59.2
Other gains, net		1,966	5,466	(64.0)	2,969	7,740	(61.6)
Expenses							
- Administrative		(8,523)	(4,762)	79.0	(12,394)	(9,300)	33.3
- Finance		(925)	(613)	50.9	(1,569)	(1,138)	37.9
Share of profit of associated companies and joint ventures, net		419	128	227.3	715	352	103.1
(Loss)/Profit before income tax	6	(1,232)	2,537	(148.6)	539	4,448	(87.9)
Income tax credit/(expense)	7	142	260	(45.4)	(375)	(213)	76.1
Net (loss) /profit		(1,090)	2,797	(139.0)	164	4,235	(96.1)
Gross profit margin		9.1%	5.2%		9.2%	7.5%	
Net (loss)/profit margin		-1.7%	6.2%		0.1%	4.7%	
Effective tax rate		n.m.	n.m.		69.6%	4.8%	
Net (loss)/profit attributable to:							
Equity holders of the Company		(2,207)	539	(509.5)	(1,019)	1,515	(167.3)
Non-controlling interests		1,117	2,258	(50.5)	1,183	2,720	(56.5)
		(1,090)	2,797	(139.0)	164	4,235	(96.1)



Consolidated statement of comprehensive income for the half year ended 31 December 2022 and financial year ended 31 December 2022 (Cont'd)

	The Group			The Group		
	Half Year ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2022	2021		2022	2021	
	\$'000	\$'000	%	\$'000	\$'000	%
Net (loss)/profit	(1,090)	2,797	(139.0)	164	4,235	(96.1)
Other comprehensive income:						
Currency translation differences arising from consolidation	665	(306)	(317.3)	425	(400)	(206.3)
Total comprehensive (loss)/income, net of tax	(425)	2,491	(117.1)	589	3,835	(84.6)
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(1,867)	383	(587.7)	(802)	1,311	(161.2)
Non-controlling interests	1,442	2,108	(31.5)	1,391	2,524	(44.8)
	(425)	2,491	(117.1)	589	3,835	(84.6)

Note:

- (i) Currency translation difference was attributed to (a) assets and liabilities of foreign operations that were translated to Singapore dollars at the exchange rate at the reporting date and (b) income and expenses of foreign operations that were translated to Singapore dollars at the exchange rate at the date of transactions.



1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of Financial Position

	Note	The Group		The Company	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents		25,970	51,030	1,461	3,513
Trade and other receivables	9	17,936	8,023	17,789	19,549
Contract assets	10	23,979	15,584	-	-
Inventories		1,592	1,687	-	-
		<u>69,477</u>	<u>76,324</u>	<u>19,250</u>	<u>23,062</u>
Non-current assets					
Investments in subsidiary corporations	11	-	-	19,534	19,219
Investments in joint ventures	12	45	32	-	-
Investments in associated companies	13	1,520	915	-	-
Investment properties	14	78,505	78,487	-	-
Other receivables	15	13,490	11,775	1,189	-
Other investments, at amortised cost		2,005	-	-	-
Property, plant and equipment	16	23,952	21,658	12,977	13,080
Right-of-use assets	17	13,537	11,923	-	-
Intangible assets	18	1,706	1,725	7	12
Deferred income tax assets		664	294	-	-
		<u>135,424</u>	<u>126,809</u>	<u>33,707</u>	<u>32,311</u>
Total assets		<u>204,901</u>	<u>203,133</u>	<u>52,957</u>	<u>55,373</u>
LIABILITIES					
Current liabilities					
Trade and other payables	19	28,079	20,730	2,855	2,942
Lease liabilities	17	2,951	2,087	-	-
Bank borrowings	20	12,880	13,934	3,450	4,050
Current income tax liabilities		266	571	73	60
		<u>44,176</u>	<u>37,322</u>	<u>6,378</u>	<u>7,052</u>
Non-current liabilities					
Other payables	19	15,068	15,274	-	-
Lease liabilities	17	4,723	4,316	-	-
Bank borrowings	20	16,157	20,086	-	-
Deferred income tax liabilities		1,065	863	7	10
		<u>37,013</u>	<u>40,539</u>	<u>7</u>	<u>10</u>
Total liabilities		<u>81,189</u>	<u>77,861</u>	<u>6,385</u>	<u>7,062</u>
NET ASSETS		<u>123,712</u>	<u>125,272</u>	<u>46,572</u>	<u>48,311</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	21	36,832	36,832	36,832	36,832
Treasury shares	21	(235)	(235)	(235)	(235)
Other reserves	22	3,659	3,442	-	-
Retained profits		78,501	81,670	9,975	11,714
		<u>118,757</u>	<u>121,709</u>	<u>46,572</u>	<u>48,311</u>
Non-controlling interests		<u>4,955</u>	<u>3,563</u>	<u>-</u>	<u>-</u>
Total equity		<u>123,712</u>	<u>125,272</u>	<u>46,572</u>	<u>48,311</u>
Net tangible assets		<u>122,006</u>	<u>123,547</u>	<u>46,565</u>	<u>48,299</u>



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Attributable to equity holders of the Company						Non-controlling interest	Total equity
	Share Capital	Treasury shares	Capital reserve	Asset revaluation reserve	Currency translation reserve	Retained profits		
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Group

As at 1 Jan 2022		36,832	(235)	2,108	1,372	(38)	81,670	121,709	3,563	125,272
Profit for the period		-	-	-	-	-	1,188	1,188	66	1,254
Other comprehensive loss for the period		-	-	-	-	(123)	-	(123)	(117)	(240)
		-	-	-	-	(123)	1,188	1,065	(51)	1,014
Dividend relating to FY2021	8	-	-	-	-	-	(2,149)	(2,149)	-	(2,149)
As at 30 Jun 2022		36,832	(235)	2,108	1,372	(161)	80,709	120,625	3,512	124,137
(Loss)/profit for the period		-	-	-	-	-	(2,207)	(2,207)	1,117	(1,090)
Other comprehensive income for the period		-	-	-	-	340	-	340	325	665
		-	-	-	-	340	(2,207)	(1,867)	1,442	(425)
As at 31 Dec 2022		36,832	(235)	2,108	1,372	179	78,502	118,758	4,954	123,712



Consolidated statement of changes in equity (Cont'd)

	Attributable to equity holders of the Company						Non-controlling interest	Total equity
	Share Capital	Treasury shares	Capital reserve	Asset revaluation reserve	Currency translation reserve	Retained profits		
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Group

As at 1 Jan 2021 36,832 (235) 1,706 1,372 166 82,304 122,145 1,039 123,184

Profit for the period	-	-	-	-	-	976	976	462	1,438
Other comprehensive loss for the period	-	-	-	-	(48)	-	(48)	(46)	(94)
	-	-	-	-	(48)	976	928	416	1,344

Fair value adjustment on interest-free loan 21 - - 169 - - - 169 - 169

Dividend relating to FY2020 8 - - - - - (2,149) (2,149) - (2,149)

As at 30 Jun 2021 36,832 (235) 1,875 1,372 118 81,131 121,093 1,455 122,548

Profit for the period	-	-	-	-	-	539	539	2,258	2,797
Other comprehensive loss for the period	-	-	-	-	(156)	-	(156)	(150)	(306)
	-	-	-	-	(156)	539	383	2,108	2,491

Fair value adjustment on interest-free loan - - 233 - - - 233 - 233

As at 31 Dec 2021 36,832 (235) 2,108 1,372 (38) 81,670 121,709 3,563 125,272



Attributable to equity holders of the Company				
	Share capital	Treasury shares	Retained profits	Total equity
Note	\$'000	\$'000	\$'000	\$'000

The Company

As at 1 Jan 2022 36,832 (235) 11,714 48,311

Total comprehensive income for the period - - 180 180

Dividend relating to FY2021 8 - - (2,149) (2,149)

As at 30 Jun 2022 36,832 (235) 9,745 46,342

Total comprehensive income for the period - - 230 230

As at 31 Dec 2022 36,832 (235) 9,975 46,572

As at 1 Jan 2021 36,832 (235) 10,330 46,927

Total comprehensive income for the period - - 128 128

Dividend relating to FY2020 8 - - (2,149) (2,149)

As at 30 Jun 2021 36,832 (235) 8,309 44,906

Total comprehensive income for the period - - 3,405 3,405

As at 31 Dec 2021 36,832 (235) 11,714 48,311



1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated statement of cash flows

		The Group	
		Financial Year ended 31 Dec	
		2022	2021
Note		\$'000	\$'000
Cash flows from operating activities			
	Net profit	164	4,235
	Adjustments for:		
	- Income tax expense	375	213
6	- Depreciation of property, plant and equipment	1,915	2,202
6	- Depreciation of right-of-use assets	2,714	2,076
6	- Amortisation of intangible assets	18	26
6	- Gain on disposal of right-of-use assets	(2)	-
6	- Gain on disposal of property, plant and equipment, net	(44)	(74)
6	- Gain on lease modification	(3)	-
	- Impairment loss on other receivables	500	-
	- Share of results of associated companies and joint ventures, net	(715)	(352)
6	- Fair value gain on investment properties, net	(2,249)	(4,371)
6	- Interest income	(216)	(136)
	- Interest expense	1,569	1,138
	- Foreign exchange differences	957	976
	Operating cash flow before working capital changes	4,983	5,933
	Change in working capital		
	- Trade and other receivables	(9,912)	1,706
	- Contract assets	(8,395)	(1,345)
	- Inventories	96	(1,687)
	- Contract liabilities	-	(8,934)
	- Trade and other payables	7,347	549
	- Provisions	-	(1,400)
	Cash used in operations	(5,881)	(5,178)
	- Interest received	194	136
	- Income tax paid	(868)	(950)
	Net cash used in operating activities	(6,555)	(5,992)
Cash flows from investing activities			
	- Additions to property, plant and equipment	(4,254)	(3,027)
	- Additions to right-of-use assets	(1,487)	(395)
	- Additions to investment properties	-	(24,403)
	- Purchases of other investments at amortised cost	(2,000)	-
	- Advance to an associated company	(2,125)	(3,000)
	- Proceeds from disposal of property, plant and equipment	89	100
	- Proceeds from disposal of right-of-use assets	61	98
	- Proceeds received from joint ventures	7	-
	- Interest received from other investments at amortised cost	17	-
	Net cash used in investing activities	(9,692)	(30,627)



Consolidated statement of cash flows (Cont'd)

The Group	
Financial Year ended 31 Dec	
2022	2021
\$'000	\$'000

Cash flows from financing activities

- Repayment of lease liabilities
- Advance from a non-controlling shareholder
- Interest paid
- Proceeds from bank borrowings
- Repayment of borrowings
- Dividend paid to shareholders
- Bank deposits pledged

	(1,625)	(2,469)
	98	5,684
	(1,129)	(696)
	-	11,700
	(3,861)	(3,431)
8	(2,149)	(2,149)
	20	(57)

Net cash (used in)/ provided by financing activities

(8,646) 8,582

Net decrease in cash and cash equivalents

(24,893) (28,037)

Cash and cash equivalents at the beginning of the financial year

45,834 73,958

Effects of currency translation on cash and cash equivalents

(146) (87)

Cash and cash equivalents at the end of the financial year

20,795 45,834

Explanatory Notes:

- (i) For the purpose of the consolidated statement of cash flows, the cash and cash equivalents at the end of the financial year comprise the following:

The Group	
31 Dec 2022	31 Dec 2021
\$'000	\$'000
Cash at bank and on hand	9,235 15,821
Short-term bank deposits	16,596 35,062
Trust account – Cash at bank	139 147
	25,970 51,030
Short-term bank deposits pledged to banks	(5,175) (5,196)
Cash and cash equivalents per consolidated statement of cash flows	20,795 45,834

Short-term bank deposits of \$5,175,382 (2021: \$5,195,509) are pledged to banks for banking facilities of certain subsidiary corporations.



Notes to the interim consolidated financial statements

1. Corporate information

OKP Holdings Limited (the “Company”) is incorporated and domiciled in Singapore and its shares are publicly traded on the Mainboard of the Singapore Exchange. The address of its registered office is 30 Tagore Lane, Singapore 787484. These interim consolidated financial statements as at and for the half year ended 31 December 2022 and consolidated financial statements as at and for the full year ended 31 December 2022 are those of the Company and its subsidiary corporations (collectively, the “Group”). The principal activities of the Company are those relating to investment holding and the provision of management services to its subsidiary corporations.

The principal activities of the Group are:

- (a) road and building construction and maintenance
- (b) technical management and consultancy services
- (c) civil engineering projects in respect of oil, petrochemical and gas related businesses
- (d) rental services and investment holding
- (e) property development
- (f) transport and logistics services

2. Basis of preparation

The interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore (the “Standards”). The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group’s financial position and performance since the last unaudited financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

During the financial year ended 31 December 2022, the Group reported a net cash used in operating activities of \$6.6 million. The Board of Directors has assessed that the going concern basis of preparation for this set of financial statements remain appropriate due to the following:

- i. The Group is profit-making and is in a net assets and net current assets position of \$123.7 million and \$25.3 million respectively; and
- ii. The Group has sufficient cash to fund the operations of the Group, with free cash and cash equivalents of \$20.8 million as at 31 December 2022.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those Standards.



2.2. Use of judgements and estimates

In preparing the unaudited financial statements, the management of the Group (the "Management") has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant judgements made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates, assumptions and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Estimated impairment of goodwill
- Depreciation of property, plant and equipment
- Impairment of property, plant and equipment
- Recognition of revenue from construction and maintenance contracts

There were no significant changes in critical judgements, estimates and assumptions as compared to those that were applied to the consolidated financial statements as at and for the year ended 31 December 2021.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period/year.

4. Segment and revenue information

The Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Group's operating segments are its strategic business units which offer different services and are managed separately. The reportable segment presentation is based on the Group's management and internal reporting structure used for its strategic decision-making purposes.

The Group's activities comprise the following reportable segments:

- | | |
|-----------------------|---|
| (i) Construction – | It relates to the construction of urban and arterial roads, expressways, vehicular bridges, flyovers and buildings, airport infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals. |
| (ii) Maintenance – | It relates to re-construction work performed on roads, road reserves, pavements, footpaths and kerbs, guardrails, railings, drains, signboards as well as bus bays and shelters. |
| (iii) Rental income – | It relates to income received from rental of investment properties. |



4.1 Reportable segments

	Primary Reporting - Business Segment							
	Half Year ended 31 Dec 2022				Half Year ended 31 Dec 2021			
	Construction	Maintenance	Rental income	Total	Construction	Maintenance	Rental income	Total
The Group								
Revenue	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	72,883	16,430	3,018	92,331	44,466	14,689	3,676	62,831
Inter-segment revenue	(28,279)	-	-	(28,279)	(17,861)	-	-	(17,861)
Revenue from external parties	44,604	16,430	3,018	64,052	26,605	14,689	3,676	44,970
Gross profit	1,777	2,147	1,908	5,832	(2,626)	2,484	2,460	2,318
Other income								
- Allocated			1,609	1,609			4,371	4,371
- Unallocated				1,257				2,055
Other losses								
- Allocated			-	-			-	-
- Unallocated				(900)				(960)
Administrative costs								
- Allocated			(204)	(204)			(172)	(172)
- Unallocated				(8,320)				(4,589)
Share of profit of joint venture companies				16				6
Share of profit of associated companies				403				121
Finance expenses								
- Allocated			(752)	(752)			(538)	(538)
- Unallocated				(173)				(75)
(Loss)/profit before income tax				(1,232)				2,537
Income tax expense								
- Allocated			(176)	(176)			(71)	(71)
- Unallocated				318				331
Net (loss)/profit for the interim period				(1,090)				2,797
Depreciation of property, plant and equipment	454	90	-	544	680	223	-	903
Depreciation of right-of-use assets	1,299	202	-	1,501	856	228	-	1,084
Amortisation	9	-	-	9	8	-	-	8
Segment assets								
- Allocated	33,676	7,662	83,365	124,703	17,211	6,859	82,882	106,952
- Unallocated			80,198	80,198			96,181	96,181
Total assets				204,901				203,133
Additions to								
- Right-of-use assets	531	-	707	1,238	2,275	-	1,488	3,763
- Investment properties			-	-			12,760	12,760
				1,238				16,523
Segment liabilities								
- Allocated	14,959	7,552	44,687	67,198	11,130	5,947	49,800	66,877
- Unallocated			13,991	13,991			10,984	10,984
Total liabilities				81,189				77,861



	Primary Reporting - Business Segment							
	Financial Year ended 31 Dec 2022				Financial Year ended 31 Dec 2021			
The Group	Construction	Maintenance	Rental income	Total	Construction	Maintenance	Rental income	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Total segment revenue	138,231	29,456	6,270	173,957	92,477	26,405	7,070	125,952
Inter-segment revenue	(56,311)	-	-	(56,311)	(35,917)	-	-	(35,917)
Revenue from external parties	81,920	29,456	6,270	117,646	56,560	26,405	7,070	90,035
Gross profit	2,849	4,041	3,928	10,818	(1,806)	3,860	4,740	6,794
Other income								
- Allocated			1,609	1,609			4,371	4,371
- Unallocated				2,974				4,409
Other losses								
- Allocated			-	-			-	-
- Unallocated				(1,614)				(1,040)
Administrative costs								
- Allocated			(356)	(356)			(323)	(323)
- Unallocated				(12,038)				(8,977)
Share of profit/(loss) of joint venture companies				20				(3)
Share of profit of associated companies				695				355
Finance expenses				2,108				5,586
- Allocated			(1,272)	(1,272)			(989)	(989)
- Unallocated				(297)				(149)
Profit before income tax				539				4,448
Income tax (expense)/credit								
- Allocated				(498)			(488)	(488)
- Unallocated				123				275
Net profit for the financial year				164				4,235
Depreciation of property, plant and equipment	1,272	214	-	1,486	1,309	437	-	1,746
Depreciation of right-of-use assets	2,322	381	-	2,703	1,596	469	-	2,065
Amortisation	19	-	-	19	16	-	-	16
Segment assets								
- Allocated	33,676	7,662	83,365	124,703	17,211	6,859	82,882	106,952
- Unallocated			80,198	80,198			96,181	96,181
Total assets				204,901				203,133
Additions to								
- Right-of-use assets	1,086	38	1,773	2,897	2,625	48	1,498	4,171
- Investment properties			-	-			24,403	24,403
				2,897				28,574
Segment liabilities								
- Allocated	14,959	7,552	44,687	67,198	11,130	5,947	49,800	66,877
- Unallocated			13,991	13,991			10,984	10,984
Total liabilities				81,189				77,861



Revenue between segments is carried out as agreed by both parties. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

The Board of Directors assesses the performance of the operating segments based on gross profit. Administrative and finance expenses and other income are not allocated to segments.

4.2 Disaggregation of revenue

The Group derives revenue from the transfer of goods and services over time in the following major business segments and geographical regions. Revenue is attributed to countries by location of customers.

The Group		The Group	
Half Year ended 31 Dec		Financial Year ended 31 Dec	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000

Over time

Construction and maintenance

- Singapore	61,034	41,294	111,376	82,965
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Rental income

- Singapore	538	456	695	608
- Australia	2,480	3,220	5,575	6,462
	3,018	3,676	6,270	7,070
	<u>64,052</u>	<u>44,970</u>	<u>117,646</u>	<u>90,035</u>

A breakdown of sales:

	The Group			
	Financial Year ended 31 Dec		Increase/ (Decrease)	
	2022	2021		
	\$'000	\$'000	\$'000	%
(a) Sales reported for first half year	53,594	45,065	8,529	18.9
(b) Operating profit after taxation before deducting non-controlling interests reported for the first half year	1,254	1,438	(184)	(12.8)
(c) Sales reported for second half year	64,052	44,970	19,082	42.4
(d) Operating (loss)/profit after taxation before deducting non-controlling interests reported for the second half year	(1,090)	2,797	(3,887)	(139.0)



5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

	The Group		The Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	30 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	25,970	51,030	1,461	3,513
Trade and other receivables	29,983	18,308	18,913	19,490
Other investments at amortised cost	2,005	-	-	-
	<u>57,958</u>	<u>69,338</u>	<u>20,374</u>	<u>23,003</u>
Financial liabilities				
Trade and other payables	43,147	36,004	2,855	2,942
Lease liabilities	7,674	6,403	-	-
Borrowings	29,037	34,020	3,450	4,050
	<u>79,858</u>	<u>76,427</u>	<u>6,305</u>	<u>6,992</u>

6. Profit before taxation

6.1 Significant items

Notes	The Group			The Group		
	Half Year ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2022	2021		2022	2021	
	\$'000	\$'000	%	\$'000	\$'000	%
Income						
Interest income - bank deposits	156	61	155.7	216	136	58.8
Interest income – other investments at amortised cost	22	-	n.m.	22	-	n.m.
Gain on disposal of property, plant and equipment (net)	25	84	(70.2)	44	74	(40.5)
Gain on disposal of right-of-use assets	-	-	n.m.	2	-	n.m.
Gain on lease modification	3	-	n.m.	3	-	n.m.
Government grants	274	1,815	(84.9)	1,830	3,946	(53.6)
Fair value gain on investment properties, net	2,249	4,371	(48.5)	2,249	4,371	(48.5)

Note:

- (a) Government grants included \$1.6 million arising from COVID-19 government relief measures such as Job Support Scheme and Wage Credit Scheme payouts, COVID-Safe firm-based and project-based support, Co-Sharing of Prolongation Costs due to COVID-19, rental waiver and foreign worker levy rebate.



Notes	The Group			The Group		
	Half Year ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2022	2021		2022	2021	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Expenses</u>						
Non-audit fee paid to the auditors of the Company	15	15	-	28	28	-
Amortisation of intangible assets	5	5	-	10	10	-
Depreciation of property, plant and equipment	215	226	(4.9)	429	456	(5.9)
Depreciation of right-of-use assets	5	5	-	11	11	-
Directors' remuneration						
- Directors of the Company	1,179	1,203	(2.0)	2,374	2,505	(5.2)
- Other directors	183	181	1.1	368	362	1.7
Directors' fees	90	90	-	180	180	-
Interest paid and payable						
- Bank borrowings	604	298	102.7	937	547	71.3
- Lease liabilities	104	75	38.7	192	149	28.9
- Notional interest on loan	217	240	(9.6)	440	442	(0.5)
Employee compensation	1,737	1,926	(9.8)	3,305	3,745	(11.7)
Loss on foreign exchange	400	960	(58.3)	1,114	1,040	7.1
Impairment loss on other receivables	500	-	n.m.	500	-	n.m.
<u>Included in the cost of sales are the following: -</u>						
Depreciation of property, plant and equipment	758	903	(16.1)	1,486	1,746	(14.9)
Depreciation of right-of-use assets	1,507	1,084	39.0	2,703	2,065	30.9
Amortisation of intangible assets	4	8	(50.0)	9	16	(43.8)
Employee compensation	15,721	14,478	8.6	31,347	28,452	10.2

n.m. - not meaningful

Note:

(b) Loss on foreign exchange mainly arose from the revaluation of assets denominated in Australian dollar to Singapore dollar.

6.2 Related party transactions

There are no related party transactions apart from those disclosed elsewhere in the financial statements.



7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of profit or loss are:

The Group		The Group	
Half Year ended 31 Dec		Financial Year ended 31 Dec	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial year:

Current income tax

- Singapore

- Foreign

(13)	(22)	21	-
244	375	543	791
231	353	564	791

Deferred income tax

- Singapore

- Foreign

(104)	(276)	70	(241)
(55)	(303)	(45)	(303)
(159)	(579)	25	(544)

- Over provision in prior financial years:

Current income tax

- Singapore

-	(34)	-	(34)
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Deferred income tax

- Singapore

(214)	-	(214)	-
(142)	(260)	375	213

8. Dividends

Group and Company	
Financial Year ended 31 Dec	
2022	2021
\$'000	\$'000

Ordinary dividends paid

Final one-tier tax exempt dividend paid in respect of the previous financial year of \$0.007 (2021: \$0.007) per share

2,149	2,149
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9. Trade and other receivables

	The Group		The Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	12,827	3,277	-	-
- Subsidiary corporations	-	-	6,433	8,191
- Joint venture	-	405	-	-
	12,827	3,682	6,433	8,191
Retentions	154	266	-	-
Non-trade receivables				
- Subsidiary corporations	-	-	11,967	11,971
- Associated companies	9	9	-	-
- Joint ventures	36	36	-	-
- Non-related parties	901	494	-	6
	952	539	11,967	11,977
Less: Impairment loss on receivables	-	-	(688)	(688)
Non-trade receivables - net	952	539	11,279	11,289
Government grant receivable	-	128	-	-
Advance to suppliers/sub-contractors	6	150	-	-
Deposits	2,566	1,918	12	10
Prepayments	1,437	1,340	65	59
	17,936	8,023	17,789	19,549

The non-trade amounts due from subsidiary corporations, associated companies and joint ventures are unsecured, interest-free and repayable on demand.

The advance to suppliers/sub-contractors relates to a portion of advance payments received from government agencies which have been passed down to the suppliers/sub-contractors engaged by the Group.

Government grant receivable relates to Foreign Worker Levy rebate.



10. Contract assets and liabilities

The Group	
31 Dec 2022	31 Dec 2021
\$'000	\$'000

Contract assets

Construction contracts due from customers

23,979	15,584
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Contract assets balance increased due to higher unbilled amounts expected to be collected from customers following the increase in revenue.

11. Investments in subsidiary corporations

The Company	
31 Dec 2022	31 Dec 2021
\$'000	\$'000

Equity investments at cost

Beginning and end of financial year

19,219	17,632
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Impairment loss

Beginning and end of financial year

-	(110)
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Loan to a subsidiary corporation

Beginning and end of financial year

315	1,697
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19,534	19,219
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Name of subsidiary corporations	Principal activities	Country of incorporation/ registration	Equity holding held by the Group	
			31 Dec 2022	31 Dec 2021
<u>Held by the Company</u>				
Or Kim Peow Contractors (Private) Limited ^(@)	Business of road and building construction and maintenance	Singapore	100%	100%
Eng Lam Contractors Co (Pte) Ltd ^(@)	Business of road construction and maintenance	Singapore	100%	100%
OKP Technical Management Pte Ltd ^{(@)(*)}	Provision of technical management and consultancy services	Singapore	100%	100%
OKP Investments (Singapore) Pte Ltd ^{(@)(*)}	Investment holding	Singapore	100%	100%
OKP (Oil & Gas) Infrastructure Pte Ltd ^{(@)(*)}	Business of carrying out civil engineering projects in respect of oil, petrochemical and gas related businesses in Singapore	Singapore	100%	100%
United Pavement Specialists Pte Ltd ^{(@)(*)}	Provision of rental services and investment holding	Singapore	100%	100%
OKP Land Pte Ltd ^(@)	Investment holding and property development	Singapore	100%	100%
OKP Transport & Trading Pte Ltd ^{(@)(*)}	Provision of transport and logistics services	Singapore	100%	100%
<u>Held by Or Kim Peow Contractors (Private) Limited and Eng Lam Contractors Co (Pte) Ltd</u>				
<u>Unincorporated joint venture</u>				
EL-OKP JV ^(^)	Business of general construction	Singapore	100%	100%
<u>Held by OKP Land Pte Ltd</u>				
Raffles Prestige Capital Pte Ltd ^(@)	Investment holding	Singapore	51%	51%
<u>Held by Raffles Prestige Capital Pte Ltd</u>				
Bennett WA Investment Pty Ltd ^(#)	Property investment	Australia	51%	51%

(@) Audited by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation).

(#) Audited by Nexia Perth Services Pty Ltd.

(*) Dormant company.

(^) Registered on 23 August 2021 and not required to be audited under the laws of relevant jurisdiction.



12. Investments in joint ventures

The Group	
31 Dec 2022	31 Dec 2021
\$'000	\$'000

Interests in joint ventures

Beginning of financial year	32	35
Share of profit/(loss) of joint ventures	20	(3)
Capital reduction in a joint venture	7	-
End of financial year	45	32

Details of the joint ventures are as follows:

Name of joint ventures	Principal activities	Country of incorporation	Percentage of ownership interest	
			31 Dec 2022	31 Dec 2021

Held by subsidiary corporations

Incorporated joint ventures

Lakehomes Pte Ltd ^{(^)(1)}	Property development	Singapore	10%	10%
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Unincorporated joint ventures

Chye Joo – Or Kim Peow JV ^{(*)(2)}	Business of general construction	Singapore	50%	50%
Eng Lam – United E&P JV ^{(&)(3)}	Business of general construction	Singapore	55%	55%

([^]) Audited by Ernst & Young LLP.

(^{*}) Registered on 4 May 2015 and not required to be audited under the laws of relevant jurisdiction.

([&]) Registered on 9 April 2019 and not required to be audited under the laws of relevant jurisdiction.

(1) On 15 August 2013, a joint venture company, Lakehomes Pte Ltd (“LH”) was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKP Land Pte Ltd (“OKPL”), a wholly-owned subsidiary corporation, has a 10% equity interest at a cost of \$100,000 in LH. The principal activity of LH is to develop a land parcel at Yuan Ching Road/Tao Ching Road into an executive condominium. On 13 September 2013, OKPL entered into a joint venture agreement with BBR Development Pte Ltd, Evia Real Estate (5) Pte Ltd, CNH Investment Pte Ltd and Ho Lee Group Pte Ltd for the aforesaid executive condominium development.

On 20 November 2020, LH undertook a capital reduction pursuant to which the share capital of LH was reduced from \$1,000,000 consisting of 1,000,000 ordinary shares to \$100 consisting of 100 ordinary shares, by way of cancellation of 999,900 issued and fully paid ordinary shares and returning a total sum of \$999,900 to its shareholders.

(2) On 4 May 2015, a joint venture partnership, Chye Joo - Or Kim Peow JV (CJ-OKP JV) was registered to execute the improvement to Bukit Timah First Diversion Canal Contract 3 (Holland Green to Clementi Road) awarded by the Public Utilities Board.

CJ-OKP JV has been deregistered on 3 February 2023.

(3) On 9 April 2019, a joint venture partnership, Eng Lam - United E&P JV was registered to execute two contracts awarded by a government agency.

The Group has joint control over these joint ventures as under the contractual agreements, unanimous consent is required from all parties to the arrangements for all relevant activities.

The Group’s joint arrangements are structured as private limited companies and partnerships such that the Group and the parties to the agreements have the respective rights to the net assets of the private limited companies and partnerships under the arrangements. Therefore, these arrangements are classified as joint ventures.



The following amounts represent the summarised unaudited financial information of the joint ventures:

The Group		
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Assets		
- Current assets	4,787	2,206
Liabilities		
- Current liabilities	(4,496)	(1,972)
Net assets	<u>231</u>	<u>234</u>
Revenue	18,172	11,736
Expenses	<u>(18,160)</u>	<u>(11,874)</u>
Profit/(loss) before income tax	12	(138)
Income tax expense	-	-
Net profit/(loss)	<u>12</u>	<u>(138)</u>

The information above reflects the amounts included in the unaudited financial statements of the joint ventures, adjusted for differences in accounting policies between the Group and the joint ventures, if any.



13. Investments in associated companies

The Group	
31 Dec 2022	31 Dec 2021
\$'000	\$'000

Interests in associated companies

Beginning of financial year	915	411
Notional fair value of loan (net)	(90)	149
Share of profit of associated companies	695	355
End of financial year	1,520	915

Name of associated companies	Principal activities	Country of incorporation	Equity holding	
			31 Dec 2022	31 Dec 2021

Held by subsidiary corporations

Chong Kuo Development Pte Ltd ^{(&)(1)}	Property development	Singapore	22.5%	22.5%
USB Holdings Pte Ltd ^{(#)(2)}	Investment holding and property development	Singapore	25%	25%

Held by USB Holdings Pte Ltd

United Singapore Builders Pte Ltd ^{(#)(3)}	General contractors	Singapore	100%	100%
USB (Phoenix) Pte Ltd ^{(#)(4)}	Property development	Singapore	100%	100%

(&) Audited by Ernst & Young LLP

(#) Audited by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation)

(1) On 20 February 2018, an associated company, Chong Kuo Development Pte Ltd ("ChongKuo") was incorporated in Singapore with a share capital of \$2,000,000 consisting of 2,000,000 ordinary shares. OKP Land Pte Ltd ("OKPL"), a wholly-owned subsidiary corporation, has a 22.5% equity interest at a cost of \$450,000 in ChongKuo. The principal activity of ChongKuo is to develop a residential condominium on the land parcel at Chong Kuo Road.

(2) On 29 March 2018, OKP Investments (Singapore) Pte Ltd ("OKPIS"), a wholly-owned subsidiary corporation, together with Ho Lee Group Pte Ltd, HSB Holdings Pte. Ltd. and B&D Investment and Property Pte. Ltd. incorporated USB Holdings Pte. Ltd. ("USBH"). The principal business activities of USBH are investment holding and property development.

(3) On 8 January 2014, Or Kim Peow Contractors (Private) Ltd ("OKPC"), a wholly-owned subsidiary corporation, entered into a shareholders' agreement with Chye Joo Construction Pte Ltd, Ho Lee Construction Pte Ltd, Hwa Seng Builder Pte Ltd, Swee Hong Limited and United Singapore Builders Pte Ltd ("USB") to tender for and, if successful, undertake Mass Rapid Transit projects, including the construction of related infrastructure such as stations, tunnels and depots. As at 31 December 2014, OKPC had a 20% equity interest at a cost of \$200,000 in USB.

On 3 June 2015, OKPC acquired another 5% of the issued share capital of USB by way of acquisition of 50,000 ordinary shares for \$1.00. Consequently, OKPC has a 25% equity interest at a cost of \$200,001 in USB. On 17 August 2015, OKPC was allotted and issued 500,000 new ordinary shares by the capitalisation of its advance to USB and hence, its shareholding in USB increased to 750,000 shares. The shareholding percentage remains unchanged at 25% of the total issued and paid-up capital in USB.

USB became a wholly-owned subsidiary corporation of USB Holdings Pte Ltd after a restructuring exercise which took place on 2 July 2018.

(4) On 23 August 2018, USBH incorporated a wholly-owned subsidiary corporation, USB (Phoenix) Pte. Ltd. ("USB Phoenix"). USB Phoenix has been incorporated with an issued and paid-up share capital of \$2, comprising 2 ordinary shares held by USBH. The principal business activity of USB Phoenix is to redevelop the property at 71-85 Phoenix Avenue, Phoenix Heights, Singapore.



The summarised unaudited financial information of the associated companies, not adjusted for the proportion of ownership interest held by the Group, is as follows:

The Group		
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Assets		
- Current assets	116,828	111,472
- Non-current assets	773	853
Liabilities		
- Current liabilities	(11,734)	(8,517)
- Non-current liabilities	(109,418)	(104,622)
Net assets	(3,551)	(814)
Revenue	79,306	56,357
Expenses	(83,738)	(61,611)
Loss before income tax	(4,432)	(5,254)
Income tax credit	-	-
Net loss	(4,432)	(5,254)

The Group has not recognised its share of loss of its associated company, USB Holdings Pte Ltd, amounting to \$1.9 million (2021: \$1.7 million) as the Group's cumulative share of losses exceeded its interest in this entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses with respect to this entity amounted to \$3.6 million (2021: \$1.7 million) as at 31 December 2022.

14. Investment properties

The Group's investment properties consist of both commercial and industrial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are leased to non-related parties under non-cancellable leases.

The Group		
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Beginning of financial year	78,487	52,107
Additions	-	24,403
Currency translation differences	(2,231)	(2,394)
Net fair value gain recognised in profit and loss	2,249	4,371
End of financial year	78,505	78,487



14.1 Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. The Group's policy is to revalue its investment properties on an annual basis. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between the Management and the independent valuer yearly.

The fair value of the Group's investment properties is determined based on significant other observable inputs and is categorised under Level 2 of the fair value measurement hierarchy. Level 2 fair value of the Group's property in Australia has been derived on a range of assumptions and estimates (including, amongst others, the rental and rental growth rates, discount rates and terminal capitalisation rates) used by the valuers. These estimates are based on local market conditions existing at the balance sheet date. Level 2 fair values of the Group's properties in Singapore have been derived using the Direct Market Comparison method based on the properties' highest and best use. Market prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation method is market price per square metre.

15. Other receivables (non-current)

	The Group		The Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Loans to associated companies				
- Chong Kuo Development Pte Ltd	4,410	4,410	-	-
- USB Holdings Pte Ltd	10,162	8,037	-	-
Less: Notional fair value of loan (net)	(582)	(672)	-	-
	13,990	11,775	-	-
Loan to a subsidiary corporation	-	-	1,500	-
Less: Notional fair value of loan (net)	-	-	(311)	-
	-	-	1,189	-
	13,990	11,775	1,189	-
Less: Impairment loss on other receivables	(500)	-	-	-
	13,490	11,775	1,189	-

The loans to associated companies and a subsidiary corporation are unsecured and interest-free advances for the purpose of operating and development activities in their respective fields. The loans are not expected to be repaid within the next 12 months.

16. Property, plant and equipment

During the financial year ended 31 December 2022, the Group acquired property, plant and equipment amounting to \$4.3 million (2021: \$3.0 million) and disposed of property, plant and equipment amounting to \$45,000 (2021: \$25,000).



17. Leases

(a) Amounts recognised in the statements of financial position

The Group	
31 Dec 2022	31 Dec 2021
\$'000	\$'000

Right-of-use assets

Office unit	94	174
Plant and machineries	10,635	9,899
Motor vehicles	1,208	1,311
Use of state land for worksites	1,600	539
	<u>13,537</u>	<u>11,923</u>

Lease liabilities

Current	2,951	2,087
Non-current	4,723	4,316
	<u>7,674</u>	<u>6,403</u>

(b) Amounts recognised in the statement of comprehensive income

The Group	
Half Year ended 31 Dec	
2022	2021
\$'000	\$'000

The Group	
Financial Year ended 31 Dec	
2022	2021
\$'000	\$'000

Depreciation of right-of-use assets

Office unit	48	40	88	80
Plant and machineries	769	642	1,490	1,218
Motor vehicles	148	139	292	287
Use of state land for worksites	547	268	844	491
	<u>1,512</u>	<u>1,089</u>	<u>2,714</u>	<u>2,076</u>

Interest expense (included in finance expenses)

	<u>104</u>	<u>75</u>	<u>192</u>	<u>149</u>
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18. Intangible assets

The Group		The Company	
31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
\$'000	\$'000	\$'000	\$'000

Composition:

Goodwill	1,688	1,688	-	-
Computer software licences	18	37	7	12
	<u>1,706</u>	<u>1,725</u>	<u>7</u>	<u>12</u>

(a) Goodwill

Cost/net book value

As at 30 June and as at 31 December	<u>1,688</u>	<u>1,688</u>	<u>-</u>	<u>-</u>
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This represents goodwill on acquisitions of subsidiary corporations which is the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

(b) Computer software licences

Cost

As at 30 June and as at 31 December	520	520	78	78
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Accumulated Amortisation

As at 30 June	493	470	69	64
Amortisation charge	9	13	2	2
As at 31 December	<u>502</u>	<u>483</u>	<u>71</u>	<u>66</u>

Net book value	<u>18</u>	<u>37</u>	<u>7</u>	<u>12</u>
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Computer software licences relate to fees paid to third parties in relation to the entitlement to use the computer software and are amortised over 5 years.

18.1 Goodwill impairment

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The recoverable amount of goodwill and where applicable, CGU, have been determined based on value-in-use calculations. The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in these value-in-use calculations were based on financial budgets approved by the Management covering a three-year period. Cash flows beyond the three-year period were extrapolated using the estimated growth rates stated below. The growth rates did not exceed the long-term average growth rate for the business in which the CGU operates.

Value-in-use was determined by discounting the future cash flows to be generated from the continuing use of the CGU. Value-in-use as at 31 December 2022 was determined in a similar manner to the 31 December 2021 goodwill impairment test, and was based on the following key assumptions:

- Gross margin of 3% - 9% (2021: 3% - 9%)
- Growth rate of 3% - 8% (2021: 3% - 8%)
- Discount rate of 7.2% (2021: 7.2%)

For goodwill attributable to construction segment and maintenance segment, the change in the estimated recoverable amount from any reasonably possible change in the key estimates does not materially cause the recoverable amount to be lower than its carrying amount.



19. Trade and other payables

	The Group		The Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Trade payables				
- Non-related parties	19,333	12,811	82	67
Non-trade payables				
- Subsidiary corporations	-	-	1,955	1,955
- Non-controlling interests	674	600	-	-
- Non-related parties	429	473	-	-
	1,103	1,073	1,955	1,955
Accrued operating expenses	7,643	6,846	818	920
	<u>28,079</u>	<u>20,730</u>	<u>2,855</u>	<u>2,942</u>
<u>Non-current</u>				
Non-trade payables				
- Loan from non-controlling interests	15,427	16,090	-	-
Less: Notional fair value of loan	(359)	(816)	-	-
	<u>15,068</u>	<u>15,274</u>	<u>-</u>	<u>-</u>

The current non-trade amounts due to subsidiary corporations and non-controlling interests are unsecured, interest-free and repayable on demand.

The non-current loan from non-controlling interests is unsecured and interest-free and for the purpose of funding the subsidiary corporation's operating and development activities. The loan is denominated in Singapore and Australian dollars and is not expected to be repaid within the next 12 months.



20. Bank borrowings

The Group		The Company	
31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
\$'000	\$'000	\$'000	\$'000

Current

Secured bank term loan ^(a)	730	784	-	-
Secured bank facilities ^(b)	12,150	13,150	3,450	4,050
	12,880	13,934	3,450	4,050

Non-current

Secured bank term loan ^(a)	16,157	20,086	-	-
	29,037	34,020	3,450	4,050

- (a) The secured bank term loan is mainly secured by:
- First legal mortgage over an investment property of the Group;
 - Certain bank deposit;
 - Charge over the Group's shares in a subsidiary corporation; and
 - Corporate guarantee of the Company.

The secured bank term loan is denominated in Australian and Singapore dollars. It bears interest at 1.8% per annum above the bank's cost of fund and 1.08% per annum above SORA, respectively.

- (b) The secured bank facilities are mainly secured by:
- First legal mortgage over the freehold properties of the Group; and
 - Corporate guarantee of one of the Group's subsidiary corporations.

The secured bank facilities are denominated in Singapore dollar. It bears interest at 1.2% per annum above the bank's cost of fund and is repayable on demand.

21. Share capital and treasury shares

Number of ordinary shares		Amount	
Issued share capital	Treasury shares	Share capital	Treasury shares
'000	'000	\$'000	\$'000

Group and Company

31 Dec 2022

Beginning and end of financial year	308,431	(1,469)	36,832	(235)
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31 Dec 2021

Beginning and end of financial year	308,431	(1,469)	36,832	(235)
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The Company's subsidiary corporations do not hold any shares in the Company as at 31 December 2022 and 31 December 2021.



22. Other reserves

The Group	
31 Dec 2022	31 Dec 2021
\$'000	\$'000

(a) Composition:

Asset revaluation reserve	1,372	1,372
Currency translation reserve	179	(38)
Capital reserve	2,108	2,108
	<u>3,659</u>	<u>3,442</u>

(b) Movements

Asset revaluation reserve

Beginning and end of financial year	<u>1,372</u>	<u>1,372</u>
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Currency translation reserve

Beginning of financial year	(38)	166
Currency translation differences arising from consolidation	425	(400)
Less: Non-controlling interests	(208)	196
	<u>217</u>	<u>(204)</u>
End of financial year	<u>179</u>	<u>(38)</u>

Capital reserve

Beginning of financial year	2,108	1,706
Fair value adjustment on interest-free loan	-	402
End of financial year	<u>2,108</u>	<u>2,108</u>

Other reserves are non-distributable.



Other information required by Listing Manual Appendix 7.2

1(b)(ii) Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 31 Dec 2022			As at 31 Dec 2021		
	\$'000	\$'000		\$'000	\$'000
	Secured	Unsecured		Secured	Unsecured
Lease liabilities	2,951	-	Lease liabilities	2,087	-
Bank borrowings	12,880	-	Bank borrowings	13,934	-
Total	15,831	-	Total	16,021	-

(b) Amount repayable after one year

As at 31 Dec 2022			As at 31 Dec 2021		
	\$'000	\$'000		\$'000	\$'000
	Secured	Unsecured		Secured	Unsecured
Lease liabilities	4,723	-	Lease liabilities	4,316	-
Bank borrowings	16,157	-	Bank borrowings	20,086	-
Total	20,880	-	Total	24,402	-

I Details of any collateral

The above secured borrowings of the Group relate to:

- (1) lease liabilities of \$7.7 million secured by corporate guarantees of the Company and charges over the property, plant and equipment under the leases; and
- (2) bank borrowings of \$29.0 million secured by first legal mortgage over an investment property and freehold properties of the Group, pledge of certain bank deposits, charge over the Group's shares in a subsidiary corporation, and corporate guarantees of the Company and one of the Group's subsidiary corporations.



1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There have been no changes in the issued share capital of the Company since 30 June 2022.

No shares were bought back by the Company during the second half year ended 31 December 2022 under the Share Buy Back Mandate which was approved by the Shareholders.

There were a total of 1,469,100 treasury shares held by the Company, representing 0.48% of the total number of issued shares of the Company as at 31 December 2022 (31 December 2021: 1,469,100 treasury shares, 0.48%).

There were no outstanding convertibles issued by the Company and no subsidiary holdings as at 31 December 2022 and 31 December 2021.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	31 Dec 2022	31 Dec 2021
Total number of issued shares (excluding treasury shares)	306,961,494	306,961,494

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on

There was no sale, transfer, disposal, cancellation and/or use of treasury shares during 2H2022.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed.



3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements as at 31 December 2021.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The following are the other new or amended Standards and Interpretations that should be disclosed in the Basis of preparation note if the change in accounting policy had a material effect on the current or prior periods, or may have a material effect on future periods:

Effective for annual periods beginning on or after 1 January 2022:

- Amendments to: SFRS(I) 16 Leases (Covid-19 Related Rent Concessions beyond 30 June 2021)
- Amendments to SFRS(I) 3 Business Combinations (Reference to the Conceptual Framework)
- Amendments to SFRS(I) 1-16 Property, Plant and Equipment (Proceeds before Intended Use)
- Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)
- Annual improvement to SFRS(I)s 2018-2020

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.



6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Basic/diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	The Group		
	Financial Year ended 31 Dec		Increase/ (Decrease) %
	2022	2021	
Net (loss)/profit attributable to equity holders of the Company (\$'000)	(1,019)	1,515	(167.3)
Weighted average number of ordinary shares in issue	307,467,992	307,467,992	-
Basic (loss)/earnings per share (cents per share)	(0.33)	0.49	(167.3)
Diluted (loss)/earnings per share (cents per share)	(0.33)	0.49	(167.3)

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares, of the issuer at the end of the
(a) current period reported on and
(b) immediately preceding financial year**

	The Group		The Company		Increase/ (Decrease) %	
	As at 31 Dec 2022	As at 31 Dec 2021	As at 31 Dec 2022	As at 31 Dec 2021	The Group	The Company
Net tangible assets (\$'000)	122,006	123,547	46,565	48,299	(1.2)	(3.6)
Number of shares (excluding treasury shares)	306,961,494	306,961,494	306,961,494	306,961,494	-	-
NTA per share (cents)	39.75	40.25	15.17	15.73	(1.2)	(3.6)



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Our Business

OKP Holdings Limited is a home-grown infrastructure and civil engineering company in the region. It specialises in the construction of urban and arterial roads, expressways, vehicular bridges, flyovers, airport infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals as well as the maintenance of roads and roads-related facilities and building construction-related works. We tender for both public and private civil engineering and infrastructure construction projects. We have expanded our core business to include property development and investment.

We have three business segments: Construction, Maintenance and Rental income from investment properties.

Income Statement Review (Current Financial Year ended 31 December 2022 vs Previous Financial Year ended 31 December 2021)

	The Group					
	Financial Year ended 31 Dec				Increase/ (Decrease)	
	2022		2021			
	\$'000	%	\$'000	%	\$'000	%
Construction	81,920	69.7	56,560	62.8	25,360	44.8
Maintenance	29,456	25.0	26,405	29.3	3,051	11.6
Rental income	6,270	5.3	7,070	7.9	(800)	(11.3)
Total Revenue	117,646	100.0	90,035	100.0	27,611	30.7

Revenue

Our Group reported a 30.7% or \$27.6 million increase in revenue to \$117.6 million during the financial year ended 31 December 2022 ("FY2022") as compared to \$90.0 million during the financial year ended 31 December 2021 ("FY2021"). The increase was due mainly to a 44.8% increase in revenue from the construction segment to \$81.9 million and a 11.6% increase in revenue from the maintenance segment to \$29.5 million, partially offset by a 11.3% decrease in rental income.

The increase in revenue from both the construction and maintenance segments was due mainly to the temporary cessation of construction activities in compliance with the government's COVID-19 measures in FY2021 coupled with the higher percentage of revenue recognised from a number of existing and newly awarded construction and maintenance projects during FY2022.



The decrease in rental income generated from investment properties was mainly due to the loss from foreign exchange translation arising from the rental income generated from the property at 6-8 Bennett Street, East Perth, Western Australia due to the revaluation of Australian dollar to Singapore dollar.

Both the construction and maintenance segments are the major contributors to our Group's revenue. On a segmental basis, construction, maintenance and rental income accounted for 69.7% (FY2021: 62.8%), 25.0% (FY2021: 29.3%) and 5.3% (FY2021: 7.9%) respectively of our Group's revenue for FY2022.

Cost of sales

	The Group			
	Financial Year ended 31 Dec		Increase/ (Decrease)	
	2022	2021		
	\$'000	\$'000	\$'000	%
Construction	104,486	80,911	23,575	29.1
Maintenance				
Rental income	2,342	2,330	12	0.5
Total cost of sales	106,828	83,241	23,587	28.3

Our cost of sales increased by 28.3% or \$23.6 million from \$83.2 million for FY2021 to \$106.8 million for FY2022. The increase in cost of sales was due mainly to:

- (a) an increase in sub-contracting costs which were mainly costs incurred for premix works, signages, asphalt works, mechanical and electrical works, soil-testing, landscaping and metalworks which are usually sub-contracted to external parties;
- (b) an increase in the cost of construction materials due to higher utilisation of materials and increase in prices of construction materials;
- (c) an increase in labour costs which was due to the increase in headcount coupled with salary adjustments; and
- (d) an increase in overheads such as upkeep of machineries, worksite expenses and hiring costs related to the rental of additional heavy equipment and machineries to support existing projects,

during FY2022.



Gross profit and gross profit margin

	The Group					
	Financial Year ended 31 Dec				Increase/ (Decrease)	
	2022		2021			
	\$'000	Gross Profit Margin	\$'000	Gross Profit Margin	\$'000	%
Construction	6,890	6.2%	2,054	2.5%	4,836	235.4
Maintenance						
Rental income	3,928	62.6%	4,740	67.0%	(812)	(17.1)
Total gross profit	10,818	9.2%	6,794	7.5%	4,024	59.2

Our gross profit for FY2022 increased by 59.2% or \$4.0 million from \$6.8 million for FY2021 to \$10.8 million for FY2022.

The rental income segment demonstrated a decrease in contribution to gross profit of \$0.8 million, from \$4.7 million for FY2021 to \$3.9 million for FY2022. However, there is an increase of \$4.8 million in the gross profit of the construction and maintenance segments, from \$2.1 million in FY2021 to \$6.8 million in FY2022.

Our gross profit margin for the construction and maintenance segments increased from 2.5% for FY2021 to 6.2% for FY2022. The improvement in the gross profit margin was mainly attributed to the Group's ongoing initiatives to improve cost management, despite the higher material costs and rising manpower costs.

Other gains, net

Other gains decreased by \$4.7 million or 61.6% from \$7.7 million for FY2021 to \$3.0 million for FY2022. The decrease was due mainly to:

- (a) a decrease in receipt of payouts and rebates from the government by \$2.1 million which aimed to provide wage support to employers, as part of the support measures for built environment firms affected by COVID-19;
 - (b) a decrease in fair value gain of \$2.1 million arising from the revaluation of some of the investment properties; and
 - (c) an increase of \$0.5 million in impairment loss on other receivables,
- during FY2022.



Administrative expenses

Administrative expenses increased by \$3.1 million or 33.3% from \$9.3 million for FY2021 to \$12.4 million for FY2022. The increase was largely due to a one-off increase of \$3.6 million in legal fees incurred for arbitration proceedings during FY2022, which was partially offset by a decrease of \$0.5 million in salary costs in FY2022.

Finance expenses

Finance expenses increased by \$0.4 million or 37.9%, from \$1.1 million for FY2021 to \$1.6 million for FY2022. The increase was due mainly to higher borrowing costs arising from the increase in interest rate during FY2022.

Share of results of associated companies and joint ventures

The Group	
Financial Year ended 31 Dec	
2022	2021
\$'000	\$'000

Share of profit/(loss) of joint ventures	20	(3)
Share of profit of associated companies	695	355
	<u>715</u>	<u>352</u>

The share of results of associated companies and joint ventures increased by \$0.3 million or 103.1% from \$0.4 million for FY2021 to \$0.7 million for FY2022. The increase was due mainly to the share of profit from the Group's joint venture, Eng Lam – United E&P JV, and 22.5%-held associated company, Chong Kuo Development Pte Ltd, during FY2022.

Profit before income tax

Profit before income tax decreased by \$3.9 million from \$4.4 million for FY2021 to \$0.5 million for FY2022. The decrease was due mainly to (1) the decrease in other gains of \$4.2 million, (2) the increase of \$3.1 million in administrative expenses, and (3) the increase in finance expenses of \$0.4 million, which were partially offset by (1) the increase in gross profit of \$3.5 million and (2) the increase in share of profit of \$0.3 million, as explained above.

Income tax expense

Income tax expense increased by \$0.2 million or 76.1% from \$0.2 million in FY2021 to \$0.4 million in FY2022 due mainly to initial recognition of deferred tax assets arising from Australian subsidiary corporation in FY2021.

The effective tax rates for FY2022 and FY2021 were 69.6% and 4.8% respectively.

The effective tax rate for FY2022 was higher than the statutory tax rate of 17.0% due mainly to (1) the relatively higher corporate tax rate of our Australian subsidiary corporation, (2) certain non-deductible items added back for tax purposes and (3) recognition of deferred tax liabilities in one of the subsidiary corporations.



Non-controlling interests

Non-controlling interests of \$1.2 million was due to the share of profit of our subsidiary corporation, Raffles Prestige Capital Pte Ltd, in FY2022.

Net profit

Overall, net profit decreased by \$4.1 million or 96.1%, from \$4.2 million for FY2021 to \$0.2 million for FY2022, following the decrease in profit before income tax and the increase in income tax expense, as explained above.

Our net profit margin decreased from 4.7% for FY2021 to 0.1% for FY2022.

Review of income statements for the Half Year ended 31 December 2022

	The Group					
	Half Year ended 31 Dec				Increase/ (Decrease)	
	2022		2021			
	\$'000	%	\$'000	%	\$'000	%
Construction	44,604	69.6	26,605	59.2	17,999	67.7
Maintenance	16,430	25.7	14,689	32.6	1,741	11.9
Rental income	3,018	4.7	3,676	8.2	(658)	(17.9)
Total Revenue	64,052	100.0	44,970	100.0	19,082	42.4

Revenue

Our Group reported a 42.4% or \$19.1 million increase in revenue to \$64.1 million during the second half year ended 31 December 2022 ("2H2022") as compared to \$45.0 million during the second half year ended 31 December 2021 ("2H2021"). The increase was due mainly to a 67.7% increase in revenue from the construction segment to \$44.6 million and a 11.9% increase in revenue from the maintenance segment to \$16.4 million, which were partially offset by a 17.9% decrease in rental income.

The increase in revenue from both the construction and maintenance segments was due mainly to the higher percentage of revenue recognised from a number of existing and newly awarded construction projects during 2H2022.

The decrease in rental income generated from investment properties was due mainly to foreign exchange loss in translation of rental income generated from the property at 6-8 Bennett Street, East Perth, Western Australia from Australian dollar to Singapore dollar.

Both the construction and maintenance segments are the major contributors to our Group's revenue. On a segmental basis, construction, maintenance and rental income accounted for 69.6% (2H2021: 59.2%), 25.7% (2H2021: 32.7%) and 4.7% (2H2021: 8.2%) respectively of our Group's revenue for 2H2022.



Cost of sales

	The Group			
	Half Year ended 31 Dec		Increase/ (Decrease)	
	2022	2021		
	\$'000	\$'000	\$'000	%
Construction	57,111	41,436	15,675	37.8
Maintenance				
Rental income	1,110	1,216	(105)	(8.6)
Total cost of sales	58,221	42,652	15,569	36.5

Our cost of sales increased by 36.5% or \$16.1 million from \$42.6 million for 2H2021 to \$58.2 million for 2H2022. The increase in cost of sales was due mainly to:

- (a) an increase in sub-contracting costs which were mainly costs incurred for premix works, signages, mechanical and electrical works, soil-testing, landscaping and metalworks which are usually sub-contracted to external parties;
- (b) an increase in the cost of construction materials due to higher utilisation of materials and increase in prices of construction materials;
- (c) an increase in labour costs due to mainly to the increase in headcount and higher bonus accrual in 2H2022; and
- (d) an increase in overheads such as upkeep of machineries, worksite expenses and hiring costs related to the rental of additional heavy equipment and machineries to support existing projects,

during 2H2022.



Gross profit and gross profit margin

	The Group					
	Half Year ended 31 Dec				Increase/ (Decrease)	
	2022		2021			
	\$'000	Gross Profit Margin	\$'000	Gross Profit Margin	\$'000	%
Construction	3,923	6.4%	(142)	(0.3%)	4,065	2,862.7
Maintenance						
Rental income	1,908	63.2%	2,460	66.9%	(552)	(22.5)
Total gross profit	5,831	9.1%	2,318	5.2%	3,513	151.6

Overall, our gross profit for 2H2022 increased by 151.6% or \$3.5 million from \$2.3 million for 2H2021 to \$5.8 million for 2H2022.

The contribution from the rental income segment to gross profit decreased from \$2.5 million for 2H2021 to \$1.9 million for 2H2022, whereas there is an increase of \$4.0 million from the construction and maintenance segments, from a gross loss of \$0.1 million in 2H2021 to a gross profit of \$3.9 million in 2H2022.

Our gross loss margin for the construction and maintenance segments was 0.3% for 2H2021 and our gross profit margin for the construction and maintenance segments was 6.4% for 2H2022. The improvement in the gross profit margin was mainly attributed to the Group's ongoing initiatives to improve cost management, despite the higher material costs and rising manpower costs.

Other gains, net

Other gains decreased by \$3.5 million or 64.0% from \$5.5 million for 2H2021 to \$2.0 million for 2H2022. The decrease was due mainly to:

- (a) a decrease in receipt of payouts and rebates from the government by \$1.5 million which aimed to provide wage support to employers, as part of the support measures for built environment firms affected by COVID-19;
- (b) a decrease in fair value gain of \$2.1 million arising from the revaluation of some of the investment properties; and
- (c) an increase of \$0.5 million in impairment loss on other receivables,

which were partially offset by:

- (d) an increase of \$0.1 million in interest received from bank deposits;
- (e) an increase in the loss on foreign exchange of \$0.6 million arising from the revaluation of assets and liabilities denominated in Australian dollar to Singapore dollar; and
- (f) an increase in gain on disposal of property, plant and equipment of \$0.1 million,

during 2H2022.



Administrative expenses

Administrative expenses increased by \$3.8 million or 79.0% from \$4.8 million for 2H2021 to \$8.5 million for 2H2022. The increase was largely due to a one-off increase of \$3.8 million in legal fees incurred for arbitration proceedings during 2H2022.

Finance expenses

Finance expenses increased by \$0.3 million or 50.9% from \$0.1 million for 2H2021 to \$0.4 million for 2H2022. The increase was due mainly to higher borrowing costs arising from the increase in interest rate during FY2022.

Share of results of associated companies and joint ventures

The Group	
Half Year ended 31 Dec	
2022	2021
\$'000	\$'000
Share of (loss)/profit of joint ventures	(4) 7
Share of profit of associated companies	423 121
	<hr/>
	419 128

The share of results of associated companies and joint ventures increased by \$0.3 million or 227.3% from \$0.1 million for 2H2021 to \$0.4 million for 2H2022. The increase was due mainly to the share of profits from the Group's 22.5%-held associated company, Chong Kuo Development Pte Ltd, and the share of profit from the Group's 55%-owned joint venture company, Eng Lam – United E&P JV, during 2H2022.

Profit before income tax

Profit before income tax decreased by \$3.8 million or 148.6% from \$2.5 million for 2H2021 to a loss of \$1.2 million for 2H2022. The decrease was due mainly to (1) the increase in administrative expenses of \$3.8 million, (2) the decrease in other gains of \$3.0 million, and (3) the increase in finance expenses of \$0.3 million, which were partially offset by (1) the increase in gross profit of \$3.0 million, and (2) the increase in share of results of associated companies and joint ventures of \$0.3 million, as explained above.

Income tax expense

Income tax credit decreased by \$0.1 million or 45.4% from \$0.2 million in 2H2021 to \$0.1 million in 2H2022 due mainly to recognition of deferred tax assets arising from one of our subsidiary corporations.

Tax credit for 2H2022 arose from deductible temporary differences due to the movements in fair value and the carrying value of assets and value of assets for tax purposes, in particular that arising from one of the Singapore subsidiary corporations, which was partially offset by a provision for current tax made for 2H2022 for our Australian subsidiary corporation.



Non-controlling interests

Non-controlling interests of \$1.1 million was due to the share of profit of our subsidiary corporation, Raffles Prestige Capital Pte Ltd, in 2H2022.

Net (loss)/profit

Overall, net profit decreased by \$3.9 million or 139.0%, from \$2.8 million for 2H2021 to net loss of \$1.1 million for 2H2022, following the decrease in profit before income tax of \$3.8 million, partially offset by the decrease in income tax expense of \$0.1 million, as explained above.

Our net profit margin decreased from 6.2% for 2H2021 to a net loss margin of 1.7% for 2H2022.

Review of the financial position for the Financial Year ended 31 December 2022

(i) Current assets

Current assets decreased by \$6.8 million, from \$76.3 million as at 31 December 2021 to \$69.5 million as at 31 December 2022. The decrease was due mainly to:

- (a) a decrease in cash and cash equivalents of \$25.0 million, due mainly to the cash used in operating activities of \$6.6 million, cash used in investing activities of \$9.7 million, cash used in financing activities of \$8.6 million and currency translation loss of \$0.1 million; and
- (b) a decrease of \$0.1 million in inventories, due to the utilisation of materials for existing construction and maintenance projects,

which were partially offset by:

- (c) an increase in contract assets of \$8.4 million, due mainly to an increase in construction contract due from customers arising from higher unbilled amounts expected to be collected from customers following the higher revenue recognised; and
- (d) an increase in trade and other receivables of \$9.9 million, due mainly to an increase in trade and non-trade receivables of \$10.0 million from non-related parties and an increase of \$0.6 million arising from deposits paid for the purchase of property, plant and equipment, offset by the settlement of billings of \$0.4 million from a joint venture, receipt of government grant receivable of \$0.1 million and recovery of advances to supplier of \$0.2 million,

during FY2022.

(ii) Non-current assets

Non-current assets increased by \$8.6 million, from \$126.8 million as at 31 December 2021 to \$135.4 million as at 31 December 2022. The increase was due mainly to:

- (a) an increase in investments in associated companies of \$0.6 million arising from the share of profit of an associated company of \$0.7 million and a notional fair value adjustment arising from the extension of loan repayment period for loans extended to an associated company of \$0.1 million;
- (b) an increase in other receivables of \$1.7 million, due to an advance extended to an associated company, USB Holdings Pte Ltd, of \$2.1 million and a notional fair value adjustment of \$0.1 million, which was partially offset by the impairment loss of \$0.5 million;



- (c) an increase in the other investments at amortised cost arising from the investment in structured deposit of \$2.0 million;
- (d) an increase in property, plant and equipment of \$2.3 million resulting mainly from the purchase of new property, plant and equipment, which was partially offset by disposal and depreciation of property, plant and equipment;
- (e) an increase in right-of-use assets of \$1.6 million resulting from the addition of new plant and equipment acquired to support the new and existing projects, which was partially offset by disposal and depreciation; and
- (f) an increase in deferred income tax assets of \$0.4 million arising from the recognition of deferred income tax assets in one of the subsidiary corporations,

during FY2022.

(iii) Current liabilities

Current liabilities increased by \$6.9 million, from \$37.3 million as at 31 December 2021 to \$44.2 million as at 31 December 2022. The increase was due mainly to:

- (a) an increase in trade and other payables of \$7.3 million arising from (1) an increase in trade payables of \$6.5 million, and (2) higher accrued operating expenses related to project costs of \$0.8 million; and
- (b) an increase in lease liabilities of \$0.9 million arising from the purchase of plant and machineries and use of state land, offset by the repayment of lease liabilities,

which were partially offset by:

- (c) a decrease in bank borrowings of \$1.0 million due to repayment of existing borrowings; and
- (d) a decrease in current income tax liabilities of \$0.3 million due to lower tax provision,

during FY2022.

(iv) Non-current liabilities

Non-current liabilities decreased by \$3.5 million, from \$40.5 million as at 31 December 2021 to \$37.0 million as at 31 December 2022. The decrease was due mainly to (1) a decrease in other payables of \$0.2 million arising from translation gain from amount due to a non-controlling shareholder, which is denominated in AUD and (2) repayment of bank borrowings of \$3.9 million, which were partially offset by (1) an increase in lease liabilities of \$0.4 million arising from the purchase of plant and machineries to support the existing projects offset by the repayment of lease liabilities, and (2) an increase in deferred income tax liabilities of \$0.2 million, during FY2022.



(v) Shareholders' equity

Shareholders' equity, comprising share capital, treasury shares, other reserves, retained profits and non-controlling interests, decreased by \$1.6 million, from \$125.3 million as at 31 December 2021 to \$123.7 million as at 31 December 2022. The increase was due mainly to:

- (a) non-controlling interests of \$1.4 million arising from the share of profit of Raffles Prestige Capital Pte Ltd; and
- (b) other comprehensive income arising from currency translation reserve of \$0.3 million,

which were partially offset by:

- (c) the losses from operations of \$1.0 million attributable to equity holders of the Company and non-controlling interests of \$0.2 million arising from share of other comprehensive loss of Raffles Prestige Capital Pte Ltd; and
- (d) the dividend payment to shareholders of \$2.1 million during FY2022.

Review of cash flows for the Financial Year ended 31 December 2022

Net cash used in operating activities

Our Group reported net cash used in operating activities of \$6.6 million in FY2022, an increase of \$0.6 million from net cash used in operating activities of \$6.0 million in FY2021. The increase was due mainly to:

- (a) a decrease in cash generated from operating activities before working capital changes of \$1.0 million,

which was partially offset by:

- (b) a decrease in net working capital outflow of \$0.2 million;
- (c) an increase in interest received of \$0.1 million; and
- (d) a decrease in income tax paid of \$0.1 million,

during FY2022.

Net cash used in investing activities

Net cash used in investing activities decreased by \$20.9 million from \$30.6 million in FY2021 to \$9.7 million in FY2022. The decrease was due mainly to:

- (a) a decrease in cash used in the purchase of investment properties of \$24.4 million, which was used for the purchase of investment properties in FY2021; and
- (b) a decrease in advance extended to an associated company of \$0.9 million,

which were partially offset by:

- (c) an increase in cash used in the purchase of property, plant and equipment of \$1.3 million;
- (d) an increase in cash used in purchase of right-of-use assets of \$1.1 million; and



(e) purchase of other investment at amortised cost of \$2.0 million, during FY2022.

Net cash (used in)/ provided by financing activities

Net cash provided by financing activities decreased by \$17.2 million, from net cash provided by financing activities of \$8.6 million in FY2021 to net cash used in financing activities of \$8.6 million in FY2022. The decrease was due mainly to:

- (a) a decrease in advance from a non-controlling shareholder of \$5.6 million;
- (b) a decrease in proceeds from bank borrowings of \$11.7 million; and
- (c) a decrease in repayment of lease liabilities of \$0.8 million,

which were partially offset by:

- (d) an increase in repayment of borrowings of \$0.4 million;
- (e) an increase in interest paid of \$0.4 million; and
- (f) an increase in bank deposit pledged of \$0.1 million,

during FY2022.

Overall, free cash and cash equivalents stood at \$20.8 million as at 31 December 2022, a decrease of \$25.0 million from \$45.8 million as at 31 December 2021. This works out to cash of 6.7 cents per share as at 31 December 2022 as compared to 14.9 cents per share as at 31 December 2021 (based on 306,961,494 issued shares).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no material deviation in the actual results for the second half ended 31 December 2022 from what was previously discussed under paragraph 10 of the Company's results announcement for the first half ended 30 June 2022.



10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Economic Outlook

Based on advance estimates released by the Ministry of Trade and Industry (“MTI”) on 3 January 2023, the Singapore economy grew 2.2% on a year-on-year basis in the fourth quarter of 2022, moderating from the 4.2% growth in the previous quarter. The economy grew by 3.8% in 2022, slower than the 7.6% growth in 2021.

Industry Outlook

According to MTI, the construction sector grew by 10.4% on a year-on-year basis in the fourth quarter of 2022, accelerating from the 7.8% growth in the previous quarter, as construction output from both public and private sectors continued to recover. While the value-add of the sector in absolute terms remained 19.3% below its pre-pandemic (i.e., 4Q2019) level, the Building and Construction Authority (“BCA”) expects Singapore’s construction demand to remain strong in 2023.

According to a projection by BCA released on 12 January 2023, total construction demand in 2023 is expected to range between \$27 billion and \$32 billion, while total construction demand in the medium term from 2024 to 2027 is expected to reach between \$25 billion and \$32 billion per year.

The public sector will continue to lead demand and is expected to contribute \$14 billion to \$18 billion per annum from 2024 to 2027, with building projects making up 60% of demand and the rest comprising civil engineering works. Besides public housing developments, public sector construction demand over the medium term will be supported by various major projects such as MRT projects including the Cross Island Line (Phases 2 & 3), Downtown Line Extension to Sungei Kadut and Brickland North South Line station, Toa Payoh Integrated Development and Woodlands Checkpoint redevelopment.

Meanwhile, private sector construction demand is projected to remain steady over the medium-term, reaching approximately \$11 billion to \$14 billion per annum from 2024 to 2027, in view of healthy investment commitments amid Singapore’s strong economic fundamentals.

For the private residential property segment, statistics released by the Urban Redevelopment Authority (“URA”) indicated that prices of private residential properties increased by 8.4% in 2022, compared with the 10.6% increase in 2021.

For the whole of 2022, developers launched 4,528 uncompleted private residential units for sale (excluding ECs), compared with 10,496 units in the previous year. Developers sold 7,099 private residential units in 2022, compared with 13,027 units sold in the previous year.

The latest round of property cooling measures was introduced in September 2022, including tighter loan-to-value limit and a longer wait-out period of 15 months for current and former owners of private residential property to buy a non-subsidised HDB resale flat. This has led to a drop in transaction volume and a moderation of price growth in both the private and housing board resale markets in the fourth quarter. On the back of higher construction costs, the Group expects the private residential market to remain challenging and will remain selective in replenishing its land bank.



Company Outlook and Order Book Update

In view of an increasingly challenging operating environment, driven by rising costs for manpower, electricity, and financing, the Group will continue to look at various opportunities and initiatives to drive sustainable growth. Construction material costs in Singapore have also begun to moderate from the spikes recorded in the first half of 2022. Backed by a strong track record and industry expertise, the Group will continue to leverage on its capabilities to secure contracts from both the public and private construction sectors.

The Group continues to be supported by a healthy pipeline of construction projects, securing two contracts worth approximately \$196.2 million from the Land Transport Authority (“LTA”), for commuter infrastructure enhancement works at new MRT stations at various locations island-wide, and for the maintenance of roads, road-related and commuter-related facilities along South East sector. As of the date of this announcement, the Group’s order book stood at \$454.1 million, with projects extending till 2026.

OKP will remain vigilant to navigate challenging market conditions and continue to ensure good cashflow management and remain prudent with its capital structure and finances. The Group will continue to raise its productivity through the application of technology in its business processes to reduce reliance on manpower and upskill its workforce.

Moving ahead, the Group remains focused on building its capabilities in the core civil engineering business. As a leading civil engineering contractor in Singapore, the Group will continue to ensure consistent execution and delivery of its projects.

The Singapore government has lifted most COVID-19 restrictions in 2022, removing limits on group sizes and need for safe distancing and lifted vaccination-differentiated measures, boosting post COVID-19 recovery for the construction sector. OKP seeks to continue strengthening its capabilities and continue to remain nimble and adaptable.

On the property development front, the Group’s joint venture residential project, The Essence, which was launched in March 2019, has been fully sold.

The Group’s residential project in Bukit Panjang, Phoenix Residences, which was launched in November 2020 and re-launched in July 2021, is expected to receive TOP in November 2023. As of the date of this announcement, all 74 units have been sold.

For its property investment business, the Group’s investment property at 6-8 Bennett Street in Perth, Australia continues to generate good recurring rental income.

As part of its efforts to grow its recurring income, the Group owns a portfolio of investment properties, including a freehold, three-storey shophouse at 35 Kreta Ayer Road as well as freehold, two-storey conservation shophouses at 69 and 71 Kampong Bahru Road, through its 51%-owned subsidiary, Raffles Prestige Capital Pte. Ltd. These properties continue to contribute positively towards the Group’s performance.

The Group remains focused on its strategy to diversify earnings contribution and will continue to build its base of recurring income. OKP will continue to explore strategic partnerships with potential partners, especially for its property development and investment business, to ensure that it will continue to deliver value to stakeholders.



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividends	Final
Dividend Type	Cash
Dividend amount per share	\$0.007
	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividends	Final
Dividend Type	Cash
Dividend amount per share	\$0.007
	One-tier tax exempt

(c) Date payable

Payment of the said dividend, if approved by shareholders at the forthcoming 21st Annual General Meeting of the Company to be held on 24 April 2023 (Monday), will be made on 31 May 2023.

(d) Record date

Notice is hereby given that the Share Transfer Book and Register of Members of the Company will be closed from 5.00 p.m. on 12 May 2023 for the preparation of dividend payment. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 1 Harbourfront Avenue #14-03/07 Keppel Bay Tower, Singapore 098623 up to 5.00 p.m. on 12 May 2023 will be registered to determine shareholders' entitlement to the proposed final dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 12 May 2023 will be entitled to the proposed final dividend.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

Not applicable.



13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	FY2022 (\$'000)	FY2021 (\$'000)
Ordinary	2,149	2,149
Preference	-	-
Total	2,149	2,149

FY2022

Based on the proposed final dividend of \$0.007 per share for 306,961,494 shares (excluding treasury shares), subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company

FY2021

Based on the final dividend of \$0.007 per share for 306,961,494 shares (excluding treasury shares).

14. Interested person transactions disclosure

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the Singapore Exchanged Securities Trading Limited, entered into by the Group or by the Company during the financial year ended 31 December 2022.

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920.

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

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 Kim Peow	88	Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Group Chairman of the Company, overseeing the overall management and strategic development of the Group. Position held since 2002.	NA



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 Toh Wat	55	Son of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Group Managing Director of the Company, responsible for setting the Group's corporate directions and strategies, and overseeing the day-to-day management and business development of the Group. Position held since 2002.	NA
Ang Beng Tin	67	Wife of Mr Or Kim Peow (Group Chairman); Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Executive Director of the Company, responsible for managing employee relations, benefit programmes and insurance claims at Or Kim Peow Contractors (Pte) Ltd. Position held since 2002.	NA
Or Kiam Meng	58	Son of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Executive Director of the Company, responsible for overseeing the daily site management and operations of Or Kim Peow Contractors (Pte) Ltd. Position held since 2002.	NA



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
Oh Enc Nam	67	Nephew of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow	Executive Director of the Company, responsible for the day-to-day management and the overall operations of Eng Lam Contractors Co. (Pte) Ltd. Position held since 2002.	NA
Or Lay Huat Daniel	45	Son of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director) and Mr Or Kiam Meng (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Executive Director of the Company, responsible for business development, investor relations and corporate communications of the Group. Position held since 2006.	NA
Or Yew Whatt	65	Nephew of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	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



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
Oh Kim Poy	83	Brother of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Executive Director of Eng Lam Contractors Co. (Pte) Ltd, responsible for supervising and monitoring of projects. Position held since 1992.	NA

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
20 February 2023