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**Half Year Financial  
Statements for the Period  
Ended 30 June 2024**

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**8 August 2024**

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**Half Year Financial Statements for the Period Ended 30 June 2024**
**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**

		The Group		
		Half Year ended 30 June		Increase/ (Decrease)
		2024	2023	
		\$'000	\$'000	%
	Note			
<b>Revenue</b>	4	73,901	70,005	5.6
Cost of sales		(53,061)	(67,941)	(21.9)
<b>Gross profit</b>		<b>20,840</b>	<b>2,064</b>	909.7
Other gains, net		1,645	45,086	(96.4)
Expenses				
- Administrative		(7,420)	(7,387)	0.4
- Finance		(1,033)	(1,041)	(0.8)
Share of (loss)/profit of associated companies and joint ventures, net		(18)	215	(108.4)
<b>Profit before income tax</b>	6	<b>14,014</b>	<b>38,937</b>	(64.0)
Income tax expense	7	(1,884)	(3,113)	(39.5)
<b>Net profit</b>		<b>12,130</b>	<b>35,824</b>	(66.1)
Gross profit margin		28.2%	2.9%	
Net profit margin		16.4%	51.2%	
Effective tax rate		13.4%	8.0%	
Net profit attributable to:				
Equity holders of the Company		11,904	35,636	(66.6)
Non-controlling interests		226	188	20.2
		12,130	35,824	(66.1)
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	i	25	(58)	(143.1)
<b>Total comprehensive income, net of tax</b>		<b>12,155</b>	<b>35,766</b>	(66.0)
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company		11,917	35,606	(66.5)
Non-controlling interests		238	160	48.8
		12,155	35,766	(66.0)

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

		The Group		The Company	
Note		30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
		100,648	87,639	3,004	2,118
	9	10,883	7,190	18,738	26,433
	10	22,527	27,303	-	-
		1,036	995	-	-
		<u>135,094</u>	<u>123,127</u>	<u>21,742</u>	<u>28,551</u>
<b>Non-current assets</b>					
	11	-	-	19,534	19,534
	12	79	78	-	-
	13	2,361	2,003	-	-
	14	83,696	83,232	-	-
	15	2,005	2,005	-	-
	16	5,942	6,604	1,277	1,247
	17	24,030	23,317	12,835	12,896
	18	17,125	16,299	8	-
	19	1,688	1,690	-	2
		1,091	1,122	9	-
		<u>138,017</u>	<u>136,350</u>	<u>33,663</u>	<u>33,679</u>
		<u>273,111</u>	<u>259,477</u>	<u>55,405</u>	<u>62,230</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
	20	30,068	39,749	6,408	13,935
	10	15,431	-	-	-
	18	3,352	3,277	2	2
	21	8,990	9,018	-	-
		3,303	3,095	197	205
		<u>61,144</u>	<u>55,139</u>	<u>6,607</u>	<u>14,142</u>
<b>Non-current liabilities</b>					
	20	13,588	13,304	-	-
	18	5,062	4,655	6	7
	21	14,515	15,041	-	-
		1,788	1,875	-	10
		<u>34,953</u>	<u>34,875</u>	<u>6</u>	<u>17</u>
		<u>96,097</u>	<u>90,014</u>	<u>6,613</u>	<u>14,159</u>
		<u>177,014</u>	<u>169,463</u>	<u>48,792</u>	<u>48,071</u>
		<u>175,326</u>	<u>167,773</u>	<u>48,792</u>	<u>48,069</u>



		The Group		The Company	
Note		30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
		\$'000	\$'000	\$'000	\$'000
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	22	36,832	36,832	36,832	36,832
Treasury shares	22	(235)	(235)	(235)	(235)
Other reserves	23	5,693	5,680	-	-
Retained profits		126,738	119,438	12,195	11,474
		<u>169,028</u>	<u>161,715</u>	<u>48,792</u>	<u>48,071</u>
<b>Non-controlling interests</b>		7,986	7,748	-	-
		<u>177,014</u>	<u>169,463</u>	<u>48,792</u>	<u>48,071</u>
<b>Total equity</b>		<b>177,014</b>	<b>169,463</b>	<b>48,792</b>	<b>48,071</b>



**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

<b>As at 1 Jan 2024</b>		36,832	(235)	4,167	1,372	141	119,438	161,715	7,748	169,463
Profit for the period		-	-	-	-	-	11,904	11,904	226	12,130
Other comprehensive income for the period		-	-	-	-	13	-	13	12	25
		-	-	-	-	13	11,904	11,917	238	12,155
Dividend relating to FY2023	8	-	-	-	-	-	(4,604)	(4,604)	-	(4,604)
<b>As at 30 Jun 2024</b>		<u>36,832</u>	<u>(235)</u>	<u>4,167</u>	<u>1,372</u>	<u>154</u>	<u>126,738</u>	<u>169,028</u>	<u>7,986</u>	<u>177,014</u>
<b>As at 1 Jan 2023</b>		36,832	(235)	2,108	1,372	180	78,502	118,759	4,956	123,715
Profit for the period		-	-	-	-	-	35,636	35,636	188	35,824
Other comprehensive (loss)/income for the period		-	-	-	-	(30)	-	(30)	(28)	(58)
		-	-	-	-	(30)	35,636	35,606	160	35,766
Fair value adjustment on interest-free loan		-	-	2,059	-	-	-	2,059	-	2,059
Dividend relating to FY2022	8	-	-	-	-	-	(2,149)	(2,149)	-	(2,149)
<b>As at 30 Jun 2023</b>		<u>36,832</u>	<u>(235)</u>	<u>4,167</u>	<u>1,372</u>	<u>150</u>	<u>111,989</u>	<u>154,275</u>	<u>5,116</u>	<u>159,391</u>



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

The Company

<b>As at 1 Jan 2024</b>		36,832	(235)	11,474	48,071
Total comprehensive income for the period		-	-	5,325	5,325
Dividend relating to FY2023	8	-	-	(4,604)	(4,604)
<b>As at 30 Jun 2024</b>		<b>36,832</b>	<b>(235)</b>	<b>12,195</b>	<b>48,792</b>
<b>As at 1 Jan 2023</b>		36,832	(235)	9,975	46,572
Total comprehensive income for the period		-	-	2,584	2,584
Dividend relating to FY2022	8	-	-	(2,149)	(2,149)
<b>As at 30 Jun 2023</b>		<b>36,832</b>	<b>(235)</b>	<b>10,410</b>	<b>47,007</b>



**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	
		Half Year ended 30 June	
		2024	2023
Note		\$'000	\$'000
<b>Cash flows from operating activities</b>			
	Net profit	12,130	35,824
	Adjustments for:		
	- Income tax expense	1,884	3,113
	- Depreciation of property, plant and equipment	6 1,252	949
	- Depreciation of right-of-use assets	6 1,686	1,525
	- Amortisation of intangible assets	6 2	9
	- Fair value adjustment on investment property	-	44
	- Gain on disposal of property, plant and equipment, net	6 (28)	(90)
	- Share of results of associated companies and joint ventures, net	18	(215)
	- Interest income	6 (1,198)	(434)
	- Interest expense	1,033	1,041
	- Foreign exchange differences	(112)	(28)
	<b>Operating cash flow before working capital changes</b>	16,667	41,738
	Change in working capital		
	- Trade and other receivables	(3,693)	12,947
	- Contract assets	4,776	558
	- Inventories	(41)	(337)
	- Trade and other payables	(9,681)	403
	- Contract liabilities	15,431	-
	<b>Cash provided by operations</b>	23,459	55,309
	- Interest received	1,180	418
	- Income tax paid	(1,725)	(469)
	<b>Net cash provided by operating activities</b>	22,914	55,258
<b>Cash flows from investing activities</b>			
	- Additions to property, plant and equipment	(1,972)	(934)
	- Additions to right-of-use assets	(159)	(292)
	- Additions to investment properties	(212)	-
	- Advance to an associated company	(750)	(1,000)
	- Repayment of loans by associated company	1,035	-
	- Proceeds from disposal of property, plant and equipment	35	132
	- Interest received	18	17
	<b>Net cash used in investing activities</b>	(2,005)	(2,077)





## Consolidated statement of cash flows (Cont'd)

		The Group	
		Half Year ended 30 June	
		2024	2023
Note		\$'000	\$'000
<b>Cash flows from financing activities</b>			
	- Repayment of lease liabilities	(1,869)	(1,286)
	- Advance from a non-controlling shareholder	-	441
	- Interest paid	(797)	(821)
	- Repayment of borrowings	(639)	(4,094)
8	- Dividend paid to shareholders	(4,604)	(2,149)
	- Bank deposits pledged	(564)	(215)
<b>Net cash used in financing activities</b>		<b>(8,473)</b>	<b>(8,124)</b>
<b>Net increase in cash and cash equivalents</b>		<b>12,436</b>	<b>45,057</b>
Cash and cash equivalents at the beginning of the financial period		81,745	20,794
Effects of currency translation on cash and cash equivalents		9	(13)
<b>Cash and cash equivalents at the end of the financial period</b>		<b>94,190</b>	<b>65,838</b>

### Explanatory Notes:

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

		The Group	
		30 Jun 2024	30 Jun 2023
		\$'000	\$'000
	Cash at bank and on hand	34,252	41,706
	Short-term bank deposits	66,283	29,140
	Trust account – Cash at bank	113	382
		<b>100,648</b>	<b>71,228</b>
	Short-term bank deposits pledged to banks	(6,458)	(5,390)
Cash and cash equivalents per consolidated statement of cash flows		<b>94,190</b>	<b>65,838</b>

Short-term bank deposits of \$6,457,823 (30 June 2023: \$5,249,635) are pledged to banks for banking facilities of certain subsidiary corporations.



## Notes to the condensed 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 condensed interim consolidated financial statements as at and for the half year ended 30 June 2024 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 condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting (the “Standards”). The condensed 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 annual financial statements for the year ended 31 December 2023.

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

#### 2.1. New and amended standards adopted by the Group

A number of amendments to the 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 condensed interim 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 2023.

Information about 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:

- Fair value of investment properties
- Impairment of property, plant and equipment
- Recognition of revenue from construction and maintenance contracts
- Impairment of other receivables – loan to associated companies

There were no significant changes in critical judgements, estimates and assumptions as compared to those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.



### 3. Seasonal operations

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

### 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							
	Current financial period ended 30 Jun 2024				Previous financial period ended 30 Jun 2023			
	Construction	Maintenance	Rental income	Total	Construction	Maintenance	Rental income	Total
<b>The Group</b>								
<b>Revenue</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Total segment revenue	58,361	24,713	3,107	86,181	65,822	26,281	3,174	95,277
Inter-segment revenue	(12,280)	-	-	(12,280)	(25,272)	-	-	(25,272)
Revenue from external parties	46,081	24,713	3,107	73,901	40,550	26,281	3,174	70,005
<b>Gross profit</b>	<b>11,290</b>	<b>7,613</b>	<b>1,937</b>	<b>20,840</b>	<b>(2,610)</b>	<b>2,679</b>	<b>1,995</b>	<b>2,064</b>
Other income								
- Allocated			-	-			(44)	(44)
- Unallocated				1,433				45,303
Other gains/(losses)								
- Allocated			-	-			-	-
- Unallocated				212				(173)
Administrative costs								
- Allocated			(267)	(267)			(314)	(314)
- Unallocated				(7,153)				(7,073)
Share of profit of joint venture companies				1				22
Share of (loss)/profit of associated companies				(19)				193
				15,047				39,978
Finance expenses								
- Allocated			(909)	(909)			(864)	(864)
- Unallocated				(124)				(177)
Profit before income tax				14,014				38,937
Income tax expense								
- Allocated			(54)	(54)			(4)	(4)
- Unallocated				(1,830)				(3,109)
<b>Net profit for the interim period</b>				<b>12,130</b>				<b>35,824</b>
Depreciation of property, plant and equipment	891	168	-	1,059	647	104	-	751
Depreciation of right-of-use	1,330	312	-	1,642	1,032	462	-	1,494
Amortisation	-	-	-	-	4	-	-	4
Segment assets								
- Allocated	24,563	9,111	88,489	122,163	25,531	4,426	82,638	112,595
- Unallocated			150,949	150,949			125,884	125,884
Total assets				273,112				238,479
Additions to								
- Right-of-use assets								
- Allocated	211	204	-	415	411	-	-	411
- Unallocated			2,097	2,097			1,620	1,620
				2,512				2,031
Segment liabilities								
- Allocated	27,543	10,107	37,917	75,567	15,693	6,867	38,780	61,340
- Unallocated			20,531	20,531			17,748	17,748
Total liabilities				96,098				79,088



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 product lines and geographical regions. Revenue is attributed to countries by location of customers.

The Group	
Half Year ended 30 June	
2024	2023
\$'000	\$'000

##### Over time

Construction and maintenance

- Singapore

70,794      66,831

Rental income

- Singapore

- Australia

412	342
2,695	2,832
3,107	3,174
<b>73,901</b>	<b>70,005</b>

#### 5. Financial assets and financial liabilities

The Group		The Company	
30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
\$'000	\$'000	\$'000	\$'000

##### Financial assets

Cash and cash equivalents

100,648      87,639      3,004      2,118

Trade and other receivables

15,537      12,471      19,996      27,637

Other investments at amortised cost

2,005      2,005      -      -

**118,190      102,115      23,000      29,755**

##### Financial liabilities

Trade and other payables

43,656      53,053      6,408      13,935

Lease liabilities

8,414      7,932      8      9

Borrowings

23,505      24,059      -      -

**75,575      85,044      6,416      13,944**



## 6. Profit before taxation

### 6.1 Significant items

		The Group		
		Half Year ended 30 June		Increase/ (Decrease)
Notes		2024	2023	
		\$'000	\$'000	%
<u>Income</u>				
	Interest income - bank deposits	1,180	418	182.3
	Interest income – other investments at amortised cost	18	16	12.5
	Gain on disposal of property, plant and equipment (net)	28	90	(68.9)
	Government grants	42	863	(95.1)
	Arbitral award	-	43,793	n.m.
<u>Expenses</u>				
	Non-audit fee paid to the auditors of the Company	13	15	(13.3)
	Amortisation of intangible assets	2	5	(60.0)
	Depreciation of property, plant and equipment	193	198	(2.5)
	Depreciation of right-of-use assets	44	30	46.7
	Directors' remuneration			
	- Directors of the Company	3,376	3,598	(6.2)
	- Other directors	191	185	3.2
	Directors' fees	80	90	(11.1)
	Interest paid and payable			
	- Bank borrowings	675	710	(4.9)
	- Lease liabilities	124	110	12.7
	- Notional interest on loan	234	221	5.9
	(Gain)/Loss on foreign exchange	(212)	173	(222.5)
	Employee compensation	2,252	2,042	10.3
<u>Included in the cost of sales are the following: -</u>				
	Depreciation of property, plant and equipment	1,059	751	41.0
	Depreciation of right-of-use assets	1,642	1,494	9.9
	Amortisation of intangible assets	-	4	n.m.
	Employee compensation	17,063	15,598	9.4

n.m. - not meaningful

Note:

- (a) (Gain)/Loss on foreign exchange mainly arose from the revaluation of assets denominated in Australian dollar and United States 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 condensed interim consolidated statement of profit or loss are:

The Group and the Company	
Half Year ended 30 June	
2024	2023
\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial year:

Current income tax

- Singapore
- Foreign

1,942	2,981
29	115
1,971	3,096

Deferred income tax

- Singapore
- Foreign

(87)	146
-	(129)
(87)	17

1,884	3,113
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## 8. Dividends

The Group and the Company	
Half Year ended 30 June	
2024	2023
\$'000	\$'000

*Ordinary dividends paid*

Final one-tier tax exempt dividend paid in respect of the previous financial year of \$0.015 (2023: \$0.007) per share

4,604	2,149
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## 9. Trade and other receivables

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Subsidiary corporations	-	-	7,446	15,108
- Joint ventures	201	-		
- Non-related parties	7,541	4,089	-	-
	7,742	4,089	7,446	15,108
- Retention sums	46	46	-	-
Other receivables				
- Subsidiary corporations	-	-	11,771	11,751
- Associated companies	9	9	-	-
- Joint ventures	36	36	-	-
- Non-related parties	346	294	-	-
	391	339	11,771	11,751
Less: Impairment loss on receivables	-	-	(510)	(510)
Other receivables - net	391	339	11,261	11,241
Advances to suppliers/sub-contractors	6	6	-	-
Deposits	1,416	1,393	12	41
Prepayments	1,282	1,317	19	43
	10,883	7,190	18,738	26,433

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

## 10. Contract assets and liabilities

	The Group	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
<u>Contract assets</u>		
Construction and maintenance contracts	22,527	27,303
<u>Contract liabilities</u>		
Construction and maintenance contracts	15,431	-

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for the revenue from construction and maintenance contracts. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities relate to advance payment received for three public sector construction contracts.





## 11. Investments in subsidiary corporations

The Company	
30 Jun 2024	31 Dec 2023
\$'000	\$'000

### Equity investments at cost

Beginning and end of financial period/year 17,632 17,632

### Allowance for impairment

Beginning and end of financial period/year (110) (110)

### Loan to a subsidiary corporation

Beginning and end of financial period/year 2,012 2,012

19,534 19,534

Name of subsidiary corporations	Principal activities	Country of incorporation/ registration	Equity holding held by the Group	
			30 Jun 2024	31 Dec 2023
<u>Held by the Company</u>				
Or Kim Peow Contractors (Private) Limited <sup>(@)</sup>	Business of road and building construction and maintenance	Singapore	100%	100%
Eng Lam Contractors Co (Pte) Ltd <sup>(@)</sup>	Business of road construction and maintenance	Singapore	100%	100%
OKP Technical Management Pte Ltd <sup>(@)(*)</sup>	Provision of technical management and consultancy services	Singapore	100%	100%
OKP Investments (Singapore) Pte Ltd <sup>(@)(*)</sup>	Investment holding	Singapore	100%	100%
OKP (Oil & Gas) Infrastructure Pte Ltd <sup>(@)(*)</sup>	Business of carrying out civil engineering projects in respect of oil, petrochemical and gas related businesses in Singapore	Singapore	100%	100%
OKP Land Pte Ltd <sup>(@)</sup>	Investment holding and property development	Singapore	100%	100%
OKP Transport & Trading Pte Ltd <sup>(@)(*)</sup>	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 <sup>(^)</sup>	Business of general construction	Singapore	100%	100%



Name of subsidiary corporations	Principal activities	Country of incorporation/ registration	Equity holding held by the Group	
			30 Jun 2024	31 Dec 2023

Held by OKP Land Pte Ltd

Raffles Prestige Capital Pte Ltd (@)	Investment holding	Singapore	51%	51%
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Held by Raffles Prestige Capital Pte Ltd

Bennett WA Investment Pty Ltd (#)	Property investment	Australia	51%	51%
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(@) Audited by CLA Global TS Public Accounting Corporation

(#) Audited by Nexia Perth Audit Services Pty Ltd

(\*) Dormant company

(^) Registered on 23 August 2021 and not required to be audited under the laws of country of incorporation

## 12. Investments in joint ventures

The Group	
30 Jun 2024	31 Dec 2023
\$'000	\$'000

### Interests in joint ventures

Beginning of financial period/year	78	45
Share of profit of joint ventures	1	33
End of financial period/year	79	78

Details of the joint ventures are as follows:

Name of joint ventures	Principal activities	Country of incorporation	Percentage of ownership interest	
			30 Jun 2024	31 Dec 2023

Held by subsidiary corporations

Unincorporated joint ventures

Eng Lam – United E&P JV (&)(1)	Business of general construction	Singapore	55%	55%
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(&) Registered on 9 April 2019 and not required to be audited under the laws of country of incorporation.

(1) Eng Lam - United E&P JV, a joint venture partnership, was registered on 9 April 2019 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 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	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
<b>Assets</b>		
- Current assets	385	1,427
<b>Liabilities</b>		
- Current liabilities	(241)	(1,286)
<b>Net assets</b>	<u>144</u>	<u>141</u>
Revenue	1,303	29,758
Expenses	(1,300)	(29,699)
Profit before income tax	3	59
Income tax expense	-	-
<b>Net profit</b>	<u>3</u>	<u>59</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	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
<b>Interests in associated companies</b>		
Beginning of financial period/year	2,003	1,520
Notional fair value of loan (net)	377	311
Share of (loss)/profit of associated companies	(19)	172
<b>End of financial period/year</b>	<u>2,361</u>	<u>2,003</u>

Name of associated companies	Principal activities	Country of incorporation	Equity holding	
			30 Jun 2024	31 Dec 2023

#### Held by subsidiary corporations

Chong Kuo Development Pte Ltd <sup>(&amp;)(1)</sup>	Property development	Singapore	22.5%	22.5%
USB Holdings Pte Ltd <sup>(#)(2)</sup>	Investment holding and property development	Singapore	25%	25%

#### Held by USB Holdings Pte Ltd

United Singapore Builders Pte Ltd <sup>(#)(3)</sup>	General contractors	Singapore	25%	25%
USB (Phoenix) Pte Ltd <sup>(#)(4)</sup>	Property development	Singapore	25%	25%

(&) Audited by Ernst & Young LLP

(#) Audited by CLA Global 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	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Assets		
- Current assets	77,993	80,515
- Non-current assets	485	551
Liabilities		
- Current liabilities	(12,775)	(11,648)
- Non-current liabilities	(70,930)	(79,821)
Net liabilities	<u>(5,227)</u>	<u>(10,403)</u>
Revenue	40,470	85,045
Total comprehensive loss	<u>2,658</u>	<u>(3,636)</u>

The Group has not recognised the share of profit of its associated company, USB Holdings Pte Ltd amounting to \$685,311 (share of loss for 31 December 2023: \$1,099,621) 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 \$4,967,527 (31 December 2023: \$5,652,838) as at 30 June 2024. The Group resumes recognising its share of those profits only after its share of profits equals the share of losses not recognised.



#### 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		
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Beginning of financial period/year	83,232	78,505
Additions	212	-
Currency translation differences	252	(176)
Net fair value gain recognised in profit and loss	-	4,903
End of financial period/year	<u>83,696</u>	<u>83,232</u>

##### 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. An update to the fair values will be done at the end of the financial year.

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 investments at amortised cost

The Group		
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Beginning of financial period/year	2,005	2,005
Interest income	18	35
Interest received	(18)	(35)
End of financial period/year	<u>2,005</u>	<u>2,005</u>



## 16. Other receivables (non-current)

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
Loans to associated companies				
- Chong Kuo Development Pte Ltd	-	1,035	-	-
- USB Holdings Pte Ltd	11,912	11,162	-	-
Less: Notional fair value of loan (net)	(1,270)	(893)	-	-
	10,642	11,304	-	-
Loan to a subsidiary corporation	-	-	1,500	1,500
Less: Notional fair value of loan (net)	-	-	(223)	(253)
	-	-	1,277	1,247
	10,642	11,304	1,277	1,247
Less: Impairment loss on other receivables	(4,700)	(4,700)	-	-
	5,942	6,604	1,277	1,247

The loans to associated companies 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.

## 17. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired property, plant and equipment amounting to \$2.0 million (30 June 2023: \$0.9 million) and disposed of property, plant and equipment amounting to \$7,000 (30 June 2023: \$42,000).

## 18. Leases

(a) Amounts recognised in the statements of financial position

	The Group	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
<u>Right-of-use assets</u>		
Office unit	600	576
Office equipment	8	9
Plant and machineries	12,503	12,755
Motor vehicles	2,950	2,055
Use of state land for worksites	1,064	904
	17,125	16,299
<u>Lease liabilities</u>		
Current	3,352	3,277
Non-current	5,062	4,655
	8,414	7,932



(b) Amounts recognised in the statement of comprehensive income

The Group	
Half Year ended 30 June	
2024	2023
\$'000	\$'000

Depreciation of right-of-use assets

Office unit	136	42
Office equipment	1	-
Plant and machineries	917	802
Motor vehicles	201	133
Use of state land for worksites	431	547
	<u>1,686</u>	<u>1,524</u>
Interest expense (included in finance expenses)	<u>124</u>	<u>110</u>

**19. Intangible assets**

The Group		The Company	
30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
\$'000	\$'000	\$'000	\$'000

Composition:

Goodwill (Note a)	1,688	1,688	-	-
Computer software licences (Note b)	-	2	-	2
	<u>1,688</u>	<u>1,690</u>	<u>-</u>	<u>2</u>

(a) Goodwill

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.

The Group	
30 Jun 2024	31 Dec 2023
\$'000	\$'000

*Cost/net book value*

Beginning and end of financial period/year	<u>1,688</u>	<u>1,688</u>
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### 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 30 June 2024 was determined similarly to the 31 December 2023 goodwill impairment test, and was based on the following key assumptions:

- Gross margin of 3% - 9% (2023: 3% - 9%)
- Growth rate of 3% - 8% (2023: 3% - 8%)
- Discount rate of 7.2% (2023: 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.

#### (b) Computer software licences

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>				
Beginning and end of financial period/year	520	520	78	78
<i>Accumulated Amortisation</i>				
Beginning of financial period/year	518	510	76	73
Amortisation charge	2	8	2	3
End of financial period/year	520	518	78	76
 Net book value	 -	 2	 -	 2

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.





20. Trade and other payables

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Trade payables				
- Non-related parties	21,602	23,053	253	539
Other payables				
- Subsidiary corporations	-	-	3,956	4,550
- Non-controlling interests	1,647	1,633	-	-
- Non-related parties	572	389	5	5
	2,219	2,022	3,961	4,555
Accrued operating expenses	6,247	14,674	2,194	8,841
	<u>30,068</u>	<u>39,749</u>	<u>6,408</u>	<u>13,935</u>
<u>Non-current</u>				
Other payables				
- Loan from a non-controlling interest	15,336	15,278	-	-
- Less: Notional fair value of loan	(1,748)	(1,974)	-	-
	<u>13,588</u>	<u>13,304</u>	<u>-</u>	<u>-</u>

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

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



## 21. Bank borrowings

The Group	
30 Jun 2024	31 Dec 2023
\$'000	\$'000

### Current

Secured bank term loans <sup>(a)</sup>  
Secured bank facilities <sup>(b)</sup>

890	718
8,100	8,300
8,990	9,018

### Non-current

Secured bank term loans <sup>(a)</sup>

14,515	15,041
23,505	24,059

- (a) The secured bank term loans are mainly secured by:
- First legal mortgage over investment properties of the Group;
  - Certain bank deposits;
  - Charge over the Group's shares in a subsidiary corporation; and
  - Corporate guarantees of the Company.

The secured bank term loans are denominated in Australian dollar and Singapore dollar, and bear interests at 1.75% 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 investment properties of the Group; and
  - Corporate guarantee of one of the Group's subsidiary corporations.

The secured bank facilities are denominated in Singapore dollar, and bear interest at 1.2% per annum above the bank's cost of fund and 1.08% per annum above SORA. Certain bank facilities are repayable on demand.

## 22. 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

#### **30 Jun 2024**

Beginning and end of financial period	<u>308,431</u>	<u>(1,469)</u>	<u>36,832</u>	<u>(235)</u>
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#### **31 Dec 2023**

Beginning and end of financial year	<u>308,431</u>	<u>(1,469)</u>	<u>36,832</u>	<u>(235)</u>
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The Company's subsidiary corporations do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.



## 23. Other reserves

The Group	
30 Jun 2024	31 Dec 2023
\$'000	\$'000

### (a) Composition:

Asset revaluation reserve	1,372	1,372
Currency translation reserve	154	141
Capital reserve	4,167	4,167
	<u>5,693</u>	<u>5,680</u>

### (b) Movements

#### **Asset revaluation reserve**

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

Beginning of financial period/year	141	180
Currency translation differences arising from consolidation	25	(76)
Less: Non-controlling interests	(12)	37
	<u>13</u>	<u>(39)</u>
End of financial period/year	<u>154</u>	<u>141</u>

#### **Capital reserve**

Beginning of financial period/year	4,167	2,108
Fair value adjustment on interest-free loan	-	2,059
End of financial period/year	<u>4,167</u>	<u>4,167</u>

Other reserves are non-distributable.

## 24. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.



## 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 30 Jun 2024			As at 31 Dec 2023		
	\$'000	\$'000		\$'000	\$'000
	Secured	Unsecured		Secured	Unsecured
Lease liabilities	3,352	-	Lease liabilities	3,277	-
Bank borrowings	8,990	-	Bank borrowings	9,018	-
Total	12,342	-	Total	12,295	-

(b) Amount repayable after one year

As at 30 Jun 2024			As at 31 Dec 2023		
	\$'000	\$'000		\$'000	\$'000
	Secured	Unsecured		Secured	Unsecured
Lease liabilities	5,062	-	Lease liabilities	4,655	-
Bank borrowings	14,515	-	Bank borrowings	15,041	-
Total	19,577	-	Total	19,696	-

(c) Details of any collateral

The above secured borrowings of the Group relate to:

- (1) lease liabilities of \$8.4 million secured by corporate guarantees of the Company and charges over the property, plant and equipment under the leases; and
- (2) bank borrowings of \$23.5 million secured by first legal mortgage over investment properties of the Group, pledge of certain bank deposits, and corporate guarantees of the Company and 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 31 December 2023.

No shares were bought back by the Company during the first half year ended 30 June 2024 under the Share Buy Back Mandate which was approved by the Shareholders.

There was 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 30 June 2024 (30 June 2023: 1,469,100 treasury shares, 0.48%).

There were no outstanding convertibles issued by the Company and no subsidiary holdings as at 30 June 2023 and 30 June 2024.

**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**

	30 Jun 2024	31 Dec 2023
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 the first half year ended 30 June 2024.

**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 2023.

**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 Group has adopted the new and revised SFRS(I)s and SFRS(I) INTs which are relevant to the Group's operations and become effective for annual periods beginning on or after 1 January 2024. The adoption of these new and revised SFRS(I)s and SRFS(I) INTs does not result in changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current and/or prior financial year.

**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 outstanding during the financial period.

	The Group		
	Half Year ended 30 June		Increase/ (Decrease) %
	2024	2023	
Net profit attributable to equity holders of the Company (\$'000)	11,904	35,636	(66.6)
Weighted average number of ordinary shares outstanding	306,961,494	306,961,494	-
Basic earnings per share (cents per share)	3.88	11.61	(66.6)
Diluted earnings per share (cents per share)	3.88	11.61	(66.6)



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 30 Jun 2024	As at 31 Dec 2023	As at 30 Jun 2024	As at 31 Dec 2023	The Group	The Company
Net tangible assets (\$'000)	175,326	167,773	48,792	48,069	4.5	1.5
Number of shares (excluding treasury shares)	306,961,494	306,961,494	306,961,494	306,961,494	-	-
NTA per share (cents)	57.12	54.66	15.90	15.66	4.5	1.5

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.



## Review of income statements for the Half Year ended 30 June 2024

	The Group					
	Current Half Year ended 30 Jun 2024		Previous Half Year ended 30 Jun 2023		Increase/(Decrease)	
	\$'000	%	\$'000	%	\$'000	%
Construction	46,081	62.4	40,550	57.9	5,531	13.6
Maintenance	24,713	33.4	26,281	37.6	(1,568)	(6.0)
Rental income	3,107	4.2	3,174	4.5	(67)	(2.1)
<b>Total Revenue</b>	<b>73,901</b>	<b>100.0</b>	<b>70,005</b>	<b>100.0</b>	<b>3,896</b>	<b>5.6</b>

### Revenue

Our Group reported a 5.6% or \$3.9 million increase in revenue to \$73.9 million during the first half year ended 30 June 2024 ("1H2024") as compared to \$70.0 million during the first half year ended 30 June 2023 ("1H2023"). The improvement was mainly due to the 13.6% increase in revenue from the construction segment to \$46.1 million, partially offset by a 6.0% decrease in revenue from the maintenance segment to \$24.7 million and a 2.1% decrease in rental income.

The construction segment registered positive revenue growth in 1H2024 as compared to 1H2023. The growth was primarily driven by a higher percentage of revenue recognised from various ongoing and newly awarded construction projects as they progressed to a more active phase in 1H2024.

However, the maintenance segment saw a decrease in revenue in 1H2024, mainly due to the completion of certain projects and the resulting reduction in maintenance revenue. The decrease in rental income generated from investment properties was mainly due to the strengthening of Singapore dollar against the Australian dollar as the rental income generated from the property at 6-8 Bennett Street, East Perth, Western Australia was denominated in Australian dollar.

Both the construction and maintenance segments continued to be the major contributors to our Group's revenue. On a segmental basis, construction, maintenance and rental income accounted for 62.4% (1H2023: 57.9%), 33.4% (1H2023: 37.6%) and 4.2% (1H2023: 4.5%) of our Group's revenue, respectively, for 1H2024.





### Cost of sales

	The Group					
	Current Half Year ended 30 Jun 2024		Previous Half Year ended 30 Jun 2023		Increase/(Decrease)	
	\$'000		\$'000		\$'000	%
Construction	51,891		66,762		(14,871)	(22.3)
Maintenance						
Rental income	1,170		1,179		(9)	(0.8)
<b>Total cost of sales</b>	<b>53,061</b>		<b>67,941</b>		<b>(14,880)</b>	<b>(21.9)</b>

Our cost of sales decreased by 21.9% or \$14.8 million from \$67.9 million for 1H2023 to \$53.1 million for 1H2024. The decrease in cost of sales was due mainly to:

- (a) the decrease in sub-contracting costs, which were mainly costs incurred for premix works, signages, asphalt works, mechanical and electrical works, soil-testing, landscaping and metalworks usually sub-contracted to external parties;
- (b) the decrease in the cost of construction materials due to lower utilisation of materials; and
- (c) a decrease in overheads such as hiring costs which related to rental of additional heavy equipment and machineries to support existing projects and decrease in upkeep of plant and machinery,

during 1H2024.

### Gross profit and gross profit margin

	The Group					
	Current Half Year ended 30 Jun 2024		Previous Half Year ended 30 Jun 2023		Increase/(Decrease)	
	\$'000	Gross Profit Margin	\$'000	Gross Profit Margin	\$'000	%
Construction	18,903	26.7%	69	0.1%	18,834	27,295.6
Maintenance						
Rental income	1,937	62.3%	1,995	62.9%	(58)	(2.9)
<b>Total gross profit</b>	<b>20,840</b>	<b>28.2%</b>	<b>2,064</b>	<b>2.9%</b>	<b>18,776</b>	<b>909.7</b>

Overall, our gross profit for 1H2024 increased by 909.7% or \$18.7 million from \$2.1 million for 1H2023 to \$20.8 million for 1H2024.

The gross profit generated from rental income remained relatively consistent for both 1H2023 and 1H2024. However, there was a significant increase of \$18.8 million in the gross profit of the construction and maintenance segments, from \$0.1 million in 1H2023 to \$18.9 million in 1H2024.



For the construction and maintenance segments, the gross profit margin increased from 0.1% for 1H2023 to 26.7% for 1H2024, largely attributable to the higher contribution from a few projects which had commanded better gross profit margin during 1H2024.

Other gains, net

Other gains decreased by \$43.5 million or 96.4%, from \$45.1 million for 1H2023 to \$1.6 million for 1H2024. The decrease was mainly due to:

- (a) the one-off arbitral award of \$43.8 million in relation to the Contract 449A worksite incident which was awarded in 1H2023;
- (b) a decrease of \$0.8 million in government grants; and
- (c) a decrease of \$0.1 million in gain on disposal of fixed assets,

which were partially offset by:

- (d) an increase in gain on foreign exchange of \$0.4 million arising from the revaluation of assets and liabilities denominated in Australian dollar to Singapore dollar; and
- (e) the increase in interest income by \$0.8 million resulting from higher interest rate from bank deposits,

during 1H2024.

Administrative expenses

Administrative expenses remained consistent at \$7.4 million for both 1H2023 and 1H2024.

Finance expenses

	The Group	
	Half Year ended 30 Jun 2024	Half Year ended 30 Jun 2023
	\$'000	\$'000
Lease liabilities	124	110
Notional interest on loan	234	221
Bank borrowings	675	710
	1,033	1,041

Finance expenses remained consistent at \$1.0 million for both 1H2023 and 1H2024, due to the stable interest rates across the periods and there were no new major financing facilities within the Group.



### Share of results of associated companies and joint ventures

	The Group	
	Half Year ended 30 Jun 2024	Half Year ended 30 Jun 2023
	\$'000	\$'000
Share of profit of joint ventures	1	22
Share of profit of associated companies	(19)	193
	(18)	215

The share of results of associated companies and joint ventures decreased by \$0.2 million or 108.4%. The decrease was attributable to the share of loss of the Group's 22.5%-held associated company, Chong Kuo Development Pte Ltd, during 1H2024.

### Profit before income tax

Profit before income tax decreased by \$24.9 million or 64.0%, from \$38.9 million for 1H2023 to \$14.0 million for 1H2024. The decrease was due mainly to (1) the decrease in other gains (net) of \$43.5 million, and (2) the decrease in share of profit of associated companies and joint ventures of \$0.2 million, which were partially offset by (3) the increase in gross profit of \$18.8 million, as explained above.

### Income tax expense

Income tax expense was mainly in relation to the operating profits registered by the profitable entities within the Group. The decrease of income tax expense by 39.5% or \$1.2 million in 1H2024 is due mainly to lower taxable profit registered by the Group. The decrease in taxable profit compared to the 1H2023 was largely due to the previous period's taxable profit including an arbitral award received in relation to the 2017 worksite accident.

The effective tax rate for 1H2024 and 1H2023 was 13.4% and 8.0% respectively, which was lower than the statutory tax rate of 17%, due to the utilisation of tax credits in both 1H2024 and 1H2023.

### Non-controlling interests

Non-controlling interests of \$0.2 million was due to the share of profit of our subsidiary corporation, Raffles Prestige Capital Pte Ltd, in 1H2024.

### Net profit

Overall, for 1H2024, net profit decreased by \$23.7 million or 66.1%, from \$35.8 million for 1H2023 to \$12.1 million for 1H2024, following the decrease in profit before income tax of \$24.9 million offset by the decrease in income tax expense of \$1.2 million, as explained above.

Our net profit margin decreased from 51.2% for 1H2023 to 16.4% for 1H2024.



## **Review of the financial position for the half year ended 30 June 2024**

### (i) Current assets

Current assets increased by \$12.0 million, from \$123.1 million as at 31 December 2023 to \$135.1 million as at 30 June 2024. The increase was due mainly to:

- (a) a \$13.0 million boost in cash and cash equivalents, mainly due to \$22.9 million generated from operating activities, an increase of \$0.6 million in pledged deposits, alongside \$2.0 million in cash used in investing activities and \$8.5 million in cash used in financing activities; and
- (b) an increase in trade and other receivables of \$3.7 million as a result of higher billings for on-going construction and maintenance projects,

which were partially offset by:

- (c) a decrease in contract assets of \$4.7 million, due mainly to increase in billings for the on-going construction and maintenance projects,

during 1H2024.

### (ii) Non-current assets

Non-current assets increased by \$1.7 million, from \$136.3 million as at 31 December 2023 to \$138.0 million as at 30 June 2024. The increase was due mainly to:

- (a) an increase in investments in associated companies by \$0.4 million arising from the recognition of notional fair value of loan of an associated company;
- (b) an increase in right-of-use assets by \$0.8 million resulting from the purchase of plant and equipment to support the new and existing projects through hire purchase;
- (c) an increase in investment properties by \$0.5 million resulting from structural improvement and a foreign exchange realignment relating to the property at 6-8 Bennett Street, East Perth, Western Australia due to the revaluation of Australian dollar to Singapore dollar; and
- (d) an increase in property, plant and equipment by \$0.7 million resulting mainly from the purchase of property, plant and equipment,

which were partially offset by:

- (e) a decrease in other receivables by \$0.7 million due to an advance of \$0.7 million extended to an associated company, USB Holdings Pte Ltd, offset by the recognition of fair value adjustment of \$0.4 million on the said advance and a repayment of loan of \$1.0 million from an associated company, Chong Kuo Development Pte Ltd,

during 1H2024.



(iii) Current liabilities

Current liabilities increased by \$6.0 million, from \$55.1 million as at 31 December 2023 to \$61.1 million as at 30 June 2024. The increase was due mainly to:

- (a) an increase of \$15.4 million in contract liabilities due to advance billings for three construction projects for which obligations have yet to be fulfilled; and
- (b) an increase in current income tax liabilities by \$0.2 million due to higher tax provision provided for profitable entities within the Group;

which were partially offset by:

- (c) a decrease in trade and other payables of \$9.6 million arising from the decrease of trade payables of \$1.4 million and decrease of \$8.3 million in accrued operating expenses, offset against the increase of \$0.1 million in other payables,

during 1H2024.

(iv) Non-current liabilities

Non-current liabilities increased by \$0.1 million, from \$34.9 million as at 31 December 2023 to \$35.0 million as at 30 June 2024. The increase was primarily due to:

- (a) an increase in non-trade payables due to non-controlling interest by \$0.3 million resulting from the amortisation of notional fair value;
- (b) an increase in lease liabilities of \$0.4 million arising from the purchase of plant and machineries for newly awarded projects;

which were partially offset by:

- (c) a decrease in bank borrowings of \$0.5 million following repayment of bank borrowings; and
- (d) a decrease in deferred income tax liabilities of \$0.1 million,

during 1H2024.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, treasury shares, other reserves, retained profits and non-controlling interests, increased by \$7.5 million, from \$169.5 million as at 31 December 2023 to \$177.0 million as at 30 June 2024. The increase was due mainly to:

- (a) the profits generated from operations of \$11.9 million attributable to equity holders of the Company and non-controlling interests of \$0.2 million arising from the share of profit of Raffles Prestige Capital Pte Ltd,

which were partially offset by:

- (b) the dividend payment to shareholders of \$4.6 million,

during 1H2024.



## **Review of cash flows for the half year ended 30 June 2024**

### **Net cash generated from operating activities**

Our Group reported net cash generated from operating activities of \$22.9 million in 1H2024, which was mainly due to cash generated from operating activities before working capital changes of \$16.7 million, net working capital inflow of \$6.7 million and interest received of \$1.2 million, which were partially offset by income tax paid of \$1.7 million.

### **Net cash used in investing activities**

In 1H2024, our Group reported net cash used in investing activities of \$2.0 million, which mainly due to (i) purchase of property, plant and equipment and right-of-use assets of \$2.0 million and \$0.1 million respectively, (ii) structural improvements of \$0.2 million that were capitalised into investment properties, and (iii) advances extended to an associated company of \$0.7 million, partially offset by (iv) loan repayment of \$1.0 million received from an associated company.

### **Net cash used in financing activities**

Net cash used in financing activities of \$8.5 million in 1H2024 was mainly attributable to (i) repayment of lease liabilities of \$1.9 million, (ii) interest paid of \$0.8 million, (iii) repayment of borrowings of \$0.6 million, (iv) dividend paid of \$4.6 million, and (v) pledge of bank deposits of \$0.6 million.

Overall, free cash and cash equivalents stood at \$94.2 million as at 30 June 2024, an increase of \$28.4 million from \$65.8 million as at 30 June 2023. This works out to cash of 30.7 cents per share as at 30 June 2024 as compared to 21.4 cents per share as at 30 June 2023 (based on 306,961,494 issued shares (excluding treasury shares) as at 30 June 2024 and 30 June 2023).

## **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 half year ended 30 June 2024 from what was previously discussed under paragraph 10 of the Company's results announcement for the financial year ended 31 December 2023.

## **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 12 July 2024, Singapore's economy grew by 2.9% on a year-on-year basis in the second quarter of 2024, extending the 3.0% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 0.4% in the second quarter, slightly faster than the 0.3% reported in the preceding quarter of 2024. The year-on-year growth was higher than the 2.7% forecast by economists polled by Bloomberg, while quarter-on-quarter growth was in line with their projection.

On 12 April 2024, according to the Monetary Authority of Singapore ("MAS"), the Singapore economy is expected to strengthen over 2024. The slightly negative output gap is projected to narrow further in H2 2024, even as underlying inflationary pressures gradually dissipate. Core inflation is likely to remain elevated in the earlier part of the year but should stay on its broadly moderating path and step down in Q4, before falling further into 2025.



## **Industry Outlook**

According to MTI, the construction sector extended growth by 4.3% year-on-year in the second quarter, from 4.1% growth in the preceding quarter. The growth was supported by an increase in public sector construction output. On a quarter-on-quarter seasonally-adjusted basis, the construction sector expanded by 2.4%, a reversal from the 1.9% contraction in the previous quarter.

For 2024, the Building and Construction Authority (“BCA”) expects total construction demand to be between \$32 billion and \$38 billion. Public sector demand is expected to contribute about 55% of total construction demand, amounting to between \$18 billion and \$21 billion, while private sector demand is expected to account for the remaining 45%, or between \$14 billion and \$17 billion.

In the face of an ever-evolving regulatory landscape, the Group will diligently monitor updates relating to its core construction business and adapt to these changes to ensure effective compliance as well as leveraging on best practices to enhance its operations and maintain a competitive edge.

Regarding the private residential property segment, statistics released by the Urban Redevelopment Authority (“URA”) showed that the private residential property price index increased quarter-on-quarter by 1.1% in 2Q2024, a moderation from the 1.4% increase in the previous quarter. The quarterly average price increase of 1.3% in 1H2024 was lower than the quarterly average price increase of 1.7% in 2023 and 2.1% in 2022.

The Government will make available a selection of sites on the Reserve List that can yield an additional 3,090 units for developers to initiate for development if they assess that there is demand. Furthermore, the Government will continue to release a steady supply of private residential units over the next few years, with supply calibrated to account for prevailing economic and property market conditions.

The Group expects the private residential market to continue stabilising as price momentum further moderates. However, the Group remains cautiously optimistic amidst economic and labour concerns, as well as changes to global supply chains, which add to the complexity of the operating environment.

## **Company Outlook and Order Book Update**

Looking ahead, the Group expects continued global uncertainties, including sustained high interest rates and rising construction costs. Nevertheless, the Group will embrace technologies and innovation to enhance operational efficiencies. This will help mitigate the impact of rising construction costs, while creating better sustainable built environments for all. Supported by a healthy pipeline of construction projects, the Group will remain vigilant in navigating challenging market conditions, ensuring effective cashflow management and maintain prudence in its capital structure and finances.

As of 30 June 2024, the Group’s order book stood at a record high of \$706.9 million, with projects extending till 2027.

On the property development front, the Group’s joint venture residential project, The Essence, has been completed. In addition, all 74 units of the Group’s residential project in Bukit Panjang, Phoenix Residences, have been fully sold and is expected to attain its TOP in 2H2024.

As for property investment, the Group’s investment property situated at 6-8 Bennett Street in Perth, Australia, continues to generate a positive stream of recurring rental income.

To enhance its recurring income, the Group owns a portfolio of investment properties. These include a freehold, three-storey shophouse situated at 35 Kreta Ayer Road as well as freehold, two-storey conservation shophouses located at 69 and 71 Kampong Bahru Road. These properties, held through its 51%-owned subsidiary, Raffles Prestige Capital Pte. Ltd., continue to



generate a steady stream of recurring rental income, contributing positively towards the Group's performance.

Backed by a strong track record and decades of industry expertise, the Group remains committed to its long-term strategy of diversifying earnings and building on its portfolio recurring income stream. The Group will continue to explore strategic partnerships to strengthen its foothold in property development and investment ventures and will embrace technologies and innovations to achieve a more sustainable future.

## 11. Dividend

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

### **(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	Special interim
Dividend Type	Cash
Dividend amount per share	\$0.005
	One-tier tax exempt

### **(c) Date payable**

Not applicable.

### **(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommended for the half year ended 30 June 2024 to preserve the Group's working capital for opportunities that may arise.





**13. 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 half year ended 30 June 2024.

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

**14. Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of OKP Holdings Limited confirms that, to the best of their knowledge, nothing has come to their attention which may render the financial statements for the half year ended 30 June 2024 to be false or misleading in any material aspect.

**15. 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  
8 August 2024