30 Tagore Lane
Singapore 787484
Tel: (65) 6456 7667
Fax: (65) 6459 4316

For Immediate Release

OKP HOLDINGS LIMITED RECORDS 13.3% GROWTH IN REVENUE TO S$181.8 MILLION FOR FY2024

- ***Substantial topline driven by strong performance from both construction and maintenance segments***
- ***Net profit of S$32.8 million recorded***
- ***Strong order book of S$600.7 million[1], a 15.8% increase from S$518.6 million[2], with revenue visibility extending to 2027***
- ***Healthy balance sheet, with an increase in free cash and cash equivalents to S$124.3 million, up from S$81.7 million in FY2023***
- ***Recommends total dividends of 2.5 Singapore cents per share, consisting of final dividend of 1.0 Singapore cent per share and special dividend of 1.5 Singapore cents per share***

GROUP'S FINANCIAL HIGHLIGHTS						
S$' Million	**2H2024**	**2H2023**	**▲/▼ (%)**	**FY2024**	**FY2023**	**▲/▼ (%)**
Revenue	107.9	90.4	▲19.3	181.8	160.4	▲13.3
Gross Profit	37.3	22.7	▲64.8	58.2	24.7	▲135.4
GP Margins	34.6%	25.1%	▲9.5 ppt	32.0%	15.4%	▲16.6 ppt
Net Profit	20.6	11.6	▲77.5	32.8	47.4	▼30.9
Net profit attributable to equity holders	21.8	9.0	▲142.7	33.7	44.6	▼24.5
For the year ended 31 December 2024: **Earnings per share – Basic: 10.98 Singapore cents** (2023: 14.54 Singapore cents)						
As at 31 December 2024: **Net Tangible Assets: S$201.4 million**, **NTA Per Share: 65.60 Singapore cents**						

[1] *As at 31 December 2024.*

[2] *As at 31 December 2023.*

***Singapore, 25 February 2025* – MAINBOARD-LISTED** infrastructure and civil engineering company, OKP Holdings Limited (胡金标控股有限公司) (“OKP” or the “Group”), today reported a 13.3% increase in revenue to S$181.8 million for the year ended 31 December 2024 (“FY2024”) as compared to S$160.4 million in the previous year (“FY2023”), mainly boosted by higher contributions from the Group’s two core business divisions – an increase in the construction and maintenance segments of S$21.7 million, which more than offset a decrease of S$0.3 million in rental income. Net profit attributable to equity holders of S$33.7 million and net profit of S$32.8 million were recorded for FY2024.

The Board of Directors has recommended a final dividend of 1.0 Singapore cent per share and a special dividend of 1.5 Singapore cents per share to reward shareholders for their continued support.

Group Managing Director, Mr Or Toh Wat (胡土发), said, “Our robust order book of S$600.7 million, built on our decades-long track record and core expertise has positioned us to capitalise on growth opportunities, a milestone that showcases our dedication and the continued trust of our customers. In FY2024, we successfully secured five public sector projects totalling approximately S$257.2 million. This achievement is driven by our focus on embracing technology and innovation while adopting best practices to sharpen our competitive edge.”

“We remain committed to sustaining our growth trajectory by keeping a close watch on cost management and exercising financial prudence. At the same time, we are focused on diversifying our earnings and geographical presence to enhance recurring income. By forming strategic partnerships, particularly within our property development and investment business, we strive to achieve greater diversification to enhance financial stability and advance sustainable growth.”

Review of Performance

Revenue	2H2024 S$' Million	2H2023 S$' Million	▲/▼ S$' Million	FY2024 S$' Million	FY2023 S$' Million	▲/▼ S$' Million
Construction	67.9	61.9	▲6.0	114.0	102.4	▲11.6
Maintenance	37.0	25.3	▲11.7	61.7	51.6	▲10.1
Rental Income	3.0	3.2	▼0.2	6.1	6.4	▼0.3
Total Revenue	107.9	90.4	▲17.5	181.8	160.4	▲21.4

The Group reported a substantial 13.3% increase in revenue for FY2024, primarily attributable to a 11.3% and 19.6% jump in revenue from the construction and maintenance segments respectively.

The increases in the construction and maintenance segments' revenue to S$114.0 million and S$61.7 million respectively, were mainly attributed to a higher percentage of revenue recognised from various ongoing and newly awarded construction and maintenance projects as they progressed to a more active phase in FY2024. The construction and maintenance segments remain the major contributors to the Group's revenue, accounting for 62.7% and 34.0% of the Group's FY2024 revenue respectively.

The 5.0% decrease in the Group's rental income from investment properties to S$6.1 million was mainly due to lower rental income generated by the property located at 6-8 Bennett Street, East Perth, Western Australia, as a tenant had vacated some units during the second half of FY2024.

The Group’s gross profit surged by 135.4% to S$58.2 million in FY2024 from S$24.7 million in FY2023 whilst gross profit margin improved by 16.6 percentage points to 32.0%. The higher gross profit margin was mainly attributed to the Group’s ongoing initiatives to enhance efficiencies, productivity and cost management, despite the higher overhead costs and rising manpower costs.

Mainly due to the absence of a one-off arbitral award of S$43.8 million in relation to the Contract 449A worksite incident, other losses of S$0.5 million were recorded in FY2024, from a gain of S$46.9 million in FY2023. The decrease was also due to reduced government grants, a decrease in fair value gain on investment properties, a decline in gain on disposal of fixed assets and an increase in foreign exchange losses arising from the revaluation of assets and liabilities denominated in Australian dollar to Singapore dollar, which were partially offset by an increase in interest income and dividend income alongside a decrease in loss allowance provided for amount due from an associated company, which was provided in FY2023 but did not recur in FY2024.

Administrative expenses for FY2024 decreased by S$0.9 million to S$17.8 million, as a result of the decrease in directors’ remuneration and lower professional fees, partially offset by an increase in employee compensation due to salary adjustment and higher provision for bonus.

Correspondingly, the Group recorded net profit attributable to equity holders of S$33.7 million for FY2024 as compared to net profit attributable to equity holders of S$44.6 million for FY2023.

For the second half ended 31 December 2024 (“2H2024”), revenue grew by 19.3% to S$107.9 million as compared to S$90.4 million in the corresponding period a year ago (“2H2023”). Net profit attributable to equity holders was S$21.8 million for 2H2024 as compared to net profit attributable to equity holders of S$9.0 million for 2H2023.

Balance Sheet Highlights

The Group's balance sheet remains strong with net tangible assets ("NTA") of S$201.4 million while NTA per share was 65.60 Singapore cents as at 31 December 2024.

OKP's free cash and cash equivalents amounted to S$124.3 million as at 31 December 2024, compared to S$81.7 million a year ago.

Earnings per share (basic) for FY2024 stood at 10.98 Singapore cents, as compared to earnings per share (basic) of 14.54 Singapore cents in FY2023.

Based on OKP's closing share price of S$0.385 as at 24 February 2025, the Group's market capitalisation is S$118.2 million.

Proposed Dividend

To reward shareholders for their continuous support, the Board has recommended a final dividend of 2.5 Singapore cents per share, consisting of final dividend of 1.0 Singapore cent per share and special dividend of 1.5 Singapore cents per share.

Outlook

Based on advance estimates released by the Ministry of Trade and Industry ("MTI") on 2 January 2025, Singapore's economy grew at a slower pace of 4.3% on a year-on-year basis in the fourth quarter of 2024, compared with the 5.4% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 0.1%, moderating from the 3.2% expansion in the third quarter. For the whole of 2024, the economy grew by 4.0%, faster than the 1.1% in 2023.

On 24 January 2025, the Monetary Authority of Singapore ("MAS") announced that it will maintain the rate of appreciation of the Singapore dollar and expects Singapore's growth momentum to slow over this year, after outperforming in the second half of 2024. Meanwhile, core inflation has moderated more quickly than expected and will remain below 2% this year, reflecting the return to low and stable underlying price pressures in the economy.

Construction

According to MTI, the construction sector grew by 5.9% year-on-year in the fourth quarter, a faster pace than the 4.7% growth in the third quarter. The growth was driven by an increase in public sector construction output. On a quarter-on-quarter seasonally-adjusted basis, the sector grew at a faster pace of 3.4%, compared to the 1.6% growth in the third quarter.

Based on projections from Building and Construction Authority ("BCA") released on 23 January 2025, construction demand in Singapore is expected to increase this year, with the value of construction contracts to be awarded ranging between $47 billion and $53 billion. Normalised to real values, 2025's demand is projected to range between $35 billion and $39 billion, which is between 0.3% and 11.7% higher than pre-COVID levels in 2019.

The strong demand is underpinned by the expected award of contracts for several large-scale developments, including Changi Airport Terminal 5 ("T5") and the expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works. High-specification industrial buildings, educational developments, healthcare facilities, as well as mechanical and engineering contracts for rail lines are also expected to contribute to the increased demand.

Over the medium term, BCA expects construction demand to range between S$39 billion and S$46 billion per year from 2026 to 2029. It cautioned that while the medium-term construction demand is projected to be robust, the schedules and phasing of projects are subject to change due to potential unforeseen risks arising from an uncertain global economic climate. BCA also highlighted that the T5 development is likely to be a one-off exceptional project over the medium term, and thus overall industry demand could eventually moderate after this period.

Looking ahead, the Group expects global challenges, including the higher-for-longer interest rate environment and geopolitical risks, to continue. Nevertheless, the Group remains focused in building a sustainable and resilient business to navigate challenges effectively.

The Group continues to be supported by a healthy pipeline of construction projects and has secured five projects in 2024 amounting to a total of approximately S$257.2 million. Among these, one project was awarded by the Public Utilities Board for drainage improvement works while the remaining four projects were awarded by the Land Transport Authority for the improvement of road-related and commuter-related facilities, and the construction of cycling path networks. Notwithstanding the strong order book, the Group remains committed to upholding discipline and prudence in its finance and cashflow management and to embracing technology to enhance productivity.

As at 31 December 2024, the Group’s order book stood at $600.7 million (31 December 2023: $518.6 million), with projects extending till 2027.

Property Development and Investment

The flash estimates released by the Urban Redevelopment Authority ("URA") on 2 January 2025 indicated that private residential price index increased by 2.3% on a quarter-on-quarter basis in 4Q2024, bringing the gain for the whole of 2024 to 3.9%. This represents a moderation from the gains of 6.8% in 2023 and 8.6% in 2022.

For 2024, the Government has increased the overall private housing supply in the Government Land Sales (“GLS”) Programme from approximately 8,140 units in 2H2024 to 8,505 units in 1H2025. This comprises approximately 5,030 private housing units, including 980 Executive Condominium units, to be tendered out via the Confirmed List in 1H2025, which is close to 60% higher than the average half-yearly GLS supply in the Confirmed List from 2021 to 2023. An additional 3,475 units will be made available via the Reserve List, an increase from the 3,090 units in 2H2024.

The Group expects the price momentum of the private residential market to moderate with the increased supply in 2025. Amid the uncertain global economic climate, the Group remains cautiously optimistic, on the back of higher-for-longer interest rates and heightened geopolitical tensions.

On the property development front, following the sale of all 74 units of the Group’s residential project in Bukit Panjang, Phoenix Residences, the project has attained its TOP on 3 January 2025. In addition, the Group’s joint venture has completed the residential project, The Essence.

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

To drive recurring income, the Group owns a portfolio of investment properties encompassing 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, through its 51%-owned subsidiary, Raffles Prestige Capital Pte. Ltd., which have contributed positively to the Group's performance.

Supported by a decades-long track record and industry expertise, the Group remains steadfast in its strategy to diversify earnings and build recurring income streams. The Group will also pursue strategic partnerships to strengthen its foothold in property development and investment ventures. By remaining steadfast in its vision, the Group is well positioned to deliver long-term value to its stakeholders.

About OKP Holdings Limited (www.okph.com)

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 26 July 2002, OKP Holdings Limited (胡金标控股有限公司) ("OKP" or the "Group") is a leading home-grown infrastructure and civil engineering company, specialising in the construction of airport runways and taxiways, expressways, flyovers, vehicular bridges, urban and arterial roads, airport infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals. OKP has also ventured into property development and investment.

OKP was established in 1966 by Founder and Chairman, Mr Or Kim Peow, and today operates under three core business segments, Construction, Maintenance and Rental income from investment properties. The Group tenders for both public and private civil engineering, as well as infrastructure construction projects. The Group's core business includes property development and investment.

The Group's clientele includes public sector agencies such as Changi Airport Group, Housing & Development Board, JTC, Land Transport Authority, National Parks Board, PUB, Singapore's National Water Agency and Urban Redevelopment Authority. OKP's private sector clients include companies such as ExxonMobil and Foster Wheeler Asia Pacific Pte Ltd and WorleyParsons Pte Ltd.

The Group had worked on several large oil and gas projects including one relating to the S$750 million Universal Terminal – a massive petroleum storage facility on Jurong Island – and civil works relating to ExxonMobil's multi-billion-dollar Second Petrochemical Complex project. The Group was also involved in land reclamation works on Jurong Island, a milestone project.

To diversify its earnings, OKP has ventured into the property sector since 2012. It had minority stake in LakeLife, an executive condominium in Jurong. In March 2019, the Group successfully launched The Essence, an 84-unit condominium along Chong Kuo Road. The 74-unit residential project, Phoenix Residences in Bukit Panjang, located near the Phoenix LRT station and in close proximity to the Bukit Timah Nature Reserve and Bukit Batok Golf Range, was launched for sale in 2020. For investment purposes, OKP holds 51% interest in a freehold office complex, 6-8 Bennett Street, in Perth, Australia, which provides a recurrent income stream for the Group. In line with the expansion of its portfolio of investment properties, OKP acquired 35 Kreta Ayer Road in January 2021. The property has a freehold tenure and comprises a three-storey with attic shophouse. OKP also completed the acquisition of 69 and 71 Kampong Bahru Road in August 2021. The property has a freehold tenure and comprises adjoining two-storey conservation shophouses.

Both its wholly-owned subsidiary corporations, Or Kim Peow Contractors (Pte) Ltd (胡金标建筑（私人）有限公司) and Eng Lam Contractors Co (Pte) Ltd (永南建筑（私人）有限公司), are A1 grade civil engineering contractors, under the BCA Contractors' Registry System which allows them to tender for public sector construction projects of unlimited value.

Issued on behalf of OKP Holdings Limited by: CDR

Media and Analysts' Contacts:

CDR

Dolores Phua / Louise Lim

During Office Hours: 6534-5122

Email: OKP@cdrconsultancy.com