

(Co. Reg. No. 200201165G)

No. 6 Tagore Drive #B1-06
Tagore Industrial Building
Singapore 787623
Tel: (65) 6456 7667
Fax: (65) 6459 7757

FOR IMMEDIATE RELEASE

OKP's 1HFY2005 revenue remains healthy at \$36.8 million

- Growth momentum continues despite intense competition
- Incorporation of Subsidiary Company - OKP (CNMI) Corporation in Saipan, Commonwealth of the Northern Mariana Islands

SINGAPORE – 27 July 2005 – SGX listed OKP Holdings Limited (“OKP”), a leading home-grown transport infrastructure builder and civil engineering specialist, today announced its half year results for the period ended 30 June 2005.

Group Financial Highlights

	1HFY2005	1HFY2004	% Change
Revenue (S\$'000)	36,788	36,123	1.8
Gross Profit (S\$'000)	2,741	3,640	(24.7)
Profit after Taxation (S\$'000)	932	1,370	(32.0)
Net Cash Generated from Operating Activities (S\$'000)	3,369	2,306	46.1
Cash and Cash Equivalents (S\$'000)	12,989	11,416	13.8
Net Tangible Asset per Share (cents)	12.84	12.65	1.5
Earnings per Share (cents)	0.68	1.01	(32.7)

Segmental Revenue Breakdown

Road & Building Construction (S\$'000)	30,331	24,077	26.0
Road Maintenance (S\$'000)	6,547	12,046	(46.6)

Financial Review

During the period in review, the Group's revenue registered an increase of \$0.7 million from \$36.1 million to \$36.8 million in 1HFY2005. Profit after taxation decreased by 32.0% to \$0.9 million from \$1.4 million for the same corresponding period.

Road & building construction segment continues to experience strong growth while road maintenance segment declined. Higher percentage of revenue recognized from a few road construction projects which were in full swing and some new projects secured during this period, contributed to the stronger performance in road and building construction segment.

As a result of higher sub-contracting costs, lower profit margins were generated from some existing projects. Gross profit decreased from \$3.6 million in 1HFY2004 to \$2.7 million in 1HFY2005 and consequently, profit before taxation dipped by \$0.5 million to \$1.3 million in 1HFY2005.

The Group's cash and cash equivalents remained healthy, logging in at \$13.0 million. Owing to better working capital management, net cash inflow from operational activities improved by 46.1% to \$3.4 million.

Commenting on the Group's performance, Mr Or Toh Wat, the Group Managing Director of OKP Holdings Limited said, "Our performance for the first half under review remained healthy but was affected by the overall lackluster construction industry and higher sub-contracting costs. We will continue to impose measures to control and reduce costs."

Incorporation of Subsidiary Company

In June 2005, the Group incorporated a subsidiary company, OKP (CNMI) Corporation ("OKPCNMI") in Saipan, Commonwealth of the Northern Mariana Islands ("CNMI"). Funded through internal resources, OKPCNMI is to handle our Group's infrastructure construction and building-related businesses in the CNMI.

Mr Or said, "In CNMI, there is a demand for construction expertise in airport infrastructure and an absence of keen competition. The incorporation of OKPCNMI presents a strategic platform for us to extend our business beyond the region whilst enabling us capitalize on our transport infrastructure building expertise. This also allows us to undertake new projects and ride on the local economic growth."

"In line with our strategy to grow our core business of road and building construction and maintenance activities overseas, we have been actively identifying and pursuing suitable business opportunities beyond our shores. Whilst we are venturing overseas, we will remain prudent and will only consider projects that are commercially viable and profitable." he added.

The investment in OKPCNMI is not expected to have any material impact on the earnings per share and the net tangible assets per share of the Company for the financial year ending 31 December 2005.

New Projects Awarded

The Group was awarded \$13.6 million worth of new contracts during 1HFY2005, in the midst of the competitive Singapore construction industry. The three new contracts awarded by the Housing & Development Board were for the Construction of Road (Yishun Street 31) Between Yishun Ring Road and Yishun Avenue 6 (worth \$0.7

million), Construction of Petir Road and Outlet Drain and Road Repair and Resurfacing at Senja Road, Senja Link and Segar Road (worth \$4.2 million) and Road Repair and Resurfacing at Pasir Ris Drive 1 (Part 2A), Drive 12 (Part 1A, 1B & 2), Street 11 (Part 2), Street 13, Street 21 (Part 2) and Road Bridge over Sungei Api Api along Drive 3 (worth \$1.2 million).

The Group was also awarded the Final Premix Surfacing, Reinstatement and Ancillary Works at Tuas View, Phase 5 (worth \$7.5 million) by the Jurong Town Corporation (JTC).

Outlook

We do not expect to see a strong upturn in the construction industry in the short term and it is likely to remain challenging. Whilst we continue to leverage on our established track record, expertise and strengths as a niche transport infrastructure builder, we will also hone our competitive edge in order to compete effectively and efficiently in today's new economy." Mr Or concluded.

- Ends -

About OKP Holdings Limited

Incorporated in Singapore on 15 February 2002 as an investment holding company, OKP Holdings Limited ("OKP") was subsequently listed on the Singapore Exchange of Singapore Dealing and Automated Quotation System ("SESDAQ") on 26 July 2002.

Established in 1966 by Founder and Chairman, Or Kim Peow, PBM, OKP has two core business segments, Road & Building Construction and Road Maintenance. The Group mainly tenders for government civil engineering and infrastructure construction projects.

The Group has five subsidiaries namely Or Kim Peow Contractors (Private) Limited, Eng Lam Contractors Co (Pte) Ltd, OKP Technical Management Pte Ltd, OKP Investments (China) Pte Ltd and OKP (CNMI) Corporation in Saipan, Commonwealth of Northern Mariana Islands.

OKP's clientele includes the Land Transport Authority ("LTA"), the Housing Development Board ("HDB"), the Jurong Town Corporation ("JTC"), the Defence Science and Technology Agency ("DSTA"), the Civil Aviation Authority of Singapore ("CAAS") and the Public Utilities Board ("PUB").

For more information, please visit www.okph.com.

Media Contact

Wong Yen San
29 Communications
Mobile: 9112 1886
Email: wensan@29communications.com.sg