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For Immediate Release

OKP HOLDINGS LIMITED'S NET PROFIT JUMPS 188.9% TO S\$4.1 MILLION FOR HALF YEAR ENDED 30 JUNE 2015

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- ***Net Construction Order Book of S\$276.7 million, with projects lasting till 2019***
- ***Free Cash and Cash Equivalents of S\$37.8 million signifies ample funding for future growth***
- ***Declares an interim dividend of 0.1 cent per share***
- ***Set up of Indonesia Representative Office – first step in regional expansion and offers potential for significant business opportunities in the country***

GROUP'S FINANCIAL HIGHLIGHTS						
S\$' million	2Q2015	2Q2014	▲/▼	1H2015	1H2014	▲/▼
Revenue	27.2	27.5	▼ 1.0%	54.6	57.7	▼ 5.3%
Gross Profit	4.2	2.3	▲ 80.8%	6.9	5.0	▲ 39.2%
GP Margins	15.4%	8.5%	▲ 6.9 ppt	12.7%	8.6%	▲ 4.1 ppt
Profit After Tax & MI	2.9	0.3	▲ 754.5%	4.1	1.4	▲ 188.7%
EPS – Basic (cents)	0.96	0.11	▲ 772.7%	1.32	0.46	▲ 187.0%
As at 30 June 2015:						
Net Tangible Assets: S\$100.3 million, NTA Per Share: 32.52 cents						

Singapore, 3 August 2015 – MAINBOARD-LISTED infrastructure and civil engineering company, OKP Holdings Limited (胡金标控股有限公司) (“OKP” or “the Group”), today announced a 188.9% year-on-year (“yoy”) jump in net profit to S\$4.1 million for the six months ended 30 June 2015 (“1H2015”). This was despite a 5.3% dip in revenue to S\$54.6 million over the same period.

Correspondingly, earnings per share (basic) in 1H2015 saw a spike of 187% yoy to 1.32 Singapore cents as compared to 0.46 Singapore cent in the previous corresponding period.

In appreciation of the strong support from OKP’s shareholders, the Board of Directors has declared an interim dividend of 0.1 cent per share.

GROUP’S REVENUE HIGHLIGHTS						
S\$' million	1H2015		1H014		Increase/(decrease)	
Construction	40.4	74.0%	36.1	62.6%	4.3	12.0%
Maintenance	14.2	26.0%	21.6	37.4%	(7.4)	(34.3%)
Total Revenue	54.6	100.0%	57.7	100.0%	(3.1)	(5.3%)

The decrease in revenue was mainly due to a 34.3% yoy decline in the maintenance segment to S\$14.2 million as a result of lower revenue recognition from a few maintenance projects which were reaching completion during 1H2015. The decrease in revenue for the maintenance segment was partially offset by a 12.0% yoy increase in the construction segment to S\$40.4 million.

Gross profit and gross profit margin grew by 39.2% and 4.1 percentage points yoy to S\$6.9 million and 12.7% respectively in 1H2015. This is mainly attributed to a 9.5% yoy decrease in cost of works to S\$47.7 million in 1H2015 resulting from a fall in labour costs and construction material costs, partially offset by an increase in subcontracting costs.

As at 30 June 2015, OKP's net construction order book based on secured contracts stood at S\$276.7 million which extends till 2019.

Group Managing Director, Mr Or Toh Wat (胡士发) remarked, "Year-to-date, we have successfully secured four contracts worth a total of approximately S\$184.0 million. These include the projects secured during the second quarter worth S\$40.1 million, consisting of two contracts - one from JTC Corporation valued at S\$20.4 million and a S\$19.7 million contract from the Land Transport Authority. The projects involved range from the construction of roads, to the improvement of road facilities, which leverages our core competency as a civil engineering specialist."

Balance Sheet Highlights

OKP is backed by a robust balance sheet and a healthy cash position. As at 30 June 2015, the Group's net tangible assets ("NTA") rose by 4.0% yoy to S\$100.3 million while the NTA per share was 32.52 Singapore cents.

As at 30 June 2015, the Group's free cash and cash equivalents amounted to S\$37.8 million, up from S\$30.1 million as at 30 June 2014.

The Group reported S\$11.1 million of net cash generated from operating activities in 1H2015, a reversal from the S\$0.4 million net cash used in operating activities in 1H2014. The S\$11.5 million increase in net cash generated was mainly due to an increase in net working capital inflow of S\$8.2 million, as well as an increase in cash generated from operating activities before working capital changes of S\$3.3 million.

Net cash used in investing activities was S\$1.3 million in 1H2015 due to the purchase of new property, plant and equipment of S\$0.9 million and an advance of S\$0.5 million extended to an associated company, United Singapore Builders Pte. Ltd., which were partially offset by proceeds received from the disposal of plant, property and equipment and interest income from the financial asset, available-for-sale.

Lastly, net cash used in financing activities was S\$0.9 million in 1H2015. This was mainly used in the repayment of finance lease liabilities (S\$0.5 million), dividend payment (S\$0.3 million) and the servicing of interest payments.

As at 3 August 2015, OKP's market capitalisation stood at S\$67.9 million based on the closing share price of S\$0.22.

Outlook

Based on advance estimates published by the Ministry of Trade and Industry ("MTI") on 14 July 2015, the Singapore economy grew 1.7% yoy in 2Q2015, slowing down from the 2.8% growth in the previous quarter. On a quarter-on-quarter ("qoq") basis, the economy contracted 4.6%, a reversal from a 4.2% expansion in the first quarter.

Supported by stronger public sector construction activities, the construction sector grew 2.7% yoy in the second quarter, accelerating from the 2.1% in the preceding quarter.

According to the Building and Construction Authority ("BCA"), total value of construction contracts awarded is expected to be between S\$29.0 billion and S\$36.0 billion in 2015, driven by a sustained pipeline of public sector infrastructure and civil engineering projects. However, the MTI also cautioned that the construction industry may be weighed down by tighter labour condition.

Mr Or commented, "We recently reached a new milestone when OKP obtained a license in July 2015, to operate a representative foreign construction service company in Jakarta, Indonesia. This marks our first step in venturing beyond the borders of Singapore into the region. With the country's growth potential and infrastructure needs, it opens up opportunities for us to leverage our strong track record in civil engineering and build a business in Indonesia.

“Given the prospects of a steady pipeline of public and private sector projects for the rest of 2015, we believe we are in a good position to secure additional contracts and further strengthen our order book. Moving ahead, we will capitalise on OKP’s reputation and expertise to continue growing our market position in Singapore. At the same time, we will tap on the growth momentum of Indonesia, thereby enhancing shareholders’ value on a sustainable basis.”

About OKP Holdings Limited (www.okph.com)

OKP Holdings Limited (胡金标控股有限公司) (OKP) 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. Established in 1966 by Founder and Chairman, Mr Or Kim Peow, OKP operates in two core business segments, Construction and Maintenance. The Group tenders for both public and private civil engineering and infrastructure construction projects.

The Group's clientele includes public sector agencies such as Changi Airport Group, Housing & Development Board, JTC Corporation, Land Transport Authority, National Parks Board, Public Utilities Board and Urban Redevelopment Authority, as well as private sector companies like ExxonMobil, Foster Wheeler Asia Pacific Pte Ltd, WorleyParsons Pte Ltd and Angullia Development Pte. Ltd..

The Group made an entry into the oil and gas industry in 2006 when it secured a project connected to the S\$750 million Universal Terminal, a massive petroleum storage facility on Jurong Island, Singapore's oil refining and petrochemical hub. Upon completing the project, it went on to secure numerous other projects, including civil works relating to ExxonMobil's multi-billion dollar petrochemical project, known as the Second Petrochemical Complex. In August 2010, it made further inroads into the sector with the signing of a contract for land reclamation works on Jurong Island.

In August 2010, OKP made the Forbes Asia's 'Best Under A Billion' List, the magazine's annual ranking of the best 200 firms in the Asia-Pacific region, selected from a list of nearly 13,000 publicly-listed top performers with sales under US\$1 billion evaluated based on factors such as sales and earnings growth, and shareholders' return on equity over a three-year period and the past one year. On 17 February 2009, it received a Certificate of Achievement from DP Information Group and its partners comprising Ernst & Young, SPRING Singapore, IE Singapore and The Business Times, marking the Company's entry into the 22nd "Singapore 1000 & SME 500" rankings. It has been listed on the Stock Exchange of Singapore since 26 July 2002. OKP has also won several awards for its annual reports, corporate governance and excellence in Investor Relations.

Its wholly-owned subsidiary, Or Kim Peow Contractors (Pte) Ltd (胡金标建筑 (私人) 有限公司), is an A1 grade civil engineering contractor, under the BCA Contractors' Registry System which allows it to tender for public sector construction projects of unlimited value. Its other wholly-owned subsidiary, Eng Lam Contractors Co (Pte) Ltd (永南建筑 (私人) 有限公司), is an A2 grade civil engineering contractor which allows it to tender for public sector construction projects with contract values of up to S\$85 million each.

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NOTES TO THE EDITOR:

Corporate updates and projects

The Group is currently involved in a number of public sector projects from the Land Transport Authority (“LTA”), Public Utilities Board (“PUB”) and JTC Corporation (“JTC”).

On-going LTA projects include:

- A S\$19.7 million contract for the improvement of road related facilities, road structures and road safety schemes in the East sector of Singapore;
- Two contracts for the construction of sheltered link ways under the Walk2Ride Programme worth S\$143.9 million;
- Widening of Tanah Merah Coast Road worth S\$37.3 million;
- Extension of the Central Expressway/Tampines Expressway/Seletar Expressway Interchange worth S\$75.3 million; and
- Ad-hoc repairs, maintenance and upgrading of roads (inclusive of expressways), road structures and road related facilities in central Singapore worth S\$18.2 million.

On-going PUB projects include:

- Construction of Stamford Diversion Canal Contract 1 – Tanglin and Kim Seng worth S\$50.6 million;
- Improvement to roadside drains at Lorong 101 – 108 Changi Road/Langsat Road, Hillview Avenue, Thomson Road, Jalan Teliti and Balestier Road/Boon Teck Road worth S\$19.2 million;
- Improvement to Alexandra Canal (between Zion Road and Kim Seng Road) worth S\$46.8 million;
- Improvement to roadside drains at Joo Chiat worth S\$10.2 million;
- Improvement to roadside drains at Lucky Heights Estate (Eastern) worth S\$15.0 million; and
- Improvement to roadside drains at Geylang area worth S\$13.6 million.

On-going JTC projects include:

- Construction of roads, drains, sewers and soil improvement works at Tuas South Avenue 7/14 worth S\$20.4 million contract.

On the property development front, we embarked on our first project in property development with the launch of freehold residential development, Amber Skye, on 10 September 2014. Amber Skye was developed following our minority investment of 10% stake in July 2012 in CS Amber Development Pte. Ltd., a wholly-owned subsidiary of China Sonangol Land Pte. Ltd., the property arm of China Sonangol International (S) Pte. Ltd..

In addition, we also hold a 10% stake in a property development joint venture, Lakehomes Pte. Ltd. to develop an Executive Condominium ("EC"), Lake Life, in Jurong. This was the first EC to be developed on the Western side of Singapore in 17 years. It was successfully launched on 4 October 2014 and recorded strong sales performance.