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OKP Holdings Limited posts record net profit of S$17.0 million on record turnover of S$139.9 million for FY2010; proposes dividends of 4 cents per share, totalling 5 cents per share for FY2010

GROUP'S FINANCIAL HIGHLIGHTS						
S$'million	**4Q2010**	**4Q2009**	**Change**	**FY2010**	**FY2009**	**Change**
Revenue	29.6	33.4	▼11%	139.9	130.0	▲8%
Gross Profit	10.0	7.6	▲32%	29.5	23.4	▲26%
Gross Profit Margin	33.8%	22.8%	▲11%	21.1%	18.0%	▲3%
Profit After Tax Attributable To Equity Holders (PATMI)	4.6	3.6	▲28%	17.0	14.4	▲17%
Basic Earnings Per Share (Cents)	1.8	1.5	▲17%	6.5	6.1	▲7%
Gross Order Book: S$309.9 million as at 22 February 2011 based on secured contracts **Cash and cash equivalents**: S$100.1 million as at 31 December 2010 **NTA Per Share** at 25.3 cents as at 31 December 2010						

Singapore, 22 February 2011 **– CONTINUING** its upward trend, mainboard-listed infrastructure and civil engineering company OKP Holdings Limited（胡金标控股有限公司）(OKP) today announced a fine set of financial results for

the full year ended 31 December 2010. It posted a profit after tax attributable to equity holders (net profit) of S$17.0 million, up 17% from the previous year, and recorded a new high of S$139.9 million in its revenue, an increase of 8%. Earnings per share for FY2010 stands at 6.5 cents, compared to 6.1 cents previously.

The board of directors is proposing a final dividend of 2.0 cents per share and special dividend of 2.0 cent per share. An interim dividend of 1.0 cent per share had been paid in September 2010, bringing total dividends for FY2010 to 5.0 cents per share. This works out to a dividend yield of 8.6% based on today's closing share price of 58.0 cents and a dividend payout ratio of 77%.

OKP is a leading home-grown infrastructure and civil engineering company in the region specialising in the construction of urban and arterial roads, expressways, vehicular bridges, flyovers, airport infrastructure and Oil & Gas-related infrastructure for petrochemical plants and oil storage terminals. The Company also undertakes maintenance works for roads and roads-related facilities as well as building construction-related works.

The increase in overall Group revenue was derived largely from an 18% growth in the Construction segment, which contributed S$116.0 million to the top line, and accounted for 83% of total Group revenue. This growth was partly offset by a 25% fall in revenue from the Maintenance segment, which contributed the remaining S$23.9 million, or 17% of total revenue.

The growth in revenue from the Construction segment was due mainly to a higher percentage of revenue recognised from a few major construction projects which were in full swing in FY2010. The Maintenance segment saw substantial completion of several projects in the year. This, coupled with lower percentage of revenue recognition for new maintenance projects, resulted in this business segment turning in lower revenue for the year.

With higher overall revenue, gross profit was up by S$6.1 million or 26% to S$29.5 million for FY2010 from $23.4 million a year ago. Gross profit margin rose to 21%, from 18% previously, primarily due to a few construction projects that commanded better gross profit margins, coupled with better project management and tighter cost controls.

Quarter-on-quarter, the Group registered a net profit of S$4.6 million in 4Q2010, up 28% from the S$3.6 million it registered in the previous corresponding quarter. Although revenue for 4Q2010 slipped 11% to S$29.6 million, the Group's gross profit climbed 32% to S$10 million from S$7.6 million in the previous corresponding quarter. The lower revenue was due to lower percentage of revenue recognition from projects that were substantially completed during 4Q2010. However, the Group's gross profit margin strengthened significantly to 34%, from 23% in 4Q2009.

Group Managing Director, Mr Or Toh Wat（胡土发）said: "It has been an exciting and eventful year, and we have been extremely busy. I am delighted to be breaking records again, both at our topline as well as at the earnings level. It serves as an encouragement to my team and me, and will certainly motivate us to continue to strive for greater growth as we look to 2011." Mr Or added that while the Group's fine performance was aligned to the growth in the Singapore economy, much credit also has to go to his dedicated and diligent team.

The Group's total gross order book stands at a healthy S$309.9 million based on secured civil engineering and construction contracts, with projects stretching up to 2014.

Balance sheet highlights

The Group continues to benefit from a strong balance sheet with total assets of S$153.1 million and net tangible assets of S$67.3 million. This gives a slightly higher net tangible assets per share of 25.3 cents versus 23.14 cents as at 31 December 2009. Net working capital was S$48.4 million. The Group generated a net cash of S$41.7 million from operations, with cash and cash equivalents registering a strong S$100.1 million as at 31 December 2010. Market capitalisation was at S$154.5 million, derived from a closing price of 58.0 cents as at 22 February 2011.

Outlook

Mr Or said the outlook for Singapore's construction sector looks promising over the next 12 months, as he cited statistics from the Ministry of Trade and Industry that has forecasted construction demand to be between S$22 billion and S$28 billion, with S$12 billion to S$15 billion expecting to be derived from public sector projects.

"Our leading position in the public sector arena will put us in good stead to benefit directly from the slew of contracts anticipated in the years ahead. Over the years, we have broadened and deepened our expertise and as we look ahead, we are ready to take on bigger challenges. This may take the form of larger and more complex civil engineering projects that will generate higher revenue and profitability," he said.

"However, we will remain selective in tender participation as this is one of the ways we ensure prudence in our business operations," Mr Or added.

Ongoing OKP Projects

The Group secured six public sector projects totalling approximately S$82.2 million in FY2010. These are: (i) a S$5.2 million contract from the Jurong Town Corporation for construction and maintenance works at Tuas South Avenue 12 and Tuas South Avenue 14, (ii) a S$19.4 million contract from the Land Transport Authority for ad hoc repairs and upgrading of roads, road related facilities and road structures in Central Sector for a period of 39 months, (iii) a S$14.9 million contract from the Land Transport Authority for ad hoc repairs and upgrading of roads, road related facilities and road structures in North-West Sector for a period of 39 months, (iv) a S$6.0 million contract from the Public Utilities Board for desilting of Bukit Timah Phase II Diversion Canal, (v) a S$14.5 million contract from the Jurong Town Corporation for the construction of roads, drains, sewers and ancillary works at Cleantech Park (Phase 1), road widening works at Nanyang Avenue and sewage works along Jalan Bahar and (vi) a S$22.2 million contract from the Public Utilities Board for proposed road raising works along Orchard Road (from Orange Grove Road to Cairnhill Road).

On the private sector front, OKP secured (i) a S$1.1 million project from Exxonmobil Asia Pacific Pte Ltd to carry out land reclamation works on Jurong Island and (ii) a contract for the construction of a luxury condominium at Angullia Park worth S$83.5 million from Angullia Development Pte Ltd.

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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 & 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 Civil Aviation Authority of Singapore, 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 Foster Wheeler Asia Pacific Pte Ltd and WorleyParsons Pte Ltd, Far East Organisation and Angullia Development Pte Ltd.

The Group broke into the Oil & Gas industry in 2006 when it secured a project connected to the SS$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. And in August 2010, it made further inroads into the sector with the signing of a SS$1.1 million 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 USS$1 billion evaluated based 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 had been listed on the Singapore Exchange Dealing and Automated Quotation System (SESDAQ), now renamed CATALIST, on 26 July 2002. Its listing was upgraded from the SGX Catalist to the SGX Mainboard with effect from 25 July 2008.

In August 2009, its wholly-owned subsidiary, Eng Lam Contractors Co (Pte) Ltd （永南建筑（私人）有限公司), was upgraded to an A2 grade civil engineering contractor under the BCA Contractors' Registry System, allowing it to tender for public sector construction projects with contract values of up to SS$85 million each. In 2008, another subsidiary, Or Kim Peow Contractors (Pte) Ltd （胡金标建筑（私人）有限公司）was upgraded to an A1 grade civil engineering contractor, which allows it to tender for public sector construction projects of unlimited value.

OKP has won several awards for its annual reports and excellence in Investor Relations, most recently at the Singapore Corporate Awards (SCA) 2010 where it took the Best Annual Report Award (Gold) in the 'Companies with less than SS$300 million in market capitalisation' category. At SCA 2009, it bagged two awards – Best Investor Relations Award (Gold) and Best Annual Report Award (Silver). OKP was the Silver winner for Best Investor Relations Award at SCA 2008. It was also the second runner-up at the 30th Annual Report Awards in 2004 and Best Annual Report Award (Gold) at the Inaugural SCA 2006 for excellent standards of corporate disclosure.

Issued on behalf of OKP Holdings Limited by: Waterbrooks Consultants Pte Ltd

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