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**Half Year Financial  
Statements for the Period  
Ended 30 June 2021**

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**4 August 2021**

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**Half Year Financial Statements for the Period Ended 30 June 2021**
**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)
Note		2021	2020	
		\$'000	\$'000	%
<b>Revenue</b>	4	45,065	32,188	40.0
Cost of sales		(40,589)	(28,408)	42.9
<b>Gross profit</b>		<b>4,476</b>	<b>3,780</b>	18.4
Other gains, net		2,274	4,791	(52.5)
Expenses				
- Administrative		(4,538)	(5,762)	(21.2)
- Finance		(525)	(612)	(14.2)
Share of profit of associated companies and joint ventures, net		224	104	115.4
<b>Profit before income tax</b>	6	<b>1,911</b>	<b>2,301</b>	(16.9)
Income tax expense	7	(473)	(310)	52.6
<b>Net profit</b>		<b>1,438</b>	<b>1,991</b>	(27.8)
Gross profit margin		9.9%	11.7%	
Net profit margin		3.2%	6.2%	
Effective tax rate		24.8%	13.5%	
Net profit attributable to:				
Equity holders of the Company		976	1,610	(39.4)
Non-controlling interests		462	381	21.3
		1,438	1,991	(27.8)
Other comprehensive (loss)/income:				
Currency translation differences arising from consolidation	i	(94)	97	(196.9)
<b>Total comprehensive income, net of tax</b>		<b>1,344</b>	<b>2,088</b>	(35.6)
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company		928	1,659	(44.1)
Non-controlling interests		416	429	(3.0)
		1,344	2,088	(35.6)

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 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
		61,421	79,097	3,554	4,078
	9	6,512	9,730	16,028	18,113
	10	14,045	14,239	-	-
		1,662	-	-	-
		83,640	103,066	19,582	22,191
<b>Non-current assets</b>					
	11	-	-	19,219	19,219
	12	26	36	-	-
	13	614	411	-	-
	14	63,296	52,107	-	-
	15	9,956	8,924	-	-
	16	21,615	20,858	13,116	13,184
	17	9,347	9,926	-	-
	18	1,738	1,751	14	16
		106,592	94,013	32,349	32,419
<b>Total assets</b>		190,232	197,079	51,931	54,610
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
	19	20,157	20,178	2,588	3,113
	10	3,458	8,934	-	-
	17	1,690	1,957	-	-
	20	6,157	5,315	4,350	4,500
		-	1,400	-	-
		692	764	82	60
		32,154	38,548	7,020	7,673
<b>Non-current liabilities</b>					
	19	12,300	9,914	-	-
	17	2,685	3,139	-	-
	20	19,561	21,190	-	-
		984	1,104	5	10
		35,530	35,347	5	10
<b>Total liabilities</b>		67,684	73,895	7,025	7,683
<b>NET ASSETS</b>		<b>122,548</b>	<b>123,184</b>	<b>44,906</b>	<b>46,927</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
	21	36,832	36,832	36,832	36,832
	21	(235)	(235)	(235)	(235)
	22	3,365	3,244	-	-
		81,131	82,304	8,309	10,330
		121,093	122,145	44,906	46,927
<b>Non-controlling interests</b>		1,455	1,039	-	-
<b>Total equity</b>		<b>122,548</b>	<b>123,184</b>	<b>44,906</b>	<b>46,927</b>
<b>Net tangible assets</b>		<b>120,810</b>	<b>121,433</b>	<b>44,892</b>	<b>46,911</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 2021</b>		36,832	(235)	1,706	1,372	166	82,304	122,145	1,039	123,184
Profit for the period		-	-	-	-	-	976	976	462	1,438
Other comprehensive income for the period		-	-	-	-	(48)	-	(48)	(46)	(94)
		-	-	-	-	(48)	976	928	416	1,344
Fair value adjustment on interest-free loan		-	-	169	-	-	-	169	-	169
Dividend relating to FY2020	8	-	-	-	-	-	(2,149)	(2,149)	-	(2,149)
<b>As at 30 Jun 2021</b>		<b>36,832</b>	<b>(235)</b>	<b>1,875</b>	<b>1,372</b>	<b>118</b>	<b>81,131</b>	<b>121,093</b>	<b>1,455</b>	<b>122,548</b>
<b>As at 1 Jan 2020</b>		36,832	-	1,656	1,372	(40)	81,163	120,983	179	121,162
Profit for the period		-	-	-	-	-	1,610	1,610	381	1,991
Other comprehensive loss for the period		-	-	-	-	49	-	49	48	97
		-	-	-	-	49	1,610	1,659	429	2,088
Purchase of treasury shares	21	-	(235)	-	-	-	-	(235)	-	(235)
Dividend relating to FY2019	8	-	-	-	-	-	(2,153)	(2,153)	-	(2,153)
<b>As at 30 Jun 2020</b>		<b>36,832</b>	<b>(235)</b>	<b>1,656</b>	<b>1,372</b>	<b>9</b>	<b>80,620</b>	<b>120,254</b>	<b>608</b>	<b>120,862</b>



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 2021</b>		36,832	(235)	10,330	46,927
Total comprehensive income for the period		-	-	128	128
Dividend relating to FY2020	8	-	-	(2,149)	(2,149)
<b>As at 30 Jun 2021</b>		<b>36,832</b>	<b>(235)</b>	<b>8,309</b>	<b>44,906</b>

<b>As at 1 Jan 2020</b>		36,832	-	9,084	45,916
Total comprehensive income for the period		-	-	1,069	1,069
Purchase of treasury shares	21	-	(235)	-	(235)
Dividend relating to FY2019	8	-	-	(2,153)	(2,153)
<b>As at 30 Jun 2020</b>		<b>36,832</b>	<b>(235)</b>	<b>8,000</b>	<b>44,597</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	
		2021	2020
Note		\$'000	\$'000
<b>Cash flows from operating activities</b>			
	Net profit	1,438	1,991
	Adjustments for:		
	- Income tax expense	473	310
6	- Depreciation of property, plant and equipment	1,073	1,052
6	- Depreciation of right-of-use assets	987	1,078
6	- Amortisation of intangible assets	13	15
6	- Gain on disposal of right-of-use assets	-	(1)
6	- Loss/(Gain) on disposal of property, plant and equipment, net	10	(7)
6	- Reversal of impairment allowance made	-	(1,228)
	- Share of results of associated companies and joint ventures, net	(224)	(104)
6	- Interest income	(75)	(410)
	- Interest expense	525	612
	- Foreign exchange differences	150	(28)
	<b>Operating cash flow before working capital changes</b>	<b>4,370</b>	<b>3,280</b>
	Change in working capital		
	- Trade and other receivables	3,218	776
	- Contract assets	194	7,040
	- Inventories	(1,662)	-
	- Contract liabilities	(5,476)	9,613
	- Trade and other payables	(225)	(6,360)
	- Provisions	(1,400)	-
	<b>Cash (used in)/generated from operations</b>	<b>(981)</b>	<b>14,349</b>
	- Interest received	75	410
	- Income tax paid	(510)	(402)
	<b>Net cash (used in)/provided by operating activities</b>	<b>(1,416)</b>	<b>14,357</b>
<b>Cash flows from investing activities</b>			
	- Additions to property, plant and equipment	(1,855)	(4,684)
	- Additions to right-of-use assets	(70)	-
	- Additions to investment properties	(11,643)	-
	- Advance to an associated company	(1,000)	(500)
	- Proceeds from disposal of property, plant and equipment	15	24
	- Proceeds from disposal of right-of-use assets	-	78
	- Proceeds from disposal of assets classified as held for sale	-	11,000
	- Dividend received from joint ventures	-	350
	<b>Net cash (used in)/provided by investing activities</b>	<b>(14,553)</b>	<b>6,268</b>



Consolidated statement of cash flows (Cont'd)

		The Group	
		Half Year ended 30 June	
		2021	2020
Note		\$'000	\$'000
<b>Cash flows from financing activities</b>			
	- Repayment of lease liabilities	(1,059)	(1,283)
	- Advance from a non-controlling shareholder	2,450	-
	- Interest paid	(323)	(456)
	- Proceeds from bank borrowing	1,000	-
21	- Purchase of treasury shares	-	(235)
	- Repayment of borrowings	(1,589)	(1,745)
8	- Dividend paid to shareholders	(2,149)	(2,153)
	- Bank deposits pledged	(53)	(54)
<b>Net cash used in financing activities</b>		(1,723)	(5,926)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(17,692)	14,699
Cash and cash equivalents at the beginning of the financial period		74,012	59,551
Effects of currency translation on cash and cash equivalents		(38)	44
<b>Cash and cash equivalents at the end of the financial period</b>		56,282	74,294

**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 2021	30 Jun 2020
		\$'000	\$'000
	Cash at bank and on hand	17,441	29,263
	Short-term bank deposits	43,456	49,661
	Trust account – Cash at bank	524	510
		61,421	79,434
	Short-term bank deposits pledged to banks	(5,139)	(5,140)
	Cash and cash equivalents per consolidated statement of cash flows	56,282	74,294

Short-term bank deposits of \$5,138,894 (30 June 2020: \$5,140,080) are pledged to banks for banking facilities of certain subsidiary corporations.





## Notes to the interim consolidated financial statements

### 1. Corporate information

OKP Holdings Limited (the “Company”) is incorporated and domiciled in Singapore and shares are publicly traded on the Mainboard of the Singapore Exchange. The address of its registered office is 30 Tagore Lane, Singapore 787484. These interim consolidated financial statements as at and for the half year ended 30 June 2021 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 interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore (the “Standards”). The 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 2020.

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

During the financial period ended 30 June 2021, the Group reported a net cash used in operating activities of \$1.4 million. The Board of Directors has assessed that the going concern basis of preparation for this set of financial statements remain appropriate due to the following:

- i. The Group is profit-making and is in a net assets and net current assets position of \$122.5 million and \$51.4 million respectively; and
- ii. The Group has sufficient cash to fund the operations of the Group, with free cash and cash equivalents of \$56.3 million as at 30 June 2021.

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

A number of amendments to 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 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 2020.

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:

- Estimated impairment of goodwill
- Depreciation of property, plant and equipment
- Impairment of property, plant and equipment
- Recognition of revenue from construction and maintenance contracts

There were no significant changes in critical judgements, estimates and assumptions as compared to the consolidated financial statements as at and for the year ended 31 December 2020.

## 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 2021				Previous financial period ended 30 Jun 2020			
	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	48,011	11,716	3,394	63,121	35,720	6,891	2,916	45,527
Inter-segment revenue	(18,056)	-	-	(18,056)	(13,339)	-	-	(13,339)
Revenue from external parties	29,955	11,716	3,394	45,065	22,381	6,891	2,916	32,188
<b>Gross profit</b>	<b>820</b>	<b>1,376</b>	<b>2,280</b>	<b>4,476</b>	<b>1,514</b>	<b>335</b>	<b>1,931</b>	<b>3,780</b>
Other income								
- Allocated			-	-			-	-
- Unallocated				2,354				4,791
Other losses								
- Allocated			-	-			-	-
- Unallocated				(80)				-
Administrative costs								
- Allocated			(151)	(151)			(22)	(22)
- Unallocated				(4,387)				(5,740)
Share of (loss)/profit of joint venture companies				(10)				349
Share of profit/(loss) of associated companies				234				(245)
				2,436				2,913
Finance expenses								
- Allocated			(451)	(451)			(486)	(486)
- Unallocated				(74)				(126)
Profit before income tax				1,911				2,301
Income tax expense								
- Allocated			(417)	(417)			(297)	(297)
- Unallocated				(56)				(13)
<b>Net profit for the interim period</b>				<b>1,438</b>				<b>1,991</b>
Depreciation of property, plant and equipment	629	214	-	843	623	203	-	826
Depreciation of right-of-use	740	241	-	981	795	277	-	1,072
Amortisation	8	-	-	8	10	-	-	10
Segment assets								
- Allocated	17,714	5,902	66,424	90,040	11,099	5,623	52,491	69,213
- Unallocated			100,192	100,192			117,351	117,351
Total assets				190,232				186,564
Additions to								
- Right-of-use assets	350	48	-	398	1,280	-	-	1,280
- Investment properties			11,643	11,643			-	-
				12,041				1,280
Segment liabilities								
- Allocated	12,981	5,264	38,372	56,617	14,135	5,610	35,474	55,219
- Unallocated			11,067	11,067			10,480	10,480
Total liabilities				67,684				65,699



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	
2021	2020
\$'000	\$'000

##### Over time

Construction and maintenance

- Singapore

41,671

29,272

Rental income

- Singapore

- Australia

152	126
3,242	2,790
3,394	2,916
45,065	32,188

#### 5. Financial assets and financial liabilities

The Group		The Company	
30 Jun 2021	31 Dec 2020	30 Jun 2021	30 Dec 2020
\$'000	\$'000	\$'000	\$'000

##### Financial assets

Cash and cash equivalents  
Trade and other receivables

61,421	79,097	3,554	4,078
14,831	14,822	16,004	18,016
76,252	93,919	19,558	22,094

##### Financial liabilities

Trade and other payables  
Lease liabilities  
Borrowings

32,457	29,566	2,588	3,113
4,375	5,096	-	-
25,718	26,505	4,350	4,500
62,550	61,167	6,938	7,613



## 6. Profit before taxation

### 6.1 Significant items

		The Group		
		Half Year ended 30 June		Increase/ (Decrease)
Notes		2021	2020	
		\$'000	\$'000	%
<u>Income</u>				
		75	410	(81.7)
		(10)	7	(242.9)
		-	1	n.m.
	a	2,131	2,737	(22.1)
	b	-	1,228	n.m.
<u>Expenses</u>				
		13	11	18.2
		5	5	-
		230	226	1.8
		6	6	-
		1,302	1,337	(2.6)
		181	232	(22.0)
		90	90	-
		249	332	(25.0)
		74	125	(40.8)
		202	155	30.3
	c	80	(266)	(130.1)
		1,819	1,636	11.2
<u>Included in the cost of sales are the following: -</u>				
		843	826	2.1
		981	1,072	(8.5)
		8	10	(20.0)
		13,974	11,414	22.4

n.m. - not meaningful

Note:

- Government grants included \$2.1 million arising from COVID-19 government relief measures such as Job Support Scheme and Wage Credit Scheme payouts, COVID-Safe firm-based and project-based support, Co-Sharing of Prolongation Costs due to COVID-19, rental waiver and foreign worker levy rebate.
- This is a one-off reversal of impairment allowance following the completion of the disposal of a former associated company, CS Amber Development Pte Ltd.
- Loss/(Gain) 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 interim consolidated statement of profit or loss are:

The Group	
Half Year ended 30 June	
2021	2020
\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial year:

Current income tax

- Singapore

- Foreign

22	26
416	297
438	323

Deferred income tax

- Singapore

35	(13)
35	(13)

473	310
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## 8. Dividends

Group and Company	
Half Year ended 30 June	
2021	2020
\$'000	\$'000

*Ordinary dividends paid*

Final one-tier tax exempt dividend paid in respect of the previous financial year of \$0.007 (2020: \$0.007) per share

2,149	2,153
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## 9. Trade and other receivables

	The Group		The Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	1,827	1,759	-	-
- Subsidiary corporations	-	-	4,720	6,733
- Joint venture	-	717	-	-
	1,827	2,476	4,720	6,733
- Retentions	266	266	-	-
Non-trade receivables				
- Subsidiary corporations	-	-	11,957	11,952
- Associated companies	9	9	-	-
- Joint ventures	36	36	-	-
- Non-related parties	667	692	-	4
	712	737	11,957	11,956
Less: Allowance for impairment of receivables	-	-	(688)	(688)
Non-trade receivables - net	712	737	11,269	11,268
Government grant receivable	312	1,454	-	14
Advance to suppliers/sub-contractors	473	1,089	-	-
Deposits	2,070	2,419	15	15
Prepayments	852	1,289	24	83
	6,512	9,730	16,028	18,113

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

The advance to suppliers/sub-contractors relates to a portion of advance payments received from government agencies which have been passed down to the suppliers/sub-contractors engaged by the Group.

Government grant receivable relates to Job Support Scheme payout and Foreign Worker Levy rebate.



## 10. Contract assets and liabilities

The Group	
30 Jun 2021	31 Dec 2020
\$'000	\$'000

### Contract assets

Construction contracts due from customers

14,045	14,239
--------	--------

### Contract liabilities

Advances received

3,458	8,934
-------	-------

The advances received relate to (a) advance payment for public sector construction contracts affected by the suspension of activities at workplaces due to COVID-19 for Built Environment firms of \$2.1 million and (b) mobilisation advance payment received from a customer of \$1.4 million.

## 11. Investments in subsidiary corporations

The Company	
30 Jun 2021	31 Dec 2020
\$'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

1,697	1,697
-------	-------

19,219	19,219
--------	--------





Name of subsidiary corporations	Principal activities	Country of incorporation/ registration	Equity holding held by the Group	
			30 Jun 2021	31 Dec 2020
<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%
United Pavement Specialists Pte Ltd <sup>(@)(*)</sup>	Provision of rental services and investment holding	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 OKP Land Pte Ltd</u>				
Raffles Prestige Capital Pte Ltd <sup>(@)</sup>	Investment holding	Singapore	51%	51%
<u>Held by Raffles Prestige Capital Pte Ltd</u>				
Bennett WA Investment Pty Ltd <sup>(#)</sup>	Property investment	Australia	51%	51%

(@) Audited by Nexia TS Public Accounting Corporation.

(#) Audited by Nexia Perth Services Pty Ltd.

(\*) Dormant company.



## 12. Investments in joint ventures

The Group	
30 Jun 2021	31 Dec 2020
\$'000	\$'000

### Interests in joint ventures

Beginning of financial period/year	36	274
Share of (loss)/profit of joint ventures	(10)	327
Dividend received	-	(450)
Capital reduction in a joint venture	-	(115)
End of financial period/year	26	36

Details of the joint ventures are as follows:

Name of joint ventures	Principal activities	Country of incorporation	Percentage of ownership interest	
			30 Jun 2021	31 Dec 2020

#### Held by subsidiary corporations

##### Incorporated joint ventures

CS-OKP Construction and Development Pte Ltd <sup>(@)(1)</sup>	Design, construction and execution of urban developments (including road infrastructure)	Singapore	-	50%
Forte Builder Pte Ltd <sup>(#)(2)</sup>	Business of general construction	Singapore	-	50%
Lakehomes Pte Ltd <sup>(^)(3)</sup>	Property development	Singapore	10%	10%

##### Unincorporated joint ventures

Chye Joo – Or Kim Peow JV <sup>(*)(4)</sup>	Business of general construction	Singapore	50%	50%
Eng Lam – United E&P JV <sup>(&amp;)(5)</sup>	Business of general construction	Singapore	55%	55%

(@) Audited by Heng Lee Seng LLP.

(#) Audited by Nexia TS Public Accounting Corporation.

(^) Audited by Ernst & Young LLP.

(\*) Registered on 4 May 2015 and not required to be audited under the laws of relevant jurisdiction.

(&) Registered on 9 April 2019 and not required to be audited under the laws of relevant jurisdiction.

(1) CS-OKP Construction and Development Pte Ltd ("CS-OKP") was incorporated in Singapore on 1 December 2009. CS-OKP is a joint venture company of OKP Technical Management Pte Ltd ("OKPTM"), a wholly-owned subsidiary corporation, and CS Mining Pte Ltd, a subsidiary corporation of China Sonangol International Limited, with a share capital of \$100,000 consisting of 100 ordinary shares. OKPTM had a 50% equity interest at a cost of \$50,000 in CS-OKP as at 31 December 2020.

CS-OKP has been struck off on 15 March 2021.

(2) On 8 December 2010, Or Kim Peow Contractors (Private) Ltd ("OKPC"), a wholly-owned subsidiary corporation, entered into a joint venture agreement with Soil-Build (Pte) Ltd ("SBPL"), incorporated in Singapore and a subsidiary corporation of Soilbuild Construction Group Ltd, to form a 50:50 joint venture company. On the same date, the joint venture company, Forte Builder Pte Ltd ("FBPL") was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKPC had a 50% equity interest at a cost of \$500,000 in FBPL. The principal activity of FBPL was the construction of the condominium housing development, comprising one (1) 36-storey block of 54 residential units at Angullia Park.



On 30 December 2019, FBPL undertook a capital reduction pursuant to which the share capital of FBPL was reduced from \$1,000,000 consisting of 1,000,000 ordinary shares to \$50,000 consisting of 50,000 ordinary shares, by way of cancellation of 950,000 issued and fully paid ordinary shares and returning a total sum of \$950,000 to its shareholders.

FBPL has been struck off on 5 January 2021.

- (3) On 15 August 2013, a joint venture company, Lakehomes Pte Ltd ("LH") was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKP Land Pte Ltd ("OKPL"), a wholly-owned subsidiary corporation, has a 10% equity interest at a cost of \$100,000 in LH. The principal activity of LH is to develop a land parcel at Yuan Ching Road/Tao Ching Road into an executive condominium. On 13 September 2013, OKPL entered into a joint venture agreement with BBR Development Pte Ltd, Evia Real Estate (5) Pte Ltd, CNH Investment Pte Ltd and Ho Lee Group Pte Ltd for the aforesaid executive condominium development.

On 20 November 2020, LH undertook a capital reduction pursuant to which the share capital of LH was reduced from \$1,000,000 consisting of 1,000,000 ordinary shares to \$100 consisting of 100 ordinary shares, by way of cancellation of 999,900 issued and fully paid ordinary shares and returning a total sum of \$999,900 to its shareholders.

- (4) On 4 May 2015, a joint venture partnership, Chye Joo - Or Kim Peow JV was registered to execute the improvement to Bukit Timah First Diversion Canal Contract 3 (Holland Green to Clementi Road) awarded by the Public Utilities Board.
- (5) On 9 April 2019, a joint venture partnership, Eng Lam - United E&P JV was registered 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 2021	31 Dec 2020
	\$'000	\$'000
Assets		
- Current assets	3,565	6,237
Liabilities		
- Current liabilities	(3,504)	(6,036)
Net assets	61	201
Revenue	5,282	9,800
Expenses	(5,429)	(9,002)
(Loss)/Profit before income tax	(147)	798
Income tax expense	-	(1)
Net (loss)/profit	(147)	797

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 2021	31 Dec 2020
\$'000	\$'000

#### Interests in associated companies

Beginning of financial period/year	411	1,174
Notional fair value of loan (net)	(31)	(70)
Share of profit/(loss) of associated companies	234	(693)
End of financial period/year	614	411

Name of associated companies	Principal activities	Country of incorporation	Equity holding	
			30 Jun 2021	31 Dec 2020

#### 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	100%	100%
USB (Phoenix) Pte Ltd <sup>(#)(4)</sup>	Property development	Singapore	100%	100%

(&) Audited by Ernst & Young LLP

(#) Audited by Nexia 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 2021	31 Dec 2020
	\$'000	\$'000
<b>Assets</b>		
- Current assets	106,887	112,504
- Non-current assets	931	520
<b>Liabilities</b>		
- Current liabilities	(4,934)	(13,566)
- Non-current liabilities	(98,846)	(95,764)
<b>Net assets</b>	<b>4,038</b>	<b>3,694</b>
Revenue	25,146	38,340
Expenses	(28,029)	(40,256)
Loss before income tax	(2,883)	(1,916)
Income tax credit	-	1
<b>Net loss</b>	<b>(2,883)</b>	<b>(1,915)</b>

The Group has not recognised its share of loss of its associated company, USB Holdings Pte Ltd amounting to approximately \$993,000 (30 June 2020: \$Nil) 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 approximately \$993,000 (30 June 2020: \$Nil) as at 30 June 2021.

#### 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 2021	31 Dec 2020
	\$'000	\$'000
Beginning of financial period/year	52,107	49,568
Additions	11,643	-
Currency translation differences	(454)	3,216
Net fair value loss recognised in profit and loss	-	(677)
<b>End of financial period/year</b>	<b>63,296</b>	<b>52,107</b>



## 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 have 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 receivables (non-current)

The Group	
30 Jun 2021	31 Dec 2020
\$'000	\$'000
Loans to associated companies	
- Chong Kuo Development Pte Ltd	4,410
- USB Holdings Pte Ltd	6,037
Less: Notional fair value of loan (net)	(491)
	<u>8,924</u>
	<u>9,956</u>

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.

## 16. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired property, plant and equipment amounting to \$1.9 million (30 June 2020: \$4.7 million) and disposed of property, plant and equipment amounting to \$25,000 (30 June 2020: \$17,000).



## 17. Leases

(a) Amounts recognised in the statements of financial position

The Group	
30 Jun 2021	31 Dec 2020
\$'000	\$'000

### Right-of-use assets

Office unit	214	254
Plant and machineries	7,224	7,450
Motor vehicles	1,548	1,696
Use of state land for worksites	361	526
	<u>9,347</u>	<u>9,926</u>

### Lease liabilities

Current	1,690	1,957
Non-current	2,685	3,139
	<u>4,375</u>	<u>5,096</u>

(b) Amounts recognised in the statement of comprehensive income

The Group	
30 Jun 2021	30 Jun 2020
\$'000	\$'000

### Depreciation of right-of-use assets

Office unit	40	262
Plant and machineries	576	519
Motor vehicles	148	132
Use of state land for worksites	223	165
	<u>987</u>	<u>1,078</u>

Interest expense (included in finance expenses)	<u>74</u>	<u>125</u>
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## 18. Intangible assets

The Group		The Company	
30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
\$'000	\$'000	\$'000	\$'000

### Composition:

Goodwill	1,688	1,688	-	-
Computer software licences	50	63	14	16
	<u>1,738</u>	<u>1,751</u>	<u>14</u>	<u>16</u>

### (a) Goodwill

#### Cost/net book value

Beginning and end of financial period/year	1,688	1,688	-	-
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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.

### (b) Computer software licences

#### Cost

Beginning of financial period/year	520	520	78	78
Additions	-	-	-	-
End of financial period/year	<u>520</u>	<u>520</u>	<u>78</u>	<u>78</u>

#### Accumulated Amortisation

Beginning of financial period/year	457	427	62	57
Amortisation charge	13	30	2	5
End of financial period/year	<u>470</u>	<u>457</u>	<u>64</u>	<u>62</u>

#### Net book value

	<u>50</u>	<u>63</u>	<u>14</u>	<u>16</u>
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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.

## 18.1 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 2021 was determined similarly to the 31 December 2020 goodwill impairment test, and was based on the following key assumptions:

- Gross margin of 8% - 15% (2020: 8% - 15%)
- Growth rate of 8% (2020: 8%)
- Discount rate of 7.2% (2020: 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.





## 19. Trade and other payables

	The Group		The Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Trade payables				
- Non-related parties	11,653	11,235	69	70
<u>Non-trade payables</u>				
- Subsidiary corporations	-	-	1,955	1,955
- Non-controlling interests	3,208	442	-	-
- Non-related parties	405	401	-	-
	3,613	843	1,955	1,955
Deferred grant income	-	526	-	-
Accrued operating expenses	4,891	7,574	564	1,088
	20,157	20,178	2,588	3,113
<u>Non-current</u>				
Non-trade payables				
- Loan from non-controlling interests	13,135	10,788	-	-
Less: Notional fair value of loan	(835)	(874)	-	-
	12,300	9,914	-	-

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

Deferred grant income relates to Jobs Support Scheme payout and Foreign Worker Levy rebate.

The non-current loan from non-controlling interests 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.



## 20. Bank borrowings

	The Group		The Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Secured bank term loan <sup>(a)</sup>	807	815	-	-
Secured bank facilities <sup>(b)</sup>	5,350	4,500	4,350	4,500
	6,157	5,315	4,350	4,500
<b>Non-current</b>				
Secured bank term loan <sup>(a)</sup>	19,561	21,190	-	-
	25,718	26,505	4,350	4,500

- (a) The secured bank term loan is mainly secured by:
- First legal mortgage over an investment property of the Group;
  - Certain bank deposit;
  - Charge over the Group's shares in a subsidiary corporation; and
  - Corporate guarantee of the Company.

The secured bank term loan is denominated in Australian dollar. It bears interest at 1.8% per annum above the bank's cost of fund.

- (b) The secured bank facilities is mainly secured by:
- First legal mortgage over the freehold properties of the Group; and
  - Corporate guarantee of one of the Group's subsidiary corporations.

The secured bank facilities are denominated in Singapore dollar. It bears interest at 1.2% per annum above the bank's cost of fund and is repayable on demand.

## 21. Share capital and treasury shares

	Number of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
<b>Group and Company</b>				
<b>30 Jun 2021</b>				
Beginning and end of financial period	308,431	(1,469)	36,832	(235)
<b>31 Dec 2020</b>				
Beginning of financial year	308,431	-	36,832	-
Treasury shares purchases	-	(1,469)	-	(235)
End of financial year	308,431	(1,469)	36,832	(235)



## 22. Other reserves

The Group	
30 Jun 2021	31 Dec 2020
\$'000	\$'000

### (a) Composition:

Asset revaluation reserve	1,372	1,372
Currency translation reserve	118	166
Capital reserve	1,875	1,706
	<u>3,365</u>	<u>3,244</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	166	(40)
Currency translation differences arising from consolidation	(94)	404
Less: Non-controlling interests	46	(198)
	<u>(48)</u>	<u>206</u>
End of financial period/year	<u>118</u>	<u>166</u>

#### **Capital reserve**

Beginning of financial period/year	1,706	1,656
Fair value adjustment on interest-free loan	169	50
End of financial period/year	<u>1,875</u>	<u>1,706</u>

Other reserves are non-distributable.

## 23. Subsequent events

On 4 May 2021, the Group's 51%-owned subsidiary corporation, Raffles Prestige Capital Pte. Ltd. exercised the option dated 20 April 2021 to purchase the properties at 69 and 71 Kampong Bahru Road at the aggregate price of S\$12,380,000. The transaction was completed on 4 August 2021.



## 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 2021			As at 31 Dec 2020		
	\$'000	\$'000		\$'000	\$'000
	Secured	Unsecured		Secured	Unsecured
Lease liabilities	1,255	-	Lease liabilities	1,414	-
Bank borrowings	6,157	-	Bank borrowings	5,315	-
Total	7,412	-	Total	6,729	-

(b) Amount repayable after one year

As at 30 Jun 2021			As at 31 Dec 2020		
	\$'000	\$'000		\$'000	\$'000
	Secured	Unsecured		Secured	Unsecured
Lease liabilities	2,466	-	Lease liabilities	2,800	-
Bank borrowings	19,561	-	Bank borrowings	21,190	-
Total	22,027	-	Total	23,990	-

(c) Details of any collateral

The above secured borrowings of the Group relate to:

- (1) lease liabilities of \$3.7 million secured by corporate guarantees of the Company and charges over the property, plant and equipment under the leases; and
- (2) bank borrowings of \$25.7 million secured by first legal mortgage over an investment property and freehold property of the Group, pledge of certain bank deposits, charge over the Group's shares in a subsidiary corporation, and corporate guarantees of the Company and one of 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 2020.

No shares were bought back by the Company during the first half ended 30 June 2021 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 2021 (30 June 2020: 1,469,100 treasury shares, 0.48%).

There were no outstanding convertibles issued by the Company and no subsidiary holdings as at 30 June 2021 and 30 June 2020.

**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 2021	31 Dec 2020
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 1H2021.

**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 2020.

**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**

Below are the new and amended Singapore Financial Reporting Standards (International) ("SFRS(I)") that have been published and relevant for the Group's accounting period beginning on or after 1 January 2021:

Effective for annual periods beginning on or after 1 April 2021

- Amendments to SFRS(I) 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Effective for annual periods beginning on or after 1 January 2022

- Amendments to SFRS(I) 3: Reference to the Conceptual Framework
- Amendments to SFRS(I)-16: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to SFRS(I)s 2018-2020

Effective for annual periods beginning on or after 1 January 2023

- SFRS(I) 17 Insurance Contracts
- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 17
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
- Amendments to SFRS(I) 1-8: Definition of Accounting Estimates

Effective date: to be determined\*

- Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The adoption of the new accounting standards does not have any significant impact on the financial information.

\* The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.



**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 in issue during the financial period.

	The Group		
	Half Year ended 30 June		Increase/ (Decrease) %
	2021	2020	
Net profit attributable to equity holders of the Company (\$'000)	976	1,610	(39.4)
Weighted average number of ordinary shares in issue	307,467,992	307,467,992	-
Basic earnings per share (cents per share)	0.32	0.52	(38.5)
Diluted earnings per share (cents per share)	0.32	0.52	(38.5)

**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 2021	As at 31 Dec 2020	As at 30 Jun 2021	As at 31 Dec 2020	The Group	The Company
Net tangible assets (\$'000)	120,810	121,433	44,892	46,911	(0.5)	(4.3)
Number of shares (excluding treasury shares)	306,961,494	306,961,494	306,961,494	306,961,494	-	-
NTA per share (cents)	39.36	39.56	14.62	15.28	(0.5)	(4.3)



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 2021

	The Group					
	Current Half Year ended 30 Jun 2021		Previous Half Year ended 30 Jun 2020		Increase/ (Decrease)	
	\$'000	%	\$'000	%	\$'000	%
Construction	29,955	66.5	22,381	69.5	7,574	33.8
Maintenance	11,716	26.0	6,891	21.4	4,825	70.0
Rental income	3,394	7.5	2,916	9.1	478	16.4
<b>Total Revenue</b>	<b>45,065</b>	<b>100.0</b>	<b>32,188</b>	<b>100.0</b>	<b>12,877</b>	<b>40.0</b>

### Revenue

Our Group reported a 40.0% or \$12.9 million increase in revenue to \$45.1 million during the first half year ended 30 June 2021 ("1H2021") as compared to \$32.2 million during the first half year ended 30 June 2020 ("1H2020"). The increase was due mainly to a 33.8% increase in revenue from the construction segment to \$30.0 million, a 70.0% increase in revenue from the maintenance segment to \$11.7 million, and a 16.4% increase in rental income.

The increase in revenue from both the construction and maintenance segments was due mainly to the temporary cessation of construction activities in compliance with the government's COVID-19 measures in 1H2020 coupled with the higher percentage of revenue recognised from a number of existing and newly awarded construction and maintenance projects during 1H2021.





The increase in rental income generated from investment properties was due mainly to rental income generated from the property at 6-8 Bennett Street, East Perth, Western Australia, the appreciation of Australian dollar against the Singapore dollar, as well as rental income from the newly acquired investment property at 35 Kreta Ayer.

Both the construction and maintenance segments are the major contributors to our Group's revenue. On a segmental basis, construction, maintenance and rental income accounted for 66.5% (1H2020: 69.5%), 26.0% (1H2020: 21.4%) and 7.5% (1H2020: 9.1%) of our Group's revenue respectively for 1H2021.

#### Cost of sales

	The Group			
	Current Half Year ended 30 Jun 2021	Previous Half Year ended 30 Jun 2020	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	39,475	27,423	12,052	43.9
Maintenance				
Rental income	1,114	985	129	13.1
<b>Total cost of sales</b>	<b>40,589</b>	<b>28,408</b>	<b>12,181</b>	<b>42.9</b>

Our cost of sales increased by 42.9% or \$12.2 million from \$28.4 million for 1H2020 to \$40.6 million for 1H2021. The increase in cost of sales was due mainly to:

- (a) the increase in sub-contracting costs which were mainly costs incurred for specialised works such as bored piling, asphalt works, mechanical and electrical works, soil-testing, landscaping and metalworks which are usually sub-contracted to external parties;
- (b) the increase in the cost of construction materials due to higher utilisation of materials; and
- (c) the increase in labour costs due to was due mainly to the temporary cessation of construction activities in compliance with the government's COVID-19 measures in 1H2020.



### Gross profit and gross profit margin

	The Group					
	Current Half Year ended 30 Jun 2021		Previous Half Year ended 30 Jun 2020		Increase/(Decrease)	
	\$'000	Gross Profit Margin	\$'000	Gross Profit Margin	\$'000	%
Construction	2,196	5.3%	1,849	7.5%	347	18.8
Maintenance						
Rental income	2,280	67.2%	1,931	78.2%	349	18.1
<b>Total gross profit</b>	<b>4,476</b>	<b>9.9%</b>	<b>3,780</b>	<b>11.7%</b>	<b>696</b>	<b>18.4</b>

Overall, our gross profit for 1H2021 increased by 18.4% or \$0.7 million from \$3.8 million for 1H2020 to \$4.5 million for 1H2021.

The rental income segment demonstrated an increase in contribution to gross profit of \$0.3 million from \$1.9 million for 1H2020 to \$2.2 million for 1H2021. Similarly, there is an increase of \$0.4 million in that of the construction and maintenance segments, from \$1.8 million in 1H2020 to \$2.2 million in 1H2021.

Our gross profit margin for the construction and maintenance segments decreased from 7.5% for 1H2020 to 5.3% for 1H2021. The lower gross profit margin for 1H2021 was largely due to lower profit margins for new and some current construction and maintenance projects as a result of the increase in prices of materials and rising manpower costs.

### Other gains, net

Other gains decreased by \$2.5 million or 52.5% from \$4.8 million for 1H2020 to \$2.3 million for 1H2021. The decrease was due mainly to:

- (a) the decrease in receipt of payouts and rebates from the government by \$0.6 million which aimed to provide wage support to employers, as part of the support measures for built environment firms affected by COVID-19;
- (b) the one-off reversal of impairment allowance made of \$1.2 million following the completion of the disposal of a former associated company, CS Amber Development Pte Ltd in 1H2020, which did not recur in 1H2021;
- (c) a decrease in interest income received of \$0.3 million due to lower interest income earned from bank deposits; and
- (d) a decrease in the gain on foreign exchange of \$0.4 million arising from the revaluation of assets denominated in Australian dollar and United States dollar to Singapore dollar.

during 1H2021.



### Administrative expenses

Administrative expenses decreased by \$1.2 million or 21.2% from \$5.7 million for 1H2020 to \$4.5 million for 1H2021. The decrease was largely due to the decrease in legal fees incurred for an ongoing trial which has concluded during 1H2021.

### Finance expenses

The Group		
Half Year ended 30 Jun 2021	Half Year ended 30 Jun 2020	
\$'000	\$'000	
Lease liabilities	74	125
Notional interest on loan	202	155
Bank borrowings	249	332
	525	612

Finance expenses decreased by \$0.1 million or 14.2% from \$0.6 million for 1H2020 to \$0.5 million for 1H2021. The decrease was due mainly to the decrease in interest expenses of \$0.1 million incurred on a bank term loan for the purchase of an investment property at 6-8 Bennett Street, East Perth, Western Australia due to early repayment of principal.

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

The Group		
Half Year ended 30 Jun 2021	Half Year ended 30 Jun 2020	
\$'000	\$'000	
Share of (loss)/profit of joint ventures	(10)	349
Share of profit/(loss) of associated companies	234	(245)
	224	104

The share of results of associated companies and joint ventures increased by \$0.1 million or 115.4% from \$0.1 million for 1H2020 to \$0.2 million for 1H2021. The increase was due mainly to the share of profit of associated companies mainly from profits from the Group's 22.5%-held associated company, Chong Kuo Development Pte Ltd, which were partially offset by the share of loss of joint ventures mainly from the Group's 10%-owned joint venture company, Lakehomes Pte Ltd, during 1H2021.



#### Profit before income tax

Profit before income tax decreased by \$0.4 million or 16.9% from \$2.3 million for 1H2020 to \$1.9 million for 1H2021. The decrease was due mainly to (1) the decrease in other gains (net) of \$2.5 million, which were partially offset by (1) the increase in gross profit of \$0.7 million, (2) the increase in share of profit of associated companies and joint ventures of \$0.1 million, (3) the decrease in administrative expenses of \$1.2 million, and (4) the decrease in finance expenses of \$0.1 million, as explained above.

#### Income tax expense

Income tax expense increased by \$0.2 million or 52.6% from \$0.3 million in 1H2020 to \$0.5 million in 1H2021 due mainly to higher profit from our Australian subsidiary corporation and currency realignment resulting from the appreciation of Australian dollar against the Singapore dollar.

The effective tax rates for 1H2021 and 1H2020 were 24.8% and 13.5% respectively.

The effective tax rate for 1H2021 was higher than the statutory tax rate of 17.0%, due mainly to (1) the relatively higher corporate tax rate of our Australian subsidiary corporation, partially offset by certain income being not subject to tax.

The effective tax rate for 1H2020 was lower than the statutory tax rate of 17.0% due mainly to (1) statutory stepped income tax exemption and (2) a tax rebate of 25% on the corporate tax payable, capped at \$15,000 and (3) certain income being not subject to tax.

#### Non-controlling interests

Non-controlling interests of \$0.4 million was due to the share of profit of our subsidiary corporation, Raffles Prestige Capital Pte Ltd, in 1H2021.

#### Net profit

Overall, for 1H2021, net profit decreased by \$0.6 million or 27.8%, from \$2.0 million for 1H2020 to \$1.4 million for 1H2021, following the decrease in profit before income tax of \$0.4 million, coupled with the increase in income tax expense of \$0.2 million, as explained above.

Our net profit margin decreased from 6.2% for 1H2020 to 3.2% for 1H2021.



## **Review of the financial position for the half year ended 30 June 2021**

### (i) Current assets

Current assets decreased by \$19.4 million, from \$103.0 million as at 31 December 2020 to \$83.6 million as at 30 June 2021. The decrease was due mainly to:

- (a) a decrease in cash and cash equivalents of \$17.7 million. This was due mainly to the cash used in operating activities of \$1.4 million, cash used in investing activities of \$14.6 million and cash used in financing activities of \$1.7 million;
- (b) a decrease in trade and other receivables of \$3.2 million due to settlement of billings by customers, receipt of government grant receivable, recovery of advances to suppliers/sub-contractors and utilisation of deposits and prepayments;
- (c) a decrease in contract assets of \$0.2 million, due mainly to a decrease in construction contract due from customers arising from lower unbilled amounts expected to be collected from customers,

which were partially offset by:

- (d) an increase of \$1.7 million in inventories arising from the purchase of materials for existing construction and maintenance projects,

during 1H2021.

### (ii) Non-current assets

Non-current assets increased by \$12.6 million, from \$94.0 million as at 31 December 2020 to \$106.6 million as at 30 June 2021. The increase was due mainly to:

- (a) an increase in investments in associated companies of \$0.2 million arising from the share of profit of an associated company,
- (b) an increase in investment properties of \$11.2 million resulting from the acquisition of a property at 35 Kreta Ayer Road, offset by an exchange realignment relating to the property at 6-8 Bennett Street, East Perth, Western Australia due to the appreciation of Australian dollar against the Singapore dollar;
- (c) an increase in other receivables of \$1.0 million due to an advance extended to an associated company, USB Holdings Pte Ltd; and
- (d) an increase in property, plant and equipment of \$0.8 million resulting mainly from the purchase of new property, plant and equipment, which were partially offset by disposal and depreciation of property, plant and equipment,

which were partially offset by:

- (e) a decrease in right-of-use assets of \$0.6 million resulting from depreciation, which were partially offset by the new plant and equipment acquired to support the new and existing projects,

during 1H2021.



(iii) Current liabilities

Current liabilities decreased by \$6.3 million, from \$38.5 million as at 31 December 2020 to \$32.2 million as at 30 June 2021. The decrease was due mainly to:

- (a) a decrease in contract liabilities of \$5.4 million due to the recovery of advance payments for ongoing public sector projects arising from the support measures for built environment firms affected by COVID-19 during the “circuit breaker” and “extended circuit breaker” periods;
- (b) a decrease in lease liabilities of \$0.3 million arising from the repayment of lease liabilities, offset by the purchase of plant and machineries;
- (c) a decrease in provisions of \$1.4 million due to the conclusion of an ongoing trial; and
- (d) a decrease in current income tax liabilities of \$0.1 million due to lower tax provision,

which were partially offset by:

- (e) an increase in bank borrowing of \$0.9 million arising from the borrowing of \$1.0 million to finance the purchase of investment properties at 69 and 71 Kampong Bahru Road, offset by a repayment of existing borrowing of \$0.1 million,

during 1H2021.

(iv) Non-current liabilities

Non-current liabilities increased by \$0.2 million, from \$35.3 million as at 31 December 2020 to \$35.5 million as at 30 June 2021. The increase was due mainly to an increase in other payables of \$2.4 million, which were partially offset by (1) a decrease in lease liabilities of \$0.4 million arising from the repayment of lease liabilities offset by the purchase of plant and machineries to support the existing projects, (2) repayment of bank borrowings of \$1.6 million and (3) a decrease in deferred income tax liabilities of \$0.2 million, during 1H2021.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, treasury shares, other reserves, retained profits and non-controlling interests, decreased by \$0.7 million, from \$123.2 million as at 31 December 2020 to \$122.5 million as at 30 June 2021. The decrease was due mainly to:

- (a) the dividend payment to shareholders of \$2.1 million; and
- (b) the profits generated from operations of \$1.0 million attributable to equity holders of the Company and non-controlling interests of \$0.4 million arising from the share of profit of Raffles Prestige Capital Pte Ltd,

during 1H2021.



## **Review of cash flows for the half year ended 30 June 2021**

### Net cash (used in)/provided by operating activities

Our Group reported net cash used in operating activities of \$1.4 million in 1H2021, a decrease of \$15.8 million from net cash provided by operating activities of \$14.4 million in 1H2020. The decrease was due mainly to:

- (a) a decrease in net working capital inflow of \$16.5 million;
- (b) a decrease in interest received of \$0.3 million; and
- (c) an increase in income tax paid of \$0.1 million,

which were partially offset by:

- (d) an increase in cash generated from operating activities before working capital changes of \$1.1 million,

during 1H2021.

### Net cash (used in)/provided by investing activities

Our Group reported net cash used in investing activities of \$14.6 million in 1H2021, a decrease of \$20.8 million from net cash provided by investing activities of \$6.3 million in 1H2020. The decrease was due mainly to:

- (a) a decrease in proceeds from disposal of assets classified as held for sale of \$11.0 million in 1H2020, which did not recur in 1H2021;
- (b) a decrease in dividend received in joint ventures of \$0.4 million in 1H2020;
- (c) an increase in cash used in the purchase of investment properties of \$11.6 million; and
- (d) an increase in advances extended to an associated company of \$0.5 million,

which were partially offset by:

- (e) a decrease in cash used in the purchase of property, plant and equipment of \$2.7 million;

during 1H2021.

### Net cash used in financing activities

Net cash used in financing activities decreased by \$4.2 million, from \$5.9 million in 1H2020 to \$1.7 million in 1H2021. The decrease was due mainly to (1) a decrease in repayment of lease liabilities of \$0.3 million, (2) a decrease in interest paid of \$0.2 million, (3) a decrease in repayment of borrowings of \$0.1 million, (4) purchase of treasury shares of \$0.2 million in 1H2020, which did not recur in 1H2021, (5) an increase in advance from a non-controlling shareholder of \$2.4 million, and (5) proceeds from bank borrowing of \$1.0 million, during 1H2021.

Overall, free cash and cash equivalents stood at \$56.3 million as at 30 June 2021, a decrease of \$18.0 million from \$74.3 million as at 30 June 2020. This works out to cash of 18.3 cents per share as at 30 June 2021 as compared to 24.2 cents per share as at 30 June 2020 (based on 306,961,494 issued shares as at 30 June 2021 and 30 June 2020).



**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 2021 from what was previously discussed under paragraph 10 of the Company's results announcement for the financial year ended 31 December 2020.

**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**

The Ministry of Trade and Industry ("MTI"), announced on 14 July 2021, that the Singapore economy grew by 14.3% on a year-on-year basis in the second quarter of 2021, extending the 1.3% growth in the previous quarter. The strong growth was largely due to the low base in the second quarter of 2020 when GDP fell by 13.3% due to the Circuit Breaker measures implemented from 7 April to 1 June 2020. In absolute terms, GDP in the second quarter of 2021 remained 0.9 per cent below its pre-pandemic level in the second quarter of 2019.

On a quarter-on-quarter seasonally adjusted basis, the Singapore economy contracted by 2.0% in the second quarter of 2021, a reversal from the 3.1% growth in the preceding quarter.

**Living with COVID-19**

Despite the continued disruptions to global economic activities due to the COVID-19 pandemic and its threats to undermine any recovery, the external economic environment has improved as countries began adapting to living with COVID-19.

As Singapore seeks to achieve herd immunity, the national vaccination programme has been progressing steadily, with more than 5.4 million doses administered as of 30 June 2021. Over 60% of the population or 3.7 million individuals have received at least the first dose of the vaccine, while over 2.2 million individuals have received both doses and completed the full vaccination regimen. With the steady growth in vaccination rates, the COVID-19 situation amongst the workers' dormitories in Singapore is expected to improve significantly.

The Singapore's construction sector still remains as the worst impacted sector, as global supply chain disruptions linger for more than one year. While conditions in the foreign worker dormitories improved, the construction sector had to deal with yet another blow as the tightening of border restrictions suspended arrivals from India. On 22 April 2021, the Multi-Ministry Taskforce announced a travel ban on arrivals from India, as a result of a surge in local cases involving the COVID-19 Delta variant strain .

While many construction firms are faced with rising material costs and the labour crunch, resulting in project completion delays, the Group is currently on track for its project timelines.

The Group continues to tap onto the Government construction support package, which helps to alleviate the impact from the COVID-19 pandemic.

Moving forward, the Group will remain vigilant in ensuring its compliance with the Safe Management Measures requirements implemented by the Ministry of Manpower (MOM) and Building and Construction Authority (BCA) while concurrently encouraging its workforce to get fully inoculated. The Group will persist in its focus on conserving its cash flows through prioritisation of expenses as well as the reduction and deferment of non-significant expenditures.





## **Industry Outlook**

The construction sector expanded by 98.8% on a year-on-year basis in the second quarter of 2021, a significant turnaround from the 23.1% contraction in the preceding quarter. The sharp upturn was due to low base effects as the Circuit Breaker measures had resulted in a stoppage of most construction activities in the second quarter of last year. In absolute terms, the value-added of the sector remained 31.6 per cent below its pre-pandemic levels (i.e., second quarter of 2019). On a quarter-on-quarter seasonally adjusted basis, the construction sector shrank by 11.0% in the second quarter of 2021, a reversal from the 4.5 per cent growth in the previous quarter.

Notwithstanding the above, the construction demand is expected to increase in terms of number of contracts awarded in the coming quarters, including public housing projects, major public infrastructure projects such as the Jurong Region Line MRT stations, redevelopment of the remaining en-bloc sites and major retrofitting of aging commercial buildings, thereby extending further support in the medium term.

Supply chain constraints and manpower shortages will continue to hamper the industry in the near term, though the administering of vaccines to construction workers is expected to result in a gradual easing of safe management measures. The current manpower crunch and rising global material costs will likely drive construction costs and tender prices upwards this year and may trigger firms with lower financial buffers to place some projects on hold. As a result, the construction output is expected to remain below its pre-COVID levels at the end of 2021.

Since the further tightening of border measures in May this year, the Multi-Ministry Taskforce had announced further support measures to aid the construction sector. These support measures involve the introduction of a temporary scheme for six months to allow new PRC Work Permit Holders to obtain their skills certification in Singapore as some overseas testing centres in PRC have yet to resume operations resulting in prospective workers not being able to obtain their skills certification. This move has allowed employers to bring in PRC workers without skills certifications as an attempt to help ease the labour crunch faced by the sector.

The support measures also include an additional 49-day extension of time (EOT) to eligible public sector construction contracts that are delayed due to loss of productivity for the period from 7 August 2020 to 31 December 2020. This is in addition to the earlier 122 days of EOT provided under the COVID-19 Temporary Measures Act.

Furthermore, the public sector will provide 0.1% of the awarded contract sum for every month of delay as payment for qualifying costs; a move by the Multi-Ministry Taskforce to share the costs of non-manpower related cost increment.

While the construction sector continues to manoeuvre through the obstacles that are sprouting amidst the uncertainties, the steady public sector construction developments along with Singapore's growing vaccination rates will continue to pave the way towards the recovery of the construction sector and the overall economy.

With regards to the private residential property segment, real estate statistics released by the Urban Redevelopment Authority (URA) showed a 0.8% increase in the private residential property index in 2Q2021, compared with the 3.3% increase in 1Q2021. In 2Q2021, developers launched 2,356 uncompleted private residential units for sale, compared with the 3,716 units in 1Q2021. While sales figures in 2Q2021 showed that developers had sold 2,966 private residential units compared to 3,493 units sold in 1Q2021.



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

Going forward, the Group expects a sustained upward trend in construction materials and operating costs while improvements in the conditions of the construction sector could take some time before the signs of recovery become more prominent.

While the Group remains optimistic as it continues to be supported by a healthy pipeline of construction projects, the Group will remain vigilant and conservative in its cashflow management. With the objective of increasing productivity, the Group will sustain its emphasis on integrating innovative technology, enhancing and upscaling of workforce as well as boosting the implementation of equipment and tools to scale down on the reliance on manpower.

As of 30 June 2021, the Group's order book stood at \$214.1 million, with projects extending till 2023.

Forging ahead, the Group will focus on strengthening its capabilities in the core civil engineering business so as to retain its status as a leading civil engineering contractor. The Group strives to uphold its performance to ensure consistent execution and delivery of its projects.

On the property development front, the Group's joint venture residential project, The Essence, which was launched in March 2019, had achieved favourable sales of over 97%.

The Group's 74-unit residential project in Bukit Panjang, Phoenix Residences, which was launched in November 2020 and re-launched in July 2021, is expected to TOP in November 2023. As of 30 June 2021, approximately 8% of the 74 units have been sold. The Group will continue to step up marketing efforts in the allocation of resources to both physical and virtual channels to engage potential buyers and investors.

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

As part of the Group's effort to grow its portfolio of investment properties, the Group acquired 35 Kreta Ayer Road in October 2020. The property has a freehold tenure and comprises a three-storey with attic shophouse. It occupies a plot area of approximately 1,568 square feet and has a total floor area of approximately 4,240 square feet and the acquisition has contributed towards the Group's performance.

Additionally, the Group had announced in May 2021 the acquisition by its 51%-owned subsidiary, Raffles Prestige Capital Pte. Ltd., of the properties at 69 and 71 Kampong Bahru Road. The property has a freehold tenure and comprises adjoining two-storey conservation shophouses. It occupies a plot area of approximately 2,343 square feet and have a gross floor area of approximately 5,947 square feet.

In accordance with the Group's long-term strategy to diversify its earnings and to build on its portfolio of recurring income stream, it will continue to explore global business opportunities to broaden its foothold in property development and investment through strategic partnerships with esteemed partners.



**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?

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommendeded for the half year ended 30 June 2021 to preserve the Group's working capital to mitigate the impact of COVID-19 and 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 2021.

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 2021 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.



## 16. Use of proceeds as at 30 June 2021

Exercise of 61,139,186 warrants at \$0.20 for each share as at 4 January 2013 raising net proceeds of \$12.2 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	12.22	10.72	1.50

The amount of \$10.72 million had been utilised to fund the investment in and the loan to CS Amber Development Pte Ltd, a former associated company of the Group. The loan has been fully repaid in the previous financial year.

The unutilised proceeds are deposited with a bank pending deployment.

### BY ORDER OF THE BOARD

Or Toh Wat  
Group Managing Director  
4 August 2021