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**For Immediate Release**

**OKP HOLDINGS LIMITED REPORTS REVENUE OF S\$45.1 MILLION AND NET PROFIT OF S\$1.4 MILLION IN 1H2021**

- ***Diversified portfolio provides financial resilience***
  - o ***Further broadens recurring income stream with acquisitions of freehold properties for investment – 35 Kreta Ayer, and 69 and 71 Kampong Bahru***
- ***Healthy order book of S\$214.1 million<sup>1</sup>, with visibility extending to 2023***
- ***Strong balance sheet, with free cash and cash equivalents of S\$56.3 million***

<b>GROUP'S FINANCIAL HIGHLIGHTS</b>			
<b>S\$' Million</b>	<b>1H2021</b>	<b>1H2020</b>	<b>▲/▼ (%)</b>
<b>Revenue</b>	45.1	32.2	▲40.0
<b>Gross Profit</b>	4.5	3.8	▲18.4
<b>GP Margins</b>	9.9%	11.7%	▼1.8ppt
<b>Net profit attributable to equity holders</b>	1.0	1.6	▼39.4
<b>Earnings per share – Basic (cents)</b>	0.32	0.52	▼38.5
As at 30 June 2021:			
<b>Net Tangible Assets: S\$120.8 million, NTA Per Share: 39.36 Singapore cents</b>			

<sup>1</sup> As at 30 June 2021.

**Singapore, 4 August 2021 – MAINBOARD-LISTED** infrastructure and civil engineering company, OKP Holdings Limited (胡金标控股有限公司) (“OKP” or the “Group”), today reported revenue of S\$45.1 million for the half year ended 30 June 2021 (“1H2021”) as compared to S\$32.2 million over the corresponding period in the previous year (“1H2020”), an increase of 40.0%, mainly due to higher contributions from the construction and maintenance segments as well as an increase in rental income. Net profit attributable to equity holders of S\$1.0 million was reported for 1H2021, from S\$1.6 million in 1H2020.

**Group Managing Director, Mr Or Toh Wat** (胡土发), said, “We have continued to broaden our business focus as we navigate the challenges posed by the global pandemic. For our core civil engineering business, we will continue to strengthen our capabilities, ensuring consistent execution and delivery of our projects. We will continue to focus on workplace safety and strive to uphold our performance by ensuring consistent execution and delivery of our order book, which is at a healthy level of S\$214.1 million, providing visibility to 2023.

“In property development and investment, we also widened our asset focus to cover the residential, commercial and industrial sectors. Notably, we have continued our efforts in growing our property investment business segment, such as the recent acquisitions of shophouses in Kreta Ayer and Kampong Bahru, to provide the Group with a good recurring income stream.”

## Review of Performance

GROUP'S REVENUE HIGHLIGHTS						
	1H2021		1H2020		▲/▼	
	S\$' Million	% of Total	S\$' Million	% of Total	S\$' Million	%
<b>Construction</b>	30.0	66.5	22.4	69.5	▲7.6	▲33.8
<b>Maintenance</b>	11.7	26.0	6.9	21.4	▲4.8	▲70.0
<b>Rental Income</b>	3.4	7.5	2.9	9.1	▲0.5	▲16.4
<b>Total Revenue</b>	45.1	100.0	32.2	100.0	▲12.9	▲40.0

The overall increase in the Group's revenue in 1H2021 was largely due to increases of 33.8% and 70.0% in revenue from the construction segment and maintenance segment respectively, as well as a 16.4% increase in rental income.

The increases in the construction and maintenance segments' revenue to S\$30.0 million and S\$11.7 million, respectively, were mainly due to the higher percentage of revenue recognised from a number of existing and newly awarded construction and maintenance projects during 1H2021, which more than offset the temporary cessation of construction activities in compliance with the government's COVID-19 measures in 1H2020. The construction and maintenance segments are the major contributors to the Group's revenue, representing 66.5% and 26.0% of the Group's 1H2021 revenue, respectively.

The Group's rental income from investment properties continued to see positive growth, improving 16.4% or S\$0.5 million to S\$3.4 million in 1H2021 as compared to S\$2.9 million in 1H2020. Overall, the Group's rental income contributed 7.5% to the Group's total revenue in 1H2021, down from 9.1% in 1H2020. 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 Road.

Gross profit rose by 18.4% to S\$4.5 million in 1H2021 from S\$3.8 million in 1H2020 whilst gross profit margin decreased by 1.8 percentage points to 9.9%. The lower gross profit margin for 1H2021 was largely due to lower profit margins for new and current construction and maintenance projects as a result of the increase in prices of materials and rising manpower costs.

Other gains had decreased by S\$2.5 million to S\$2.3 million in 1H2021, from S\$4.8 million in 1H2020. The decrease was mainly due to the decrease in receipt of payouts and rebates from the government, a one-off reversal of impairment allowance following the disposal of a former associated company in 1H2020 which did not recur in 1H2021, a decrease in interest income and a decrease in the gain on foreign exchange.

Net profit attributable to equity holders stood at S\$1.0 million for 1H2021 as compared to S\$1.6 million for 1H2020.

### **Balance Sheet Highlights**

The Group's balance sheet remains strong with net tangible assets ("NTA") of S\$120.8 million while NTA per share was 39.36 Singapore cents as at 30 June 2021. As at 31 December 2020, the Group's NTA and NTA per share were S\$121.4 million and 39.56 Singapore cents respectively.

OKP's free cash and cash equivalents stood at S\$56.3 million as at 30 June 2021, compared to S\$74.3 million a year ago.

Earnings per share (basic) for 1H2021 stood at 0.32 Singapore cents, as compared to 0.52 Singapore cents in 1H2020.

Based on OKP's closing share price of S\$0.191 as at 4 August 2021, the Group's market capitalisation is S\$58.6 million.

## **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 (CB) measures implemented from 7 April 2020 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<sup>2</sup>.

## **Construction**

The construction sector expanded by 98.8% on a year-on-year basis in 2Q2021, a significant turnaround from the 23.1% contraction in the preceding quarter. The sharp upturn was due to low base effects as the CB 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<sup>3</sup>.

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<sup>2</sup> Ministry of Trade and Industry, 14 July 2021 – Singapore GDP Grew by 14.3 Per Cent in the Second Quarter of 2021

<sup>3</sup> Ministry of Trade and Industry, 14 July 2021 – Singapore’s GDP Grew by 14.3 Per Cent in the Second Quarter of 2021

Notably, in the coming quarters, construction demand is expected to increase in terms of number of contracts awarded, 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.

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 its 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 S\$214.1 million, with projects extending till 2023.

### **Property Development and Investment**

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 figure in 2Q2021 showed that developers had sold 2,966 private residential units compared to 3,493 units sold in 1Q2021<sup>4</sup>.

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%.

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<sup>4</sup> Urban Redevelopment Authority, 23 July 2021 – Release of 2<sup>nd</sup> Quarter 2021 Real Estate Statistics

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 obtain the TOP in November 2023. As at 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.

The Group also 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 of the properties at 69 and 71 Kampong Bahru Road by its 51%-owned subsidiary, Raffles Prestige Capital Pte. Ltd. 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 has 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.

## **About OKP Holdings Limited ([www.okph.com](http://www.okph.com))**

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

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

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

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



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

In August 2010, OKP made the Forbes Asia's 'Best Under A Billion' List, the magazine's annual ranking of the best 200 firms in the Asia-Pacific region, selected from a list of nearly 13,000 publicly-listed top performers with sales under US\$1 billion. OKP has also won several awards for its annual reports, corporate governance and investor relations effort as well as "Singapore 1000 Company" Certificates of Achievement from DP Information Group over the years.

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

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