

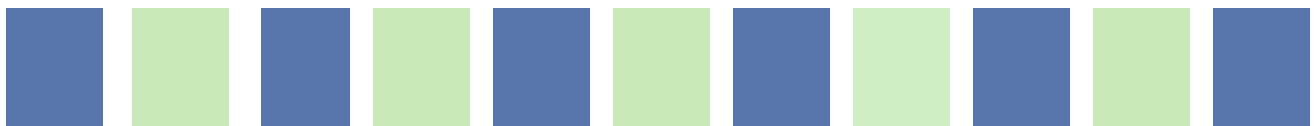


**OKP HOLDINGS LIMITED**

胡金標控股有限公司

**Full Year Financial  
Statements and Dividend  
Announcement for the year ended**

**31 December 2020**



**22 February 2021**

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**Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2020**
**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                   |               |                         |
|---|-----------------------------|---------------|-------------------------|
|   | Financial Year ended 31 Dec |               | Increase/<br>(Decrease) |
|   | 2020                        | 2019          |                         |
|   | \$'000                      | \$'000        | %                       |
| <b>Revenue</b>  | 69,627                      | 81,396        | (14.5)                  |
| Cost of sales   | (62,251)                    | (70,551)      | (11.8)                  |
| <b>Gross profit</b>   | <b>7,376</b>                | <b>10,845</b> | (32.0)                  |
| Other gains, net  | 10,704                      | 2,544         | 320.8                   |
| Expenses  |                             |               |                         |
| - Administrative  | (12,117)                    | (10,022)      | 20.9                    |
| - Finance   | (1,163)                     | (1,288)       | (9.7)                   |
| Share of loss of associated companies and joint ventures, net | (367)                       | (1,039)       | (64.7)                  |
| <b>Profit before income tax</b>                               | <b>4,433</b>                | <b>1,040</b>  | 326.3                   |
| Income tax expense  | (478)                       | (359)         | 33.1                    |
| <b>Net profit</b>   | <b>3,955</b>                | <b>681</b>    | 480.8                   |
| Gross profit margin   | 10.6%                       | 13.3%         |                         |
| Net profit margin   | 5.7%                        | 0.8%          |                         |
| Effective tax rate  | 10.8%                       | 34.5%         |                         |
| Net profit attributable to:                                   |                             |               |                         |
| Equity holders of the Company                                 | 3,293                       | (378)         | 971.2                   |
| Non-controlling interests                                     | 662                         | 1,059         | (37.5)                  |
|   | <b>3,955</b>                | <b>681</b>    | 480.8                   |
| Other comprehensive income/(loss):                            |                             |               |                         |
| Currency translation differences arising from consolidation   | 404                         | (32)          | 1,362.5                 |
| <b>Total comprehensive income, net of tax</b>                 | <b>4,359</b>                | <b>649</b>    | 571.6                   |
| <b>Total comprehensive income attributable to:</b>            |                             |               |                         |
| Equity holders of the Company                                 | 3,499                       | (394)         | 988.1                   |
| Non-controlling interests                                     | 860                         | 1,043         | (17.5)                  |
|   | <b>4,359</b>                | <b>649</b>    | 571.6                   |

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.



(i) Additional disclosures

Profit before income tax was arrived at:

|   |  | The Group                   |        |                         |
|---|--|-----------------------------|--------|-------------------------|
|   |  | Financial Year ended 31 Dec |        | Increase/<br>(Decrease) |
| Notes   |  | 2020                        | 2019   |                         |
|   |  | \$'000                      | \$'000 | %                       |
| <u>After charging: -</u>                                  |  |                             |        |                         |
|   | Non-audit fee paid to the auditors of the Company    | 28                          | 22     | 27.3                    |
|   | Amortisation of intangible assets                    | 10                          | 11     | (9.1)                   |
|   | Depreciation of property, plant and equipment        | 452                         | 449    | 0.7                     |
|   | Depreciation of right-of-use assets                  | 11                          | 11     | -                       |
|   | Directors' remuneration                              |                             |        |                         |
|   | - Directors of the Company                           | 2,683                       | 2,348  | 14.3                    |
|   | - Other directors                                    | 364                         | 444    | (18.0)                  |
|   | Directors' fees                                      | 180                         | 180    | -                       |
|   | Interest paid and payable                            |                             |        |                         |
|   | - Bank borrowing                                     | 603                         | 832    | (27.5)                  |
|   | - Lease liabilities                                  | 234                         | 144    | 62.5                    |
|   | - Notional interest on loan                          | 326                         | 312    | 4.5                     |
|   | (Gain)/loss on foreign exchange                      | (712)                       | 168    | (523.8)                 |
|   | Employee compensation                                | 3,194                       | 2,860  | 11.7                    |
|   | Fair value loss/(gain) on investment properties, net | 677                         | (590)  | (214.7)                 |
| <u>Included in the cost of sales are the following: -</u> |  |                             |        |                         |
|   | Depreciation of property, plant and equipment        | 1,683                       | 1,620  | 3.9                     |
|   | Depreciation of right-of-use assets                  | 2,034                       | 1,376  | 47.8                    |
|   | Amortisation of intangible assets                    | 20                          | 20     | -                       |
|   | Employee compensation                                | 23,522                      | 25,213 | (6.7)                   |

Note:

- (a) (Gain)/loss on foreign exchange mainly arose from the revaluation of assets denominated in Australian dollar and United States dollar to Singapore dollar.



| The Group   |                             |        |                         |         |
|---|-----------------------------|--------|-------------------------|---------|
| Notes   | Financial Year ended 31 Dec |        | Increase/<br>(Decrease) |         |
|   | 2020                        | 2019   |                         |         |
|   | \$'000                      | \$'000 | %                       |         |
| <u>After crediting: -</u>                               |                             |        |                         |         |
| Interest income – bank deposits                         | 544                         | 1,029  | (47.1)                  |         |
| Gain on disposal of property, plant and equipment (net) | 16                          | 80     | (80.0)                  |         |
| Gain on disposal of right-of-use assets                 | 15                          | -      | n.m.                    |         |
| Government grants                                       | b                           | 8,573  | 88                      | 9,642.0 |
| Reversal of impairment allowance made                   | c                           | 1,228  | -                       | n.m.    |

n.m. - not meaningful

Notes:

(b) Government grants included \$8.4 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, rental waiver and foreign worker levy rebate.

(c) 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.

(ii) Adjustments for under or over-provision of tax in respect of prior periods

| The Group   |             |
|-------------|-------------|
| 31 Dec 2020 | 31 Dec 2019 |
| \$'000      | \$'000      |

Tax expense attributable to profit is made up of:

- Profit from current financial year:

- Current income tax

- Singapore

- Foreign

|     |     |
|-----|-----|
| 44  | 104 |
| 690 | 381 |
| 734 | 485 |

- Deferred income tax

- Singapore

|       |    |
|-------|----|
| (148) | 35 |
| (148) | 35 |

- Over provision in prior financial years

- Current income tax - Singapore

- Deferred income tax - Singapore

|       |       |
|-------|-------|
| (108) | (69)  |
| -     | (92)  |
| (108) | (161) |

|     |     |
|-----|-----|
| 478 | 359 |
|-----|-----|



**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

|   | Notes | The Group      |                | The Company   |               |
|---|-------|----------------|----------------|---------------|---------------|
|   |       | 31 Dec 2020    | 31 Dec 2019    | 31 Dec 2020   | 31 Dec 2019   |
|   |       | \$'000         | \$'000         | \$'000        | \$'000        |
| <b>ASSETS</b>   |       |                |                |               |               |
| <b>Current assets</b>   |       |                |                |               |               |
| Cash and cash equivalents   |       | 79,097         | 64,638         | 4,078         | 2,952         |
| Trade and other receivables   | i     | 9,730          | 7,138          | 18,113        | 12,329        |
| Contract assets   | ii    | 14,239         | 15,667         | -             | -             |
|   |       | 103,066        | 87,443         | 22,191        | 15,281        |
| Assets classified as held-for-sale  | iii   | -              | 9,772          | -             | -             |
|   |       | 103,066        | 97,215         | 22,191        | 15,281        |
| <b>Non-current assets</b>   |       |                |                |               |               |
| Investments in subsidiary corporations                                    | iv    | -              | -              | 19,219        | 19,219        |
| Investments in joint ventures   | v     | 35             | 274            | -             | -             |
| Investments in associated companies                                       | vi    | 411            | 1,174          | -             | -             |
| Investment properties   | vii   | 52,107         | 49,568         | -             | -             |
| Other receivables   | viii  | 8,925          | 6,623          | -             | 9,097         |
| Property, plant and equipment   |       | 20,858         | 13,337         | 13,184        | 5,047         |
| Right-of-use assets   | ix    | 9,926          | 10,218         | -             | -             |
| Intangible assets   | x     | 1,751          | 1,781          | 16            | 21            |
|   |       | 94,013         | 82,975         | 32,419        | 33,384        |
| <b>Total assets</b>   |       | <b>197,079</b> | <b>180,190</b> | <b>54,610</b> | <b>48,665</b> |
| <b>LIABILITIES</b>  |       |                |                |               |               |
| <b>Current liabilities</b>  |       |                |                |               |               |
| Trade and other payables  | xi    | 21,578         | 18,957         | 3,113         | 2,710         |
| Contract liabilities  | ii    | 8,934          | -              | -             | -             |
| Lease liabilities   | ix    | 1,957          | 2,005          | -             | -             |
| Bank borrowings   | xii   | 5,315          | 756            | 4,500         | -             |
| Current income tax liabilities  |       | 764            | 644            | 60            | 35            |
|   |       | 38,548         | 22,362         | 7,673         | 2,745         |
| <b>Non-current liabilities</b>  |       |                |                |               |               |
| Other payables  | xi    | 9,914          | 8,256          | -             | -             |
| Lease liabilities   | ix    | 3,139          | 4,376          | -             | -             |
| Bank borrowings   | xii   | 21,190         | 22,781         | -             | -             |
| Deferred income tax liabilities   |       | 1,104          | 1,252          | 10            | 4             |
|   |       | 35,347         | 36,665         | 10            | 4             |
| <b>Total liabilities</b>  |       | <b>73,895</b>  | <b>59,027</b>  | <b>7,683</b>  | <b>2,749</b>  |
| <b>NET ASSETS</b>   |       | <b>123,184</b> | <b>121,163</b> | <b>46,927</b> | <b>45,916</b> |
| <b>EQUITY</b>   |       |                |                |               |               |
| <b>Capital and reserves attributable to equity holders of the Company</b> |       |                |                |               |               |
| Share capital   |       | 36,832         | 36,832         | 36,832        | 36,832        |
| Treasury shares   |       | (235)          | -              | (235)         | -             |
| Other reserves  | xiii  | 3,244          | 2,988          | -             | -             |
| Retained profits  |       | 82,304         | 81,164         | 10,330        | 9,084         |
|   |       | 122,145        | 120,984        | 46,927        | 45,916        |
| <b>Non-controlling interests</b>  |       | <b>1,039</b>   | <b>179</b>     | <b>-</b>      | <b>-</b>      |
| <b>Total equity</b>   |       | <b>123,184</b> | <b>121,163</b> | <b>46,927</b> | <b>45,916</b> |
| <b>Net tangible assets</b>  |       | <b>121,433</b> | <b>119,382</b> | <b>46,911</b> | <b>45,895</b> |



**Notes to Statements of Financial Position:**

(i) Trade and other receivables

|   | The Group   |             | The Company |             |
|---|-------------|-------------|-------------|-------------|
|   | 31 Dec 2020 | 31 Dec 2019 | 31 Dec 2020 | 31 Dec 2019 |
|   | \$'000      | \$'000      | \$'000      | \$'000      |
| Trade receivables                             |             |             |             |             |
| - Non-related parties                         | 1,759       | 2,109       | -           | -           |
| - Subsidiary corporations                     | -           | -           | 6,733       | 6,508       |
| - Joint venture                               | 717         | -           | -           | -           |
|   | 2,476       | 2,109       | 6,733       | 6,508       |
| <br>  |             |             |             |             |
| - Retentions                                  | 266         | 266         | -           | -           |
| <br>  |             |             |             |             |
| Non-trade receivables                         |             |             |             |             |
| - Subsidiary corporations                     | -           | -           | 11,952      | 5,840       |
| - Associated companies                        | 9           | 9           | -           | -           |
| - Joint ventures                              | 36          | 513         | -           | -           |
| - Non-related parties                         | 2,146       | 1,200       | 18          | -           |
|   | 2,191       | 1,722       | 11,970      | 5,840       |
| Less: Allowance for impairment of receivables | -           | -           | (688)       | (688)       |
| Non-trade receivables - net                   | 2,191       | 1,722       | 11,282      | 5,152       |
| <br>  |             |             |             |             |
| Advance to suppliers/sub-contractors          | 1,089       | 213         | -           | -           |
| Deposits                                      | 2,419       | 1,621       | 15          | 641         |
| Prepayments                                   | 1,289       | 1,207       | 83          | 28          |
|   | 9,730       | 7,138       | 18,113      | 12,329      |

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.

Non-trade receivables from non-related parties includes government grant receivable relating to Job Support Scheme payout of \$1.5 million.



## (ii) Contract assets and contract liabilities

| The Group   |             |
|-------------|-------------|
| 31 Dec 2020 | 31 Dec 2019 |
| \$'000      | \$'000      |

Contract assets

|   |               |               |
|---|---------------|---------------|
| Construction contracts due from customers | 14,239        | 15,505        |
| Construction contract work-in-progress    | -             | 162           |
|   | <u>14,239</u> | <u>15,667</u> |

Contract liabilities

|                   |              |          |
|-------------------|--------------|----------|
| Advances received | <u>8,934</u> | <u>-</u> |
|-------------------|--------------|----------|

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 \$6.2 million and (b) mobilisation advance payment received from a customer of \$2.7 million.

## (iii) Assets classified as held-for-sale

| The Group   |             |
|-------------|-------------|
| 31 Dec 2020 | 31 Dec 2019 |
| \$'000      | \$'000      |

|                                    |          |              |
|------------------------------------|----------|--------------|
| Investments in associated company  | -        | 933          |
| Non-current other receivables, net | -        | 8,839        |
|                                    | <u>-</u> | <u>9,772</u> |

On 2 January 2020, the disposal of the associated company and the related non-current other receivables had been completed.

## (iv) Investments in subsidiary corporations

| The Company |             |
|-------------|-------------|
| 31 Dec 2020 | 31 Dec 2019 |
| \$'000      | \$'000      |

Equity investments at cost

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| Beginning and end of financial year | <u>17,632</u> | <u>17,632</u> |
|-------------------------------------|---------------|---------------|

Allowance for impairment

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Beginning and end of financial year | <u>(110)</u> | <u>(110)</u> |
|-------------------------------------|--------------|--------------|

Loan to a subsidiary corporation

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Beginning and end of financial year | <u>1,697</u> | <u>1,697</u> |
|-------------------------------------|--------------|--------------|

|  |               |               |
|--|---------------|---------------|
|  | <u>19,219</u> | <u>19,219</u> |
|--|---------------|---------------|





| Name of subsidiary corporations                          | Principal activities   | Country of incorporation | Equity holding held by the Group |             |
|--|--|--------------------------|----------------------------------|-------------|
|  |  |                          | 31 Dec 2020                      | 31 Dec 2019 |
| <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.



(v) Investments in joint ventures

| The Group   |             |
|-------------|-------------|
| 31 Dec 2020 | 31 Dec 2019 |
| \$'000      | \$'000      |

**Interests in joint ventures**

|                                      |       |       |
|--------------------------------------|-------|-------|
| Beginning of financial year          | 274   | 1,252 |
| Share of profit of joint ventures    | 326   | 97    |
| Dividend received                    | (450) | (600) |
| Capital reduction in a joint venture | (115) | (475) |
| End of financial year                | 35    | 274   |

Details of the joint ventures are as follows:

| Name of joint ventures | Principal activities | Country of incorporation | Percentage of ownership interest |             |
|------------------------|----------------------|--------------------------|----------------------------------|-------------|
|                        |                      |                          | 31 Dec 2020                      | 31 Dec 2019 |

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% | 50% |
| Forte Builder Pte Ltd <sup>(#)(2)</sup>                       | Business of general construction   | Singapore | 50% | 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 incorporation.

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

(1) CS-OKP Construction and Development Pte Ltd (“CS-OKP”), incorporated in Singapore on 1 December 2009, remained inactive as at 31 December 2020. 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 has a 50% equity interest at a cost of \$50,000 (2019: \$50,000) in CS-OKP.

An application has been made for CS-OKP to be struck off.



- (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 has a 50% equity interest at a cost of \$500,000 in FBPL. The principal activity of FBPL is 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:

|                          | 31 Dec 2020 | 31 Dec 2019 |
|--------------------------|-------------|-------------|
|                          | \$'000      | \$'000      |
| Assets                   |             |             |
| - Current assets         | 6,237       | 10,822      |
| Liabilities              |             |             |
| - Current liabilities    | (6,036)     | (8,689)     |
| Net assets               | 201         | 2,133       |
| Revenue                  | 9,800       | 18,765      |
| Expenses                 | (9,002)     | (17,794)    |
| Profit before income tax | 798         | 971         |
| Income tax expense       | -           | (157)       |
| Net profit               | 798         | 814         |

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.



(vi) Investments in associated companies

| The Group   |             |
|-------------|-------------|
| 31 Dec 2020 | 31 Dec 2019 |
| \$'000      | \$'000      |

**Interests in associated companies**

|  |       |         |
|--|-------|---------|
| Beginning of financial year                        | 1,174 | 3,462   |
| Notional fair value of loan (net)                  | (70)  | (219)   |
| Share of loss of associated companies              | (693) | (1,136) |
| Reclassified to assets classified as held-for-sale | -     | (933)   |
| End of financial year                              | 411   | 1,174   |

| Name of associated companies | Principal activities | Country of incorporation | Equity holding |             |
|------------------------------|----------------------|--------------------------|----------------|-------------|
|                              |                      |                          | 31 Dec 2020    | 31 Dec 2019 |

Held by subsidiary corporations

|   |   |           |       |       |
|---|---|-----------|-------|-------|
| Chong Kuo Development Pte Ltd <sup>(#)(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                 |             |             |
|---------------------------|-------------|-------------|
|                           | 31 Dec 2020 | 31 Dec 2019 |
|                           | \$'000      | \$'000      |
| Assets                    |             |             |
| - Current assets          | 112,504     | 117,881     |
| - Non-current assets      | 520         | 697         |
| Liabilities               |             |             |
| - Current liabilities     | (13,566)    | (19,818)    |
| - Non-current liabilities | (95,764)    | (93,729)    |
| Net assets                | 3,694       | 5,031       |
| Revenue                   | 38,340      | 25,830      |
| Expenses                  | (40,256)    | (31,169)    |
| Loss before income tax    | (1,916)     | (5,339)     |
| Income tax credit         | 1           | -           |
| Net loss                  | (1,915)     | (5,339)     |

The Group has not recognised its share of loss of its associated company, Chong Kuo Development Pte Ltd amounting to \$Nil (2019: \$179,471) 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 \$Nil (2019: \$179,471) at the reporting date.



## (vii) Investment properties

| The Group   |             |
|-------------|-------------|
| 31 Dec 2020 | 31 Dec 2019 |
| \$'000      | \$'000      |

|  |               |               |
|--|---------------|---------------|
| Beginning of financial year                              | 49,568        | 49,586        |
| Currency translation differences                         | 3,216         | (608)         |
| Net fair value (loss)/gain recognised in profit and loss | (677)         | 590           |
| End of financial year                                    | <u>52,107</u> | <u>49,568</u> |

The investment properties are leased to non-related parties.

The Group's policy is to revalue its investment properties on an annual basis.

At the reporting date, the details of the Group's investment properties are as follows:

| Location  | Description/<br>existing use | Tenure                               | Fair value    |               |
|---|------------------------------|--------------------------------------|---------------|---------------|
|   |                              |                                      | 31 Dec 2020   | 31 Dec 2019   |
|   |                              |                                      | \$'000        | \$'000        |
| 6-8 Bennett Street, East<br>Perth, Western Australia                | Office building              | Freehold                             | 44,417        | 41,828        |
| No 190 Moulmein Road,<br>#10-03 The Huntington,<br>Singapore 308095 | Apartment unit               | Freehold                             | 1,900         | 1,800         |
| No 6 Tagore Drive, B1-06<br>Tagore Building,<br>Singapore 787623    | Office unit                  | Freehold                             | 1,640         | 1,660         |
| No 6 Tagore Drive, B1-05<br>Tagore Building,<br>Singapore 787623    | Office unit                  | Freehold                             | 1,550         | 1,580         |
| 7 Woodlands Industrial<br>Park E2, Singapore<br>757450              | 3-storey factory             | 60-year lease<br>from 25 Sep<br>2006 | 2,600         | 2,700         |
|   |                              |                                      | <u>52,107</u> | <u>49,568</u> |

All the investment properties are carried at fair values at the reporting date as determined by independent professional valuers.

On 23 October 2020, the Group had exercised the option to purchase a property at 35 Kreta Ayer Road, Singapore 089000 at the price of \$11,300,000. The transaction has been completed on 15 January 2021.



## (viii) Other receivables (non-current)

|   | The Group    |              | The Company |              |
|---|--------------|--------------|-------------|--------------|
|   | 31 Dec 2020  | 31 Dec 2019  | 31 Dec 2020 | 31 Dec 2019  |
|   | \$'000       | \$'000       | \$'000      | \$'000       |
| Loans to associated companies           |              |              |             |              |
| - Chong Kuo Development Pte Ltd         | 4,410        | 3,803        | -           | -            |
| - USB Holdings Pte Ltd                  | 5,037        | 3,412        | -           | -            |
| Less: Notional fair value of loan (net) | (522)        | (592)        | -           | -            |
|   | 8,925        | 6,623        | -           | -            |
| Loan to subsidiary corporation          | -            | -            | -           | 9,097        |
|   | <u>8,925</u> | <u>6,623</u> | <u>-</u>    | <u>9,097</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. The loan to subsidiary corporation has been settled during the financial year ended 31 December 2020.



(ix) Leases

(a) Amounts recognised in the statements of financial position

| The Group   |             |
|-------------|-------------|
| 31 Dec 2020 | 31 Dec 2019 |
| \$'000      | \$'000      |

Right-of-use assets

|                                 |              |               |
|---------------------------------|--------------|---------------|
| Office unit                     | 254          | 343           |
| Plant and machineries           | 7,450        | 7,718         |
| Motor vehicles                  | 1,696        | 1,555         |
| Use of state land for worksites | 526          | 602           |
|                                 | <u>9,926</u> | <u>10,218</u> |

Lease liabilities

|             |              |              |
|-------------|--------------|--------------|
| Current     | 1,957        | 2,005        |
| Non-current | 3,139        | 4,376        |
|             | <u>5,096</u> | <u>6,381</u> |

(b) Amounts recognised in the statement of comprehensive income

Depreciation of right-of-use assets

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Office unit                     | 354          | 110          |
| Plant and machineries           | 1,071        | 736          |
| Motor vehicles                  | 276          | 236          |
| Use of state land for worksites | 344          | 305          |
|                                 | <u>2,045</u> | <u>1,387</u> |

|   |            |            |
|---|------------|------------|
| Interest expense (included in finance expenses) | <u>234</u> | <u>144</u> |
|---|------------|------------|





(x) Intangible assets

| The Group   |             | The Company |             |
|-------------|-------------|-------------|-------------|
| 31 Dec 2020 | 31 Dec 2019 | 31 Dec 2020 | 31 Dec 2019 |
| \$'000      | \$'000      | \$'000      | \$'000      |

Composition:

|                            |              |              |           |           |
|----------------------------|--------------|--------------|-----------|-----------|
| Goodwill                   | 1,688        | 1,688        | -         | -         |
| Computer software licences | 63           | 93           | 16        | 21        |
|                            | <u>1,751</u> | <u>1,781</u> | <u>16</u> | <u>21</u> |

(a) Goodwill

*Cost/net book value*

|                                     |              |              |          |          |
|-------------------------------------|--------------|--------------|----------|----------|
| Beginning and end of financial year | <u>1,688</u> | <u>1,688</u> | <u>-</u> | <u>-</u> |
|-------------------------------------|--------------|--------------|----------|----------|

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 year | 520        | 497        | 78        | 55        |
| Additions                   | -          | 23         | -         | 23        |
| End of financial year       | <u>520</u> | <u>520</u> | <u>78</u> | <u>78</u> |

*Accumulated Amortisation*

|                             |            |            |           |           |
|-----------------------------|------------|------------|-----------|-----------|
| Beginning of financial year | 427        | 396        | 57        | 52        |
| Amortisation charge         | 30         | 31         | 5         | 5         |
| End of financial year       | <u>457</u> | <u>427</u> | <u>62</u> | <u>57</u> |

|                |           |           |           |           |
|----------------|-----------|-----------|-----------|-----------|
| Net book value | <u>63</u> | <u>93</u> | <u>16</u> | <u>21</u> |
|----------------|-----------|-----------|-----------|-----------|

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.



(xi) Trade and other payables

|                                       | The Group     |               | The Company  |              |
|---------------------------------------|---------------|---------------|--------------|--------------|
|                                       | 31 Dec 2020   | 31 Dec 2019   | 31 Dec 2020  | 31 Dec 2019  |
|                                       | \$'000        | \$'000        | \$'000       | \$'000       |
| <u>Current</u>                        |               |               |              |              |
| Trade payables                        |               |               |              |              |
| - Non-related parties                 | 11,235        | 9,787         | 70           | 49           |
| Non-trade payables                    |               |               |              |              |
| - Subsidiary corporations             | -             | -             | 1,955        | 1,947        |
| - Joint venture                       | -             | 50            | -            | -            |
| - Non-controlling interests           | 442           | 335           | -            | -            |
| - Non-related parties                 | 927           | 441           | -            | -            |
|                                       | 1,369         | 826           | 1,955        | 1,947        |
| Accrued operating expenses            | 8,974         | 8,344         | 1,088        | 714          |
|                                       | <u>21,578</u> | <u>18,957</u> | <u>3,113</u> | <u>2,710</u> |
| <u>Non-current</u>                    |               |               |              |              |
| Non-trade payables                    |               |               |              |              |
| - Loan from non-controlling interests | 10,788        | 9,345         | -            | -            |
| - Less: Notional fair value of loan   | (874)         | (1,089)       | -            | -            |
|                                       | <u>9,914</u>  | <u>8,256</u>  | <u>-</u>     | <u>-</u>     |

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

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.

Non-trade payables from non-related parties includes deferred grant income relating to Job Support Scheme payout of \$0.5 million.



(xii) Bank borrowings

|                                       | The Group   |             | The Company |             |
|---------------------------------------|-------------|-------------|-------------|-------------|
|                                       | 31 Dec 2020 | 31 Dec 2019 | 31 Dec 2020 | 31 Dec 2019 |
|                                       | \$'000      | \$'000      | \$'000      | \$'000      |
| <u>Current</u>                        |             |             |             |             |
| Secured bank term loan <sup>(a)</sup> | 815         | 756         | -           | -           |
| Secured bank facility <sup>(b)</sup>  | 4,500       | -           | 4,500       | -           |
|                                       | 5,315       | 756         | 4,500       | -           |
| <u>Non-current</u>                    |             |             |             |             |
| Secured bank term loan <sup>(a)</sup> | 21,190      | 22,781      | -           | -           |
|                                       | 26,505      | 23,537      | 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 facility is mainly secured by:
- First legal mortgage over a freehold property of the Group; and
  - Corporate guarantee of one of the Group's subsidiary corporations.

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



(xiii) Other reserves

| The Group   |             |
|-------------|-------------|
| 31 Dec 2020 | 31 Dec 2019 |
| \$'000      | \$'000      |

(a) **Composition:**

|                              |              |              |
|------------------------------|--------------|--------------|
| Asset revaluation reserve    | 1,372        | 1,372        |
| Currency translation reserve | 166          | (40)         |
| Capital reserve              | 1,706        | 1,656        |
|                              | <u>3,244</u> | <u>2,988</u> |

(b) **Movements**

**Asset revaluation reserve**

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Beginning and end of financial year | <u>1,372</u> | <u>1,372</u> |
|-------------------------------------|--------------|--------------|

**Currency translation reserve**

|   |            |             |
|---|------------|-------------|
| Beginning of financial year                                 | (40)       | (24)        |
| Currency translation differences arising from consolidation | 404        | (32)        |
| Less: Non-controlling interests                             | (198)      | 16          |
|   | <u>206</u> | <u>(16)</u> |
| End of financial year                                       | <u>166</u> | <u>(40)</u> |

**Capital reserve**

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

Other reserves are non-distributable.



## **Explanatory Notes:**

### (i) Current assets

Current assets increased by \$5.8 million, from \$97.2 million as at 31 December 2019 to \$103.0 million as at 31 December 2020. The increase was due mainly to:

- (a) an increase in cash and cash equivalents of \$14.4 million. This was due mainly to the cash provided by operating activities of \$18.7 million, cash provided by investing activities of \$4.2 million and increase in effects of currency translation on cash and cash equivalents of \$0.2 million, offset by cash used in financing activities of \$8.7 million; and
- (b) an increase in trade and other receivables of \$2.6 million. This was due mainly to (1) an increase in trade receivables from a joint venture, (2) an increase in non-trade receivables from non-related parties arising mainly from government grant receivable, (3) an increase in advance to suppliers/sub-contractors due to a portion of advance payment received from government agencies being passed down to the suppliers/sub-contractors engaged by the Group, and (4) an increase in deposits arising from deposit paid for acquisition of an investment property, offset by a decrease in trade receivables from non-related parties and a decrease in non-trade receivables from a joint venture arising from capital reduction during the financial year ended 31 December 2019 ("FY2019"),

which were partially offset by:

- (c) a decrease in contract assets of \$1.4 million, due mainly to a decrease in construction contract due from customers arising from lower unbilled amounts expected to be collected from customers following the lower revenue recognised; and
- (d) a decrease of \$9.8 million in assets classified as held-for-sale following the completion of the disposal of a former associated company, CS Amber Development Pte Ltd,

during the financial year ended 31 December 2020 ("FY2020").



(ii) Non-current assets

Non-current assets increased by \$11 million, from \$83.0 million as at 31 December 2019 to \$94.0 million as at 31 December 2020. The increase was due mainly to:

- (a) an increase in investment properties of \$2.5 million, resulting from an exchange realignment relating to the property at 6-8 Bennett Street, East Perth, Western Australia of \$3.2 million due to appreciation of Australian dollar against the Singapore dollar, offset by a net fair value loss of \$0.7 million arising from the revaluation of some investment properties;
- (b) an increase in other receivables of \$2.3 million due to advances extended to associated companies, USB Holdings Pte Ltd and Chong Kuo Development Pte Ltd; and
- (c) an increase in property, plant and equipment of \$7.5 million resulting mainly from the purchase of a freehold property at 32 Tagore Lane and plant and equipment, which was partially offset by disposal and depreciation of property, plant and equipment,

which were partially offset by:

- (d) a decrease in investments in joint ventures of \$0.2 million arising from dividends received of \$0.4 million and a capital reduction of a joint venture of \$0.1 million, offset by the share of profit of \$0.3 million;
- (e) a decrease in investments in associated companies of \$0.8 million arising from the notional fair value on loan and share of loss of an associated company; and
- (f) a decrease in right-of-use assets of \$0.3 million resulting from the early termination of a dormitory lease, offset by new plant and equipment acquired to support the new and existing projects and the use of state land,

during FY2020.

(iii) Current liabilities

Current liabilities increased by \$16.1 million, from \$22.4 million as at 31 December 2019 to \$38.5 million as at 31 December 2020. The increase was due mainly to:

- (a) an increase in trade and other payables of \$2.6 million arising from (1) an increase in trade payables of \$1.4 million, (2) advances from a non-controlling interest of \$0.1 million, (3) deferred grant income of \$0.5 million arising from the Job Support Scheme for Tier 1 Built Environment sector, and (4) higher accrued operating expenses related to project costs of \$0.6 million;
- (b) an increase in contract liabilities of \$8.9 million from the receipt 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;
- (c) an increase in bank borrowings of \$4.5 million arising from bank borrowing of \$4.5 million to finance the purchase of the freehold property at 32 Tagore Lane and exchange realignment of \$0.1 million due to appreciation of Australian dollar against the Singapore dollar; and
- (d) an increase in current income tax liabilities of \$0.1 million due to higher tax provision resulting from higher profits generated,

during FY2020.



(iv) Non-current liabilities

Non-current liabilities decreased by \$1.4 million, from \$36.7 million as at 31 December 2019 to \$35.3 million as at 31 December 2020. The decrease was due mainly to (1) a decrease in lease liabilities of \$1.2 million arising from the early termination of a dormitory lease and repayment of lease liabilities, (2) repayment of bank borrowing of \$1.6 million and (3) a decrease in deferred income tax liabilities of \$0.2 million, which were partially offset by an increase in other payables of \$1.6 million during FY2020.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, treasury shares, other reserves, retained profits and non-controlling interests, increased by \$2.0 million, from \$121.2 million as at 31 December 2019 to \$123.2 million as at 31 December 2020. The increase was due mainly to:

- (a) the profits generated from operations of \$3.3 million attributable to equity holders of the Company and non-controlling interests of \$0.7 million arising from the share of profit of Raffles Prestige Capital Pte Ltd; and
- (b) other comprehensive income arising from currency translation reserve of \$0.4 million;

which were partially offset by:

- (c) the purchase of treasury shares of \$0.2 million; and
- (d) the dividend payment to shareholders of \$2.2 million, during FY2020.



## 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 31 Dec 2020 |         |           | As at 31 Dec 2019 |         |           |
|-------------------|---------|-----------|-------------------|---------|-----------|
|                   | \$'000  | \$'000    |                   | \$'000  | \$'000    |
|                   | Secured | Unsecured |                   | Secured | Unsecured |
| Lease liabilities | 1,957   | -         | Lease liabilities | 2,005   | -         |
| Bank borrowings   | 5,315   | -         | Bank borrowings   | 756     | -         |
| Total             | 7,272   | -         | Total             | 2,761   | -         |

(b) Amount repayable after one year

| As at 31 Dec 2020 |         |           | As at 31 Dec 2019 |         |           |
|-------------------|---------|-----------|-------------------|---------|-----------|
|                   | \$'000  | \$'000    |                   | \$'000  | \$'000    |
|                   | Secured | Unsecured |                   | Secured | Unsecured |
| Lease liabilities | 3,139   | -         | Lease liabilities | 4,376   | -         |
| Bank borrowings   | 21,190  | -         | Bank borrowings   | 22,781  | -         |
| Total             | 24,329  | -         | Total             | 27,157  | -         |

(c) Details of any collateral

The above secured borrowings of the Group relate to:

- (1) lease liabilities of \$5.1 million secured by corporate guarantees of the Company and charges over the property, plant and equipment under the leases; and
- (2) bank borrowings of \$26.5 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, assignment of rental proceeds from the property, and corporate guarantees of the Company and one of the Group's subsidiary corporations.





**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                   |         |
|--|-----------------------------|---------|
|  | Financial Year ended 31 Dec |         |
|  | 2020                        | 2019    |
|  | \$'000                      | \$'000  |
| <b>Cash flows from operating activities</b>                        |                             |         |
| Net profit   | 3,955                       | 681     |
| Adjustments for:   |                             |         |
| - Income tax expense   | 478                         | 359     |
| - Depreciation of property, plant and equipment                    | 2,135                       | 2,069   |
| - Depreciation of right-of-use assets                              | 2,045                       | 1,387   |
| - Amortisation of intangible assets                                | 30                          | 31      |
| - Gain on disposal of right-of-use assets                          | (15)                        | -       |
| - Gain on disposal of property, plant and equipment, net           | (16)                        | (80)    |
| - Reversal of impairment allowance made                            | (1,228)                     | -       |
| - Share of results of associated companies and joint ventures, net | 367                         | 1,039   |
| - Fair value loss/(gain) on investment properties, net             | 677                         | (590)   |
| - Interest income  | (544)                       | (1,029) |
| - Interest expense   | 1,163                       | 1,288   |
| - Foreign exchange differences                                     | (459)                       | 437     |
| <b>Operating cash flow before working capital changes</b>          | 8,588                       | 5,592   |
| Change in working capital  |                             |         |
| - Trade and other receivables                                      | (2,592)                     | (3,064) |
| - Contract assets  | 1,428                       | 2,909   |
| - Contract liabilities   | 8,934                       | -       |
| - Trade and other payables   | 2,298                       | (5,734) |
| <b>Cash generated from operations</b>                              | 18,656                      | (297)   |
| - Interest received  | 544                         | 1,029   |
| - Income tax paid  | (506)                       | (951)   |
| <b>Net cash provided by/(used in) operating activities</b>         | 18,694                      | (219)   |
| <b>Cash flows from investing activities</b>                        |                             |         |
| - Additions to property, plant and equipment                       | (5,195)                     | (2,298) |
| - Additions to right-of-use assets                                 | (73)                        | -       |
| - Additions to intangible assets                                   | -                           | (23)    |
| - Advances to associated companies                                 | (2,233)                     | (1,750) |
| - Proceeds from disposal of property, plant and equipment          | 55                          | 212     |
| - 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                            | 450                         | 600     |
| - Capital reduction in a joint venture                             | 115                         | -       |
| <b>Net cash provided by/(used in) investing activities</b>         | 4,197                       | (3,259) |



Consolidated statement of cash flows (Cont'd)

| The Group                   |        |
|-----------------------------|--------|
| Financial Year ended 31 Dec |        |
| 2020                        | 2019   |
| \$'000                      | \$'000 |

**Cash flows from financing activities**

- Repayment of lease liabilities
- Advance from a non-controlling interest
- Interest paid
- Purchase of treasury shares
- Repayment of borrowings
- Dividend paid to shareholders
- Bank deposits pledged

|         |         |
|---------|---------|
| (3,028) | (1,289) |
| 717     | -       |
| (837)   | (976)   |
| (235)   | -       |
| (3,134) | (759)   |
| (2,153) | (3,084) |
| (53)    | (42)    |

**Net cash used in financing activities**

(8,723) (6,150)

**Net increase/(decrease) in cash and cash equivalents**

14,168 (9,628)

Cash and cash equivalents at the beginning of the financial year

59,552 69,231

Effects of currency translation on cash and cash equivalents

238 (51)

**Cash and cash equivalents at the end of the financial year**

73,958 59,552

**Explanatory Notes:**

- (i) For the purpose of the consolidated statement of cash flows, the cash and cash equivalents at the end of the financial year comprise the following:

|  | The Group   |             |
|--|-------------|-------------|
|  | 31 Dec 2020 | 31 Dec 2019 |
|  | \$'000      | \$'000      |
| Cash at bank and on hand   | 29,084      | 14,430      |
| Short-term bank deposits   | 49,658      | 49,892      |
| Trust account – Cash at bank                                       | 355         | 316         |
|  | 79,097      | 64,638      |
| Short-term bank deposits pledged to banks                          | (5,139)     | (5,086)     |
| Cash and cash equivalents per consolidated statement of cash flows | 73,958      | 59,552      |

Short-term bank deposits of \$5,138,894 (2019: \$5,086,100) are pledged to banks for banking facilities of certain subsidiary corporations.



(ii) **Review of cash flows for FY2020**

Net cash provided by operating activities

Our Group reported net cash provided by operating activities of \$18.7 million in FY2020, an increase of \$18.9 million from net cash used in operating activities of \$0.2 million in FY2019. The increase was due mainly to:

- (a) an increase in net working capital inflow of \$16.0 million;
- (b) an increase in cash generated from operating activities before working capital changes of \$2.9 million; and
- (c) a decrease in income tax paid of \$0.5 million,

which were partially offset by:

- (d) a decrease in interest received of \$0.5 million,

during FY2020.

Net cash provided by investing activities

Net cash provided by investing activities increased by \$7.5 million, from net cash used in investing activities of \$3.3 million in FY2019 to net cash provided by investing activities of \$4.2 million in FY2020. The increase was due mainly to:

- (a) proceeds from disposal of assets classified as held for sale of \$11.0 million; and
- (b) capital reduction of a joint venture of \$0.1 million,

which were partially offset by:

- (c) an increase in cash used in the purchase of property, plant and equipment of \$2.9 million;
- (d) an increase in advances extended to an associated company of \$0.5 million; and
- (e) a decrease in dividend received from joint ventures of \$0.2 million,

during FY2020.

Net cash used in financing activities

Net cash used in financing activities increased by \$2.5 million, from \$6.2 million in FY2019 to \$8.7 million in FY2020. The increase was due mainly to:

- (a) an increase in repayment of lease liabilities of \$1.7 million;
- (b) purchase of treasury shares of \$0.2 million; and
- (c) an increase in repayment of borrowings of \$2.4 million,

which were partially offset by:

- (d) an advance from a non-controlling interest of \$0.7 million;
- (e) a decrease in interest paid of \$0.2 million; and
- (f) decrease in dividend payments to shareholders of \$0.9 million,

during FY2020.

Overall, free cash and cash equivalents stood at \$74.0 million as at 31 December 2020, an increase of \$14.4 million, from \$59.6 million as at 31 December 2019. This works out to cash of 24.1 cents per share as at 31 December 2020 as compared to 19.3 cents per share as at 31 December 2019 (based on 306,961,494 issued shares (excluding treasury shares) as at 31 December 2020 and 308,430,594 as at 31 December 2019).



**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 | Total  |                          |              |
| \$'000  | \$'000          | \$'000          | \$'000                    | \$'000                       | \$'000           | \$'000 | \$'000                   | \$'000       |

The Group

|   |        |       |       |       |      |         |         |       |         |
|---|--------|-------|-------|-------|------|---------|---------|-------|---------|
| <b>As at 1 Jan 2020</b>                     | 36,832 | -     | 1,656 | 1,372 | (40) | 81,164  | 120,984 | 179   | 121,163 |
| Profit for the period                       | -      | -     | -     | -     | -    | 1,610   | 1,610   | 381   | 1,991   |
| Other comprehensive income for the period   | -      | -     | -     | -     | 49   | -       | 49      | 48    | 97      |
|   | -      | -     | -     | -     | 49   | 1,610   | 1,659   | 429   | 2,088   |
| Purchase of treasury shares                 | -      | (235) | -     | -     | -    | -       | (235)   | -     | (235)   |
| Dividend in respect of FY2019               | -      | -     | -     | -     | -    | (2,153) | (2,153) | -     | (2,153) |
| <b>As at 30 Jun 2020</b>                    | 36,832 | (235) | 1,656 | 1,372 | 9    | 80,621  | 120,255 | 608   | 120,863 |
| Profit for the period                       | -      | -     | -     | -     | -    | 1,683   | 1,683   | 281   | 1,964   |
| Other comprehensive income for the period   | -      | -     | -     | -     | 157  | -       | 157     | 150   | 307     |
|   | -      | -     | -     | -     | 157  | 1,683   | 1,840   | 431   | 2,271   |
| Fair value adjustment on interest-free loan | -      | -     | 50    | -     | -    | -       | 50      | -     | 50      |
| <b>As at 31 Dec 2020</b>                    | 36,832 | (235) | 1,706 | 1,372 | 166  | 82,304  | 122,145 | 1,039 | 123,184 |



| 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 | Total  |                          |              |
| \$'000  | \$'000          | \$'000          | \$'000                    | \$'000                       | \$'000           | \$'000 | \$'000                   | \$'000       |

The Group

|   |        |   |       |       |      |         |         |       |         |
|---|--------|---|-------|-------|------|---------|---------|-------|---------|
| <b>As at 1 Jan 2019</b>                 | 36,832 | - | 1,656 | 1,372 | (24) | 84,626  | 124,462 | (864) | 123,598 |
| Profit for the period                   | -      | - | -     | -     | -    | 1,346   | 1,346   | 275   | 1,621   |
| Other comprehensive loss for the period | -      | - | -     | -     | (11) | -       | (11)    | (11)  | (22)    |
|   | -      | - | -     | -     | (11) | 1,346   | 1,335   | 264   | 1,599   |
| Dividend in respect of FY2018           | -      | - | -     | -     | -    | (3,084) | (3,084) | -     | (3,084) |
| <b>As at 30 Jun 2019</b>                | 36,832 | - | 1,656 | 1,372 | (35) | 82,888  | 122,713 | (600) | 122,113 |
| Profit for the period                   | -      | - | -     | -     | -    | (1,724) | (1,724) | 784   | (940)   |
| Other comprehensive loss for the period | -      | - | -     | -     | (5)  | -       | (5)     | (5)   | (10)    |
|   | -      | - | -     | -     | (5)  | (1,724) | (1,729) | 779   | (950)   |
| <b>As at 31 Dec 2019</b>                | 36,832 | - | 1,656 | 1,372 | (40) | 81,164  | 120,984 | 179   | 121,163 |



| Attributable to equity holders of the Company |                 |                  |              |
|---|-----------------|------------------|--------------|
| Share capital                                 | Treasury shares | Retained profits | Total equity |
| \$'000  | \$'000          | \$'000           | \$'000       |

The Company

|   |        |       |         |         |
|---|--------|-------|---------|---------|
| <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               | -      | (235) | -       | (235)   |
| Dividend in respect of FY2019             | -      | -     | (2,153) | (2,153) |
| <b>As at 30 Jun 2020</b>                  | 36,832 | (235) | 8,000   | 44,597  |
| Total comprehensive income for the period | -      | -     | 2,330   | 2,330   |
| <b>As at 31 Dec 2020</b>                  | 36,832 | (235) | 10,330  | 46,927  |
| <b>As at 1 Jan 2019</b>                   | 36,832 | -     | 9,429   | 46,261  |
| Total comprehensive income for the period | -      | -     | 239     | 239     |
| Dividend in respect of FY2018             | -      | -     | (3,084) | (3,084) |
| <b>As at 30 Jun 2019</b>                  | 36,832 | -     | 6,584   | 43,416  |
| Total comprehensive income for the period | -      | -     | 2,500   | 2,500   |
| <b>As at 31 Dec 2019</b>                  | 36,832 | -     | 9,084   | 45,916  |



**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 30 June 2020.

The Company did not purchase any shares pursuant to the share buyback mandate from 1 July 2020 to 31 December 2020. 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 31 December 2020 (2019: Nil).

There were no outstanding convertibles issued by the Company and no subsidiary holdings as at 31 December 2020 and 31 December 2019.

**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**

|  | 31 Dec 2020 | 31 Dec 2019 |
|--|-------------|-------------|
| Total number of issued shares<br>(excluding treasury shares) | 306,961,494 | 308,430,594 |

**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 FY2020.

**1(d)(v) A statement showing all sales, transfers, disposals, 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 2019.

**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 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) 7

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                   |             |                              |
|--|-----------------------------|-------------|------------------------------|
|  | Financial Year ended 31 Dec |             | Increase/<br>(Decrease)<br>% |
|  | 2020                        | 2019        |                              |
| Net profit/(loss) attributable to equity holders of the Company (\$'000) | 3,293                       | (378)       | 971.2                        |
| Weighted average number of ordinary shares in issue                      | 307,467,992                 | 308,430,594 | (0.3)                        |
| Basic earnings per share (cents per share)                               | 1.07                        | (0.12)      | 991.7                        |
| Diluted earnings per share (cents per share)                             | 1.07                        | (0.12)      | 991.7                        |

**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/<br>(Decrease)<br>% |                |
|--|----------------------|----------------------|----------------------|----------------------|------------------------------|----------------|
|  | As at<br>31 Dec 2020 | As at<br>31 Dec 2019 | As at<br>31 Dec 2020 | As at<br>31 Dec 2019 | The<br>Group                 | The<br>Company |
| Net tangible assets (\$'000)                 | 121,433              | 119,382              | 46,911               | 45,895               | 1.7                          | 2.2            |
| Number of shares (excluding treasury shares) | 306,961,494          | 308,430,594          | 306,961,494          | 308,430,594          | (0.5)                        | (0.5)          |
| NTA per share (cents)                        | 39.56                | 38.71                | 15.28                | 14.88                | 2.2                          | 2.7            |



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.

### Income Statement Review (Current financial year ended 31 December 2020 vs previous financial year ended 31 December 2019)

|                      | The Group                                |              |   |              |                      |               |
|----------------------|--|--------------|---|--------------|----------------------|---------------|
|                      | Current financial year ended 31 Dec 2020 |              | Previous financial year ended 31 Dec 2019 |              | Increase/ (Decrease) |               |
|                      | \$'000                                   | %            | \$'000                                    | %            | \$'000               | %             |
| Construction         | 46,065                                   | 66.2         | 49,966                                    | 61.4         | (3,901)              | (7.8)         |
| Maintenance          | 17,244                                   | 24.7         | 25,683                                    | 31.5         | (8,439)              | (32.9)        |
| Rental income        | 6,318                                    | 9.1          | 5,747                                     | 7.1          | 571                  | 9.9           |
| <b>Total Revenue</b> | <b>69,627</b>                            | <b>100.0</b> | <b>81,396</b>                             | <b>100.0</b> | <b>(11,769)</b>      | <b>(14.5)</b> |

### Revenue

Our Group reported a 14.5% or \$11.7 million decrease in revenue to \$69.6 million for FY2020 as compared to \$81.3 million for FY2019. The decrease was due mainly to a 7.8% decrease in revenue from the construction segment to \$46.1 million, and a 32.9% decrease in revenue from the maintenance segment to \$17.2 million, partially offset by a 9.9% increase in rental income.

The decrease in revenue from both the construction and maintenance segments was due mainly to the lower percentage of revenue recognised from a number of existing and newly awarded construction projects during FY2020.



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 which has been fully occupied since the second quarter ended 30 June 2019.

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 66.2% (FY2019: 61.4%), 24.7% (FY2019: 31.5%) and 9.1% (FY2019: 7.1%) of our Group's revenue respectively for FY2020.

#### Cost of sales

|                            | The Group                                |   |                      |               |
|----------------------------|--|---|----------------------|---------------|
|                            | Current financial year ended 31 Dec 2020 | Previous financial year ended 31 Dec 2019 | Increase/ (Decrease) |               |
|                            | \$'000                                   | \$'000                                    | \$'000               | %             |
| Construction               | 60,270                                   | 68,714                                    | (8,444)              | (12.3)        |
| Maintenance                |  |   |                      |               |
| Rental income              | 1,981                                    | 1,837                                     | 144                  | 7.8           |
| <b>Total cost of sales</b> | <b>62,251</b>                            | <b>70,551</b>                             | <b>(8,300)</b>       | <b>(11.8)</b> |

Our cost of sales decreased by 11.8% or \$8.3 million from \$70.5 million for FY2019 to \$62.2 million for FY2020. The decrease in cost of sales was due mainly to:

- (a) the decrease 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 decrease in the cost of construction materials due to lower utilisation of materials;
- (c) the decrease in overheads such as upkeep of machineries and hiring costs related to the rental of additional heavy equipment and machineries to support existing projects; and
- (d) the decrease in labour costs as a result of foreign worker levy waiver, during FY2020.



### Gross profit and gross profit margin

|                           | The Group                                |                     |   |                     |                      |               |
|---------------------------|--|---------------------|---|---------------------|----------------------|---------------|
|                           | Current financial year ended 31 Dec 2020 |                     | Previous financial year ended 31 Dec 2019 |                     | Increase/ (Decrease) |               |
|                           | \$'000                                   | Gross Profit Margin | \$'000                                    | Gross Profit Margin | \$'000               | %             |
| Construction              | 3,039                                    | 4.8%                | 6,935                                     | 9.2%                | (3,896)              | (56.2)        |
| Maintenance               |  |                     |   |                     |                      |               |
| Rental income             | 4,337                                    | 68.6%               | 3,910                                     | 68.0%               | 427                  | 10.9          |
| <b>Total gross profit</b> | <b>7,376</b>                             | <b>10.6%</b>        | <b>10,845</b>                             | <b>13.3%</b>        | <b>(3,469)</b>       | <b>(32.0)</b> |

Our gross profit for FY2020 decreased by 32.0% or \$3.4 million from \$10.8 million for FY2019 to \$7.4 million for FY2020.

While the rental income segment demonstrated an increase in contribution to gross profit of \$0.4 million from \$3.9 million for FY2019 to \$4.3 million for FY2020, there is a decrease of \$3.9 million in that of the construction and maintenance segments, from \$6.9 million in FY2019 to \$3.0 million in FY2020.

The lower gross profit margin for the construction and maintenance segments was due mainly to the temporary cessation of construction activities in compliance with the government's COVID-19 measures.

Overall, the negative impact from the COVID-19 situation on the construction and maintenance segments was cushioned by the finalisation of a few existing projects during FY2020.

### Other gains, net

Other gains increased by \$8.2 million or 320.8% from \$2.5 million for FY2019 to \$10.7 million for FY2020. The increase was due mainly to:

- (a) the receipt of payouts and rebates from the government of \$8.6 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; and
- (c) an increase in the gain on foreign exchange of \$0.8 million largely due to the appreciation of Australian dollar against the Singapore dollar,



which were partially offset by:

- (d) a non-recurring technical management consultancy fee of \$0.6 million in relation to a piling project in Jakarta, Indonesia which was earned in FY2019;
- (e) an increase in net fair value loss of \$1.3 million resulting from a fair value gain of \$0.6 million in FY2019 to a fair value loss of \$0.7 million in FY2020, arising from the revaluation of some of the investment properties; and
- (f) a decrease in interest income from bank deposits of \$0.5 million,

during FY2020.

Administrative expenses

Administrative expenses increased by \$2.1 million or 20.9% from \$10.0 million for FY2019 to \$12.1 million for FY2020. The increase was largely due to legal fees incurred for an ongoing trial and provision for potential fines of a subsidiary corporation and two employees.

Finance expenses

| The Group                           |                                     |       |
|-------------------------------------|-------------------------------------|-------|
| Financial year ended<br>31 Dec 2020 | Financial year ended<br>31 Dec 2019 |       |
| \$'000                              | \$'000                              |       |
| Lease liabilities                   | 234                                 | 144   |
| Notional interest on loan           | 326                                 | 312   |
| Bank borrowing                      | 603                                 | 832   |
|                                     | 1,163                               | 1,288 |

Finance expenses decreased by \$0.1 million or 9.7% from \$1.3 million for FY2019 to \$1.2 million for FY2020. The decrease was due mainly to the decrease in interest expenses of \$0.2 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, offset by an increase of \$0.1 million in lease liabilities arising from the purchase of plant and machineries during FY2020.



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

| The Group  |                                     |
|--|-------------------------------------|
| Financial year ended<br>31 Dec 2020                  | Financial year ended<br>31 Dec 2019 |
| \$'000   | \$'000                              |
| Share of profit of joint ventures <sup>(a)</sup>     | 326                                 |
| Share of loss of associated companies <sup>(b)</sup> | (693)                               |
|  | (1,136)                             |
|  | (367)                               |
|  | (1,039)                             |

The share of results of associated companies and joint ventures increased by \$0.6 million or 64.7% from a loss of \$1.0 million for FY2019 to a loss of \$0.4 million for FY2020. The increase was due mainly to:

- (a) the share of profit of joint ventures mainly from the Group's 50%-owned joint venture partnership, Chye Joo - Or Kim Peow JV,

which was partially offset by:

- (b) the share of loss of associated companies due mainly to losses incurred by the Group's 25%-held associated company, USB Holdings Pte Ltd,

during FY2020.

### Profit before income tax

Profit before income tax increased by \$3.4 million or 326.3% from \$1.0 million for FY2019 to \$4.4 million for FY2020. The increase was due mainly to (1) the increase in other gains (net) of \$8.2 million, (2) the decrease in share of loss of associated companies and joint ventures of \$0.6 million, and (3) the decrease in finance expenses of \$0.1 million. The increase was partially offset by (1) the decrease in gross profit of \$3.4 million and (2) the increase in administrative expenses of \$2.1 million, as explained above.

### Income tax expense

Income tax expense increased by \$0.1 million or 33.1% from \$0.4 million in FY2019 to \$0.5 million in FY2020 due mainly to higher profit before income tax, as explained above.

The effective tax rates for FY2020 and FY2019 were 10.8% and 34.5% respectively.

The effective tax rate for FY2020 was lower than the statutory tax rate of 17.0% due mainly to (1) statutory stepped income tax exemption, (2) a tax rebate of 25% on the corporate tax payable, capped at \$15,000, (3) an overprovision of prior year income tax amounting to \$0.1 million and (4) certain income being not subject to tax.

The effective tax rate for FY2019 was higher than the statutory tax rate of 17.0%, due mainly to (1) to the profit before income tax of \$1.0 million which took into account the share of loss of associated companies and joint ventures of \$1.0 million, which was not tax deductible, (2) the relatively higher corporate tax rate of our Australian subsidiary corporation, and (3) certain non-deductible items added back for tax purposes.



#### Non-controlling interests

Non-controlling interests of \$0.7 million was due to the share of profit of our subsidiary corporation, Raffles Prestige Capital Pte Ltd, in FY2020.

#### Net profit

Overall, for FY2020, net profit increased by \$3.3 million or 480.8%, from \$0.7 million for FY2019 to \$4.0 million for FY2020, following the increase in profit before income tax of \$3.4 million, which was partially offset by the increase in income tax expense of \$0.1 million, as explained above.

Our net profit margin increased from 0.8% for FY2019 to 5.7% for FY2020.

#### **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 second half ended 31 December 2020 from what was previously discussed under paragraph 10 of the Company's results announcement for the first half ended 30 June 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**

Based on advance estimates from the Ministry of Trade and Industry, the Singapore economy contracted by 3.8% on a year-on-year basis in 4Q2020, an improvement from the 5.6% contraction recorded in 3Q2020. On a quarter-on-quarter seasonally adjusted basis, the economy grew by about 2.1%, following the 9.5% expansion in 3Q2020. For the whole of 2020, the Singapore economy contracted by 5.8%.

**Impact of COVID-19**

The COVID-19 pandemic has caused a severe disruption to global economic activity and the impact on economies across the world has been broad and significant, affecting different sectors to varying degrees. Even with a vaccine being distributed, the effects of the pandemic are expected to linger on for years.

Notably, in Singapore, the construction sector is one of the worst impacted sectors. Supply chains across the world have been disrupted due to measures implemented by the authorities to fight the virus. This has resulted in a shortage of construction materials, which in turn caused a delay in the completion of construction projects. In addition, foreign worker dormitories in Singapore were earlier significantly affected by COVID-19, leading to a shortage of manpower. The Singapore government has also implemented tighter restrictions, which further impacts the availability of manpower.

While Singapore has entered Phase 3 of re-opening in December 2020 and construction work has started to resume progressively, manpower constraints and shortage of raw materials remain.

In response to the crisis, the Singapore government has introduced various support measures to alleviate the impact of COVID-19. Where applicable, the Group has tapped onto support schemes to ease the impact from COVID-19.

Going forward, the full extent of the impact is largely dependent on the trajectory of the pandemic and its recovery, bearing in mind the uncertainty surrounding the likelihood of a second wave. Nevertheless, the Group has complied with the Safe Management Measures required by the Ministry of Manpower and Building and Construction Authority (“BCA”) and has resumed activities at all of the Group’s project sites. To tide through this crisis, the Group will continue to focus on preserving cash by reduce operating expenses where applicable and deferring all non-essential expenditures.

**Industry Outlook**

The construction sector shrank by 28.5% on a year-on-year basis in 4Q2020, improving from the 46.2% contraction in the preceding quarter. The improved performance of the sector came on the back of the resumption of more construction activities in 4Q2020 compared to the previous quarter. On a quarter-to-quarter seasonally adjusted basis, the construction sector grew by 34.4%, extending the 39.0% growth in 3Q2020.

According to BCA, total construction demand in 2021 is projected to recover to between S\$23 billion and S\$28 billion, with the public sector contributing about 65% of the total demand.

The public sector is expected to drive the construction demand in 2021, to between S\$15 billion and S\$18 billion with an anticipated stronger demand for public housing and infrastructure projects. Some of the upcoming major public sector projects scheduled to be awarded this year include various contracts under the Jurong Region MRT Line, the Cross Island MRT Line Phase 1 and the Deep Tunnel Sewerage System (DTSS) Phase 2.





When the Circuit Breaker period began on 7 April 2020, most construction work was suspended. After the Circuit Breaker period ended on 1 June 2020, the BCA allowed construction works to resume in a controlled manner in phases, with priority given to projects that cannot be left idle for too long due to safety concerns, and critical and time-sensitive projects, such as MRT and DTSS tunnelling projects.

In September 2020, the Singapore government has also committed S\$20 million to support firms in the Built Environment sector adopt digital solutions to help firms keep their worksites and workers safe. The new S\$20 million Advanced Digital Solutions (ADS) scheme, supported by the BCA and Infocomm Media Development Authority (IMDA), will help firms defray up to 80% of the costs of digital equipment such as thermal scanners, facial recognition systems, AI cameras and Bluetooth enabled wearables and their integration with site management solutions to assist in COVID-Safe worksite management.

Although the construction sector will continue to experience a challenging operating environment, the above developments, coupled with Singapore moving into Phase 3 of re-opening on 28 December 2020, shed a positive light on the recovery of the overall economy and resumption of construction activities.

With regards to the private residential property segment, real estate statistics released by the Urban Redevelopment Authority (“URA”) showed a 2.1% increase in the private residential property index in 4Q2020, compared with the 0.8% increase in 3Q2020. In 4Q2020, developers launched 3,147 uncompleted private residential units for sale, compared with 3,791 units in 3Q2020. For the whole of 2020, developers launched 10,833 uncompleted private residential properties for sale, compared with 11,345 units in 2019.

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

Looking ahead, the Group expects the cost of construction and other operating costs to continue on an uptrend amidst the challenging operating environment, coupled with impact of COVID-19 during the year.

The Group remains cautiously optimistic as it continues to be supported by a healthy pipeline of construction projects. With the objective of increasing productivity, the Group will continue to focus on technology adoption, innovative measures, training of workers and higher usage of equipment and tools to reduce the overall reliance on manpower.

As at 31 December 2020, the Group’s order book stood at \$254.0 million, with projects extending till 2023.

On the property development front, the Group’s joint venture residential project, The Essence, was launched in March 2019 and has achieved good sales of approximately over 90%.

The Group’s 74-unit residential project in Bukit Panjang, Phoenix Residences, was launched in December 2020 to warm response. With the Phase 3 re-opening in Singapore, the Group has stepped up marketing efforts to engage homebuyers through both physical and virtual channels.

The Group’s investment property at 6-8 Bennett Street in Perth, Australia continues to provide a source of recurring rental income. As at 31 December 2020, the property had full occupancy.

In line with the expansion of its portfolio of investment properties, the Group announced the completion of the acquisition of 35 Kreta Ayer Road in January 2021. The property has a freehold tenure and comprises a three-storey with attic shophouse. It occupies a lot area of approximately 1,568 square feet and has a total floor area of approximately 4,240 square feet and the acquisition will contribute towards the Group’s performance in FY2021.



Moving forward, the Group will continue to strengthen its capabilities in its core civil engineering business in order to maintain its status as a leading civil engineering contractor across various industries. The Group remains fully committed to the smooth execution and delivery of its existing projects.

In line with the Group's long-term strategy to diversify its earnings and build a recurring income stream, it will continue to explore business opportunities, both locally and abroad, to widen its foothold in property development and investment, through strategic tie-ups with experienced partners.

## 11. Dividend

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes

|                           |                     |
|---------------------------|---------------------|
| Name of Dividends         | Final               |
| Dividend Type             | Cash                |
| Dividend amount per share | \$0.007             |
|                           | One-tier tax exempt |

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

|                           |                     |
|---------------------------|---------------------|
| Name of Dividends         | Final               |
| Dividend Type             | Cash                |
| Dividend amount per share | \$0.007             |
|                           | One-tier tax exempt |

### **(c) Date payable**

Payment of the said dividends, if approved by shareholders at the forthcoming Nineteenth Annual General Meeting of the Company to be held on 26 April 2021 (Monday), will be made on 17 May 2021.

### **(d) Record date**

Notice is hereby given that the Share Transfer Book and Register of Members of the Company will be closed from 5.00 p.m. on 7 May 2021 for the preparation of dividend payment. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 7 May 2021 will be registered to determine shareholders' entitlement to the proposed final dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 7 May 2021 will be entitled to the proposed final dividend.



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

Not applicable.

**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 financial year ended 31 December 2020.

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Business Segments

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, airports 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.
- (i) Rental income - It relates to income received from rental of investment properties.



|   | Primary Reporting - Business Segment             |             |               |          |   |             |               |          |
|---|--|-------------|---------------|----------|---|-------------|---------------|----------|
|   | Current financial year ended<br>31 December 2020 |             |               |          | Previous financial year ended<br>31 December 2019 |             |               |          |
| <b>The Group</b>                              | Construction                                     | Maintenance | Rental income | Total    | Construction                                      | Maintenance | Rental income | Total    |
|   | \$'000   | \$'000      | \$'000        | \$'000   | \$'000  | \$'000      | \$'000        | \$'000   |
| <b>Revenue</b>                                |  |             |               |          |   |             |               |          |
| Total segment revenue                         | 74,574   | 17,478      | 6,318         | 98,370   | 76,962  | 29,490      | 5,747         | 112,199  |
| Inter-segment revenue                         | (28,509)   | (234)       | -             | (28,743) | (26,996)  | (3,807)     | -             | (30,803) |
| Revenue to external parties                   | 46,065   | 17,244      | 6,318         | 69,627   | 49,966  | 25,683      | 5,747         | 81,396   |
| <b>Gross profit</b>                           | 2,006  | 1,033       | 4,337         | 7,376    | 4,917   | 2,018       | 3,910         | 10,845   |
| Other income                                  |  |             |               |          |   |             |               |          |
| -Allocated                                    |  |             | -             | -        |   |             | 680           | 680      |
| -Unallocated                                  |  |             |               | 11,381   |   |             |               | 1,864    |
| Other losses                                  |  |             |               |          |   |             |               |          |
| -Allocated                                    |  |             | (677)         | (677)    |   |             | -             | -        |
| -Unallocated                                  |  |             |               | -        |   |             |               | -        |
| Administrative costs                          |  |             |               |          |   |             |               |          |
| -Allocated                                    |  |             | (53)          | (53)     |   |             | (53)          | (53)     |
| -Unallocated                                  |  |             |               | (12,064) |   |             |               | (9,969)  |
| Share of profit of joint venture companies    |  |             |               | 326      |   |             |               | 97       |
| Share of loss of associated companies         |  |             |               | (693)    |   |             |               | (1,136)  |
|   |  |             |               | 5,596    |   |             |               | 2,328    |
| Finance expenses                              |  |             |               |          |   |             |               |          |
| -Allocated                                    |  |             | (929)         | (929)    |   |             | (1,144)       | (1,144)  |
| -Unallocated                                  |  |             |               | (234)    |   |             |               | (144)    |
| Profit before income tax                      |  |             |               | 4,433    |   |             |               | 1,040    |
| Income tax expense                            |  |             |               |          |   |             |               |          |
| -Allocated                                    |  |             | (690)         | (690)    |   |             | (384)         | (384)    |
| -Unallocated                                  |  |             |               | 212      |   |             |               | 25       |
| <b>Net profit</b>                             |  |             |               | 3,955    |   |             |               | 681      |
| Depreciation of property, plant and equipment | 1,247  | 436         | -             | 1,683    | 1,061   | 559         | -             | 1,620    |
| Depreciation of right-of-use                  | 1,464  | 570         | -             | 2,034    | 798   | 578         | -             | 1,376    |
| Amortisation                                  | 20   | -           | -             | 20       | 20  | -           | -             | 20       |
| Segment assets                                | 14,255   | 9,153       | 57,977        | 81,385   | 17,153  | 6,617       | 50,548        | 74,318   |
| Segment liabilities                           | 16,231   | 7,730       | 36,863        | 60,824   | 10,677  | 5,825       | 32,619        | 49,121   |

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.



## Geographical Segments

Geographical segments are analysed by two principal geographical areas, namely Singapore and Australia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location where the revenue is generated. Segment non-current assets and segment assets are based on the geographical location of the assets.

|                            | Geographical Segment                             |           |           |   |           |           |
|----------------------------|--|-----------|-----------|---|-----------|-----------|
|                            | Current financial year ended<br>31 December 2020 |           |           | Previous financial year ended<br>31 December 2019 |           |           |
|                            | <u>The Group</u>                                 | Singapore | Australia | Total   | Singapore | Australia |
|                            | \$'000   | \$'000    | \$'000    | \$'000  | \$'000    | \$'000    |
| Segment revenue            | 63,561   | 6,066     | 69,627    | 75,969  | 5,427     | 81,396    |
| Segment non-current assets | 49,596   | 44,417    | 94,013    | 41,147  | 41,828    | 82,975    |
| Segment assets             | 152,139  | 44,940    | 197,079   | 137,783   | 42,407    | 180,190   |

### 15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

As explained under paragraph 8 above.

|                           | The Group                                     |                     |  |                     |                      |
|---------------------------|---|---------------------|--|---------------------|----------------------|
|                           | Current financial year ended 31 December 2020 |                     | Previous financial year ended 31 December 2019 |                     | Increase/ (Decrease) |
|                           | \$'000  | Gross profit margin | \$'000   | Gross profit margin | \$'000               |
| Construction              | 2,006   | 4.4%                | 4,917  | 9.8%                | (2,911)              |
| Maintenance               | 1,033   | 6.0%                | 2,018  | 7.9%                | (985)                |
| Rental income             | 4,337   | 68.6%               | 3,910  | 68.0%               | 427                  |
| <b>Total gross profit</b> | <b>7,376</b>                                  | <b>10.6%</b>        | <b>10,845</b>                                  | <b>13.3%</b>        | <b>(3,469)</b>       |

The lower gross profit margin for the construction and maintenance segments was due mainly to the temporary cessation of construction activities in compliance with the government's COVID-19 measures.

The gross profit margin of rental income maintained at 68.6% and 68.0% in FY2020 and FY2019 respectively.



**16. A breakdown of sales**

|   | The Group                                |   |                      |        |
|---|--|---|----------------------|--------|
|   | Current financial year ended 31 Dec 2020 | Previous financial year ended 31 Dec 2019 | Increase/ (Decrease) |        |
|   | \$'000                                   | \$'000                                    | \$'000               | %      |
| (a) Sales reported for first half year  | 32,188                                   | 38,538                                    | (6,350)              | (16.5) |
| (b) Operating profit after taxation before deducting non-controlling interests reported for the first half year         | 1,991                                    | 1,621                                     | 370                  | 22.8   |
| (c) Sales reported for second half year   | 37,439                                   | 42,858                                    | (5,419)              | (12.6) |
| (d) Operating profit/(loss) after taxation before deducting non-controlling interests reported for the second half year | 1,964                                    | (940)                                     | 2,904                | 308.9  |

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Total Annual Dividend

|            | FY2020 (\$'000) | FY2019 (\$'000) |
|------------|-----------------|-----------------|
| Ordinary   | 2,149           | 2,153           |
| Preference | -               | -               |
| Total      | 2,149           | 2,153           |

FY2020

Based on the proposed final dividend of \$0.007 per share for 306,961,494 shares, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

FY2019

Based on the final dividend of \$0.007 per share for 307,625,294 shares (excluding treasury shares).



## 18. Use of proceeds as at 31 December 2020

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 current financial period.

The unutilised proceeds are deposited with a bank pending deployment.

## 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

| Name        | Age | Family relationship with any director and/or substantial shareholder  | Current position and duties, and the year the position was first held   | Details of changes in duties and position held, if any, during the year |
|-------------|-----|---|---|---|
| Or Kim Peow | 86  | Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow | Group Chairman of the Company, overseeing the overall management and strategic development of the Group.<br>Position held since 2002.   | NA  |
| Or Toh Wat  | 53  | Son of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow  | Group Managing Director of the Company, responsible for setting the Group's corporate directions and strategies, and overseeing the day-to-day management and business development of the Group.<br>Position held since 2002. | NA  |



| Name         | Age | Family relationship with any director and/or substantial shareholder  | Current position and duties, and the year the position was first held  | Details of changes in duties and position held, if any, during the year |
|--------------|-----|---|--|---|
| Ang Beng Tin | 65  | Wife of Mr Or Kim Peow (Group Chairman); Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow                               | Executive Director of the Company, responsible for managing employee relations, benefit programmes and insurance claims at Or Kim Peow Contractors (Pte) Ltd.<br>Position held since 2002. | NA  |
| Or Kiam Meng | 56  | Son of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow | Executive Director of the Company, responsible for overseeing the daily site management and operations of Or Kim Peow Contractors (Pte) Ltd.<br>Position held since 2002.                  | NA  |
| Oh Enc Nam   | 65  | Nephew of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow                            | Executive Director of the Company, responsible for the day-to-day management and the overall operations of Eng Lam Contractors Co. (Pte) Ltd.<br>Position held since 2002.                 | NA  |





| Name               | Age | Family relationship with any director and/or substantial shareholder  | Current position and duties, and the year the position was first held  | Details of changes in duties and position held, if any, during the year |
|--------------------|-----|---|--|---|
| Or Lay Huat Daniel | 43  | Son of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director) and Mr Or Kiam Meng (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow  | Executive Director of the Company, responsible for business development, investor relations and corporate communications of the Group.<br>Position held since 2006.                                  | NA  |
| Or Yew Whatt       | 63  | Nephew of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow  | Executive Director of Eng Lam Contractors Co. (Pte) Ltd, responsible for the supervision of projects, resolving site issues and involved in the project tender process.<br>Position held since 1992. | NA  |
| Oh Kim Poy         | 81  | Brother of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow | Executive Director of Eng Lam Contractors Co. (Pte) Ltd, responsible for supervising and monitoring of projects.<br>Position held since 1992.  | NA  |



**20. 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.

**BY ORDER OF THE BOARD**

Or Toh Wat  
Group Managing Director  
22 February 2021