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FOR IMMEDIATE RELEASE

OKP Holdings Limited reports 13.7% growth in revenue to S\$30.2 million for first quarter ended 31 March 2014

“As we remain challenged by rising business operating costs, we will exercise prudence in our operations while continuing to prospect actively and selectively for new projects to grow our business,”
said Group Managing Director, Mr Or Toh Wat

GROUP'S FINANCIAL HIGHLIGHTS			
S\$' million	1Q2014	1Q2013 (restated)*	▲/▼
Revenue	30.2	26.6	▲ 13.7%
Gross Profit	2.6	4.5	▼ 41.2%
GP Margins	8.7%	16.9%	▼ 8.2ppt
Profit After Tax & MI	1.1	2.4	▼ 55.1%
EPS –Basic (cents)	0.35	0.77	▼ 54.5%
As at 5 May 2014: Net Order Book: S\$189.6 million, projects lasting till 2017 Cash and Cash Equivalents: S\$45.0 million Net Tangible Assets: S\$95.8 million, NTA Per Share: 31.07 cents			

**Restated due to the adoption of new/revised Financial Reporting Standards 111(new) – Joint Arrangement, effective for annual periods beginning on or after 1 January 2014.*

Singapore, 5 May 2014 – MAINBOARD-LISTED infrastructure and civil engineering company, OKP Holdings Limited (胡金標控股有限公司) (“OKP” or “the Group”), today announced a 13.7% year-on-year (“yoy”) increase in revenue to S\$30.2 million while profit after tax attributable to equity holders (“net profit”) declined 55.1% to S\$1.1 million for the three months ended 31 March 2014 (“1Q2014”).

The growth in overall revenue was driven by an increase in revenue from the Group's core maintenance business segment. Despite the increase in revenue, competitive pricing within the industry and rising variable costs such as manpower cost and costs of construction materials resulted in a decline in net profit. As such, OKP reported earnings per share (basic) of 0.35 cents for 1Q2014 (1Q2013: 0.77 cents)

GROUP'S REVENUE HIGHLIGHTS						
S\$' million	1Q2014		1Q2013 (restated)*		Increase/(decrease)	
Construction	19.6	64.9%	21.3	80.4%	(1.7)	(8.2%)
Maintenance	10.6	35.1%	5.2	19.6%	5.4	103.3%
Total Revenue	30.2	100.0%	26.5	100.0%	3.7	13.7%

**Restated due to the adoption of new/revised Financial Reporting Standards 111(new) – Joint Arrangement, effective for annual periods beginning on or after 1 January 2014*

Revenue from the Group's maintenance segment grew 103.3% yoy to S\$10.6 million in 1Q2014 mainly due to a higher percentage of revenue being recognised from existing and newly awarded maintenance projects as they progressed to a more active phase. The mainstay construction business however registered a 8.2% yoy decrease in revenue to S\$19.6 million in 1Q2014 due to lower percentage of revenue being recognised from several construction projects nearing completion and the absence of new contracts secured during the period.

Faced with challenging market conditions, gross profit declined 41.2% yoy to S\$2.6 million and gross profit margin correspondingly declined to 8.7% in 1Q2014. This was the result of an increase in cost of works stemming from rising labour costs due to levy adjustments and increase in manpower in 1Q2014, increase in sub-contracting costs incurred for specialised works and increase in cost of construction materials due to fluctuation of raw material prices.

Group Managing Director, Mr Or Toh Wat (胡士发) commented, "As we remain challenged by rising business operating costs, we will exercise prudence in our operations while continuing to prospect actively and selectively for new projects to grow our business.

We continue to be supported by a pipeline of projects and have secured two new contracts from Land Transport Authority and Public Utilities Board totaling approximately S\$56.6 million since the start of 2014. As at today, the Group's net order book based on secured contracts stands at S\$189.6 million, lasting till 2017."

Balance Sheet Highlights

The Group maintains a strong balance sheet with stable cash position.

As of 31 March 2014, the Group's net tangible assets amounted to S\$95.8 million, marking a 1.1% increase from the previous corresponding quarter. On a per share basis, this is equivalent to 31.06 cents as compared to 30.72 cents as at 31 December 2013.

The Group's cash and cash equivalents stood at S\$45.0 million as at 31 March 2014, compared with S\$37.6 million on 31 December 2013.

During the quarter, the Group improved its overall cash position due to an increase in cash generated from operating activities. This was mainly due to an increase in net working capital of S\$8.6 million and decrease in income tax paid of S\$0.6 million partially offset by decrease in cash generated from operating activities before working capital changes of S\$1.6 million.

The net cash generated from investing activities decreased from S\$1.0 million in 1Q2013 to S\$53,000 in 1Q2014. This is the result of the proceeds received from the sale of a financial asset of S\$0.8 million and disposal of property, plant and equipment of S\$0.2 million, partially offset by purchase of new property, plant and equipment of S\$0.7 million and investment in associated company of S\$0.2 million.

In terms of financing activities, a net cash of S\$0.3 million was used in 1Q2014 as compared to a net cash of S\$28,000 being generated in 1Q2013. This was due to the absence of cash proceeds from issuance of new shares arising from the exercise of warrants, repayment of finance lease liabilities and servicing of interest payments.

As at 5 May 2014, market capitalisation of OKP stood at S\$97.2 million based on the closing share price of S\$0.315.

Outlook

On 14 April 2014, the Ministry of Trade and Industry announced that based on advanced estimates the Singapore economy grew by 5.1% yoy in 1Q2014. In comparison, the construction sector achieved a growth of 6.5% yoy due to an expansion in public sector construction activities. Similarly, Building and Construction Authority forecasted overall construction demand to be between S\$31 billion to S\$38 billion for 2014 with majority of the contracts from the public sector, driven by higher volume of contracts awarded for institutional and civil engineering construction works.

Commenting on the Group's outlook, Mr Or said, "Looking ahead for the year, we will continue to focus on our core civil engineering expertise in mainstay construction and maintenance businesses. Building on our track record, we are optimistic and committed in our strategy as we strive to be the preferred civil engineering contractor in Singapore.

In our pursuit of growth, we diligently seek opportunities through acquisitions, joint ventures and strategic alliances which either enhance or value-add to our existing core businesses."

Corporate update and projects

The Group is currently involved in a number of public sector projects from the LTA, the PUB and JTC Corporation.

Some on-going LTA projects include:

- Widening of Tanah Merah Coast Road worth S\$37.3 million
- Extension of the Central Expressway/Tampines Expressway/Seletar Expressway Interchange worth S\$75.3 million; and
- Design-and-build project involving the interchange at Tampines Expressway/Sengkang West Road/Seletar Aerospace Way worth S\$61.7 million.

Some on-going PUB projects include:

- Improvement to roadside drains along Lorong 101-108 Changi Road/Langsat Road, Hillview Avenue, Thomson Road, Jalan Teliti and Balestier Road/Boon Teck Road worth S\$19.2 million;
- Improvement to roadside drains at Chai Chee Road and New Upper Changi Road worth S\$4.0 million;
- Improvement to Alexandra Canal (between Zion Road and Kim Seng Road) worth S\$46.8million;

- Dredging of Sungei Api Api worth S\$6.7 million;
- Improvement to roadside drains at Joo Chiat areas worth S\$10.2 million.
- Improvement to roadside drains at Lucky Heights Estate (Eastern) worth S\$15.0 million
- Improvement works to Stamford Canal worth S\$6.7 million; and
- Improvement to roadside drains at Geylang area worth S\$13.6 million

On the private sector front, the Group is involved in the construction of the East (North) aircraft parking apron, associated taxiways and ancillary works at Seletar Airport for Changi Airport Group, worth S\$39.8 million.

In line with the Group's strategy to diversify its earnings through property development and investment, the Group also marked its maiden foray into property development via a \$0.1 million (10% minority stake) investment in CS Amber Development Pte Ltd.. OKP is also involved in the construction of a luxury condominium at 21 Angullia Park. This S\$83.5 million project is undertaken by Forte Builder Pte. Ltd., one of OKP's joint venture companies, and was awarded by Angullia Development Pte. Ltd, a wholly-owned subsidiary of China Sonangol Land Pte Ltd, the owner of the development site.

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About OKP Holdings Limited (www.okph.com)

OKP Holdings Limited (胡金标控股有限公司) (OKP) is a leading home-grown infrastructure and civil engineering company, specialising in the construction of airport runways and taxiways, expressways, flyovers, vehicular bridges, urban and arterial roads, airport infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals. Established in 1966 by Founder and Chairman, Mr Or Kim Peow, OKP operates in two core business segments, Construction and Maintenance. The Group tenders for both public and private civil engineering and infrastructure construction projects.

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

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

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

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

OKP has won several awards for its annual reports, corporate governance and excellence in Investor Relations. At the SIAS Investors' Choice Awards 2012 and 2013, OKP was conferred the "Most Transparent Company Award" under the Main Board Small Caps Category. At the Singapore Corporate Awards (SCA) 2013, it clinched the Best Annual Report (Gold), Best Managed Board Award (Silver) and Best Investor Relations Award (Bronze) in the 'Companies with less than S\$300 million in market capitalisation' category. At the SCA 2012, it won the Best CFO, Best Managed Board Award (Bronze) and Best Investor Relations Award (Bronze) in the same category. It took the Best Annual Report Award (Gold) in 2010. At SCA 2009, it bagged two awards – Best Investor Relations Award (Gold) and Best Annual Report Award (Silver). OKP was the Silver winner for Best Investor Relations Award at SCA 2008. It was also the second runner-up at the 30th Annual Report Awards in 2004 and Best Annual Report Award (Gold) at the Inaugural SCA 2006 for excellent standards of corporate disclosure.

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