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FOR IMMEDIATE RELEASE

OKP Holdings Limited's net profit grows 5.6% to S\$1.1 million for 1Q2015

“Our expertise and reputation in civil engineering and maintenance has enabled us to win S\$237.5 million worth of contracts since the beginning of this year. With a steady pipeline of public infrastructure and civil engineering projects within the construction industry, we hope to leverage our core competencies to secure more projects to grow our order book.”
 said Group Managing Director, Mr Or Toh Wat

GROUP'S FINANCIAL HIGHLIGHTS			
S\$' million	1Q2015	1Q2014	▲/▼
Revenue	27.4	30.2	▼9.3%
Gross Profit	2.7	2.6	▲2.6%
GP Margins	9.9%	8.7%	▲1.2ppt
Profit After Tax & MI	1.1	1.0	▲5.6%
EPS –Basic (cents)	0.37	0.35	▲5.7%
Net Construction Order Book: S\$367.2 million, projects lasting till 2019 As at 31 March 2015: Free Cash and Cash Equivalents: S\$25.3 million			

Singapore, 11 May 2015 – 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 9.3% year-on-year (“yoy”) decline in revenue to S\$27.4 million for the three months ended 31 March 2015 (“1Q2015”). Conversely, profit after tax attributable to equity holders (“net profit”) increased 5.6% yoy to S\$1.1 million.

Earnings per share (basic) in 1Q2015 also rose marginally by 5.7% yoy to 0.37 Singapore cents, up from 0.35 Singapore cents in the corresponding quarter.

GROUP'S REVENUE HIGHLIGHTS						
S\$' million	1Q2015		1Q014 (restated)*		Increase/(decrease)	
Construction	19.7	72.0%	19.6	64.9%	0.1	0.7%
Maintenance	7.7	28.0%	10.6	35.1%	(2.9)	(27.7%)
Total Revenue	27.4	100.0%	30.2	100.0%	(2.8)	(9.3%)

The decrease in revenue was mainly due to a 27.7% yoy decline in the maintenance segment to S\$7.7 million as a result of lower revenue recognition from a few maintenance projects which were reaching completion during 1Q2015. The decrease in revenue for the maintenance segment was partially offset by a marginal 0.7% yoy increase in the construction segment to S\$19.7 million.

Gross profit and gross profit margin improved by 2.6% and 1.2 percentage points yoy to S\$2.7 million and 9.9% respectively in 1Q2015. This is mainly attributed to a 10.4% yoy decrease in cost of works to S\$24.7 million in 1Q2015 resulting from a fall in labour costs and construction material costs, partially offset by an increase in subcontracting costs.

As of today, the Group's net construction order book based on secured contracts stands at S\$367.2 million, extending till 2019.

Group Managing Director, Mr Or Toh Wat (胡士发) remarked, "In order to tackle industry-wide challenges, we will commit to developing our expertise in our mainstay construction business with a focus on civil engineering projects. This will be supported by our efforts to streamline operational costs and improve productivity through adopting new technologies such as Building Information Modeling and providing training for workers. Amidst the intensifying competition, we will continue to uphold our policy of only tendering for profitable projects in order to safeguard shareholders' interests."

Balance Sheet Highlights

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

Net tangible assets ("NTA") and NTA per share as of 31 March 2015 increased marginally by 1.2% yoy to S\$97.6 million and 31.6 Singapore cents respectively.

As at 31 March 2015, the Group's free cash and cash equivalents amounted to S\$25.3 million, down from S\$40.0 million as at 31 March 2014.

The Group reported S\$2.3 million of net cash used for operating activities in 1Q2015, a reversal from net cash generated from operating activities of S\$7.7 million in 1Q2014. The S\$10.0 million increase in net cash used was mainly due to an increase in net working capital outflow of S\$10.7 million which was partially offset by an increase in cash generated from operating activities before working capital changes of S\$0.7 million.

Net cash used in investing activities was S\$1.0 million in 1Q2015 due to the purchase of new property, plant and equipment of S\$0.6 million and an advance of S\$0.5 million extended to an associated company, United Singapore Builders Pte. Ltd., which were partially offset by proceeds received from the disposal of plant, property and equipment and interest income from the financial asset, available-for-sale in 1Q2015.

Lastly, net cash used for financing activities was maintained at S\$0.3 million for 1Q2015 and 1Q2014. The net cash used mainly related to repayment of finance lease liabilities and servicing of interest payments.

As at 11 May 2015, OKP's market capitalisation stood at S\$66.3 million based on the closing share price of S\$0.215.

Outlook

Based on advance estimates published by the Ministry of Trade and Industry ("MTI") on 14 April 2015, the Singapore economy grew 2.1% yoy in 1Q2015, similar to that of the previous quarter. On a quarter-on-quarter ("qoq") basis, the economy expanded 1.1% compared to 4.9% in the preceding quarter.

Supported by an increase in private sector construction activities, the construction sector grew 3.3% yoy in the first quarter compared to 0.7% in the preceding quarter.

Growth of the construction industry continues to be challenged by rising business costs and a shortage of experienced and skilled manpower.

Commenting on the growth outlook, **Mr Or** said, “Our expertise and reputation in civil engineering and maintenance has enabled us to win S\$237.5 million worth of contracts since the beginning of this year. With a steady pipeline of public infrastructure and civil engineering projects within the construction industry, we hope to leverage our core competencies to secure more projects to grow our order book.”

Corporate update and projects

The Group is currently involved in a number of public sector projects from the Land Transport Authority (“LTA”), Public Utilities Board (“PUB”) and JTC Corporation (“JTC”).

On-going LTA projects include:

- Two contracts for the construction of sheltered link ways under the Walk2Ride Programme worth S\$143.9 million;
- 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
- Ad-hoc repairs, maintenance and upgrading of roads (inclusive of expressways), road structures and road related facilities in central Singapore worth S\$18.2 million.

On-going PUB projects include:

- Improvement to Bukit Timah First Diversion Canal Contract 3 (Holland Green to Clementi Road) worth S\$146.5 million, of which we have a 50% share;
- Construction of Stamford Diversion Canal Contract 1 – Tanglin and Kim Seng worth S\$50.6 million;
- Improvement to roadside drains at 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 Alexandra Canal (between Zion Road and Kim Seng Road) worth S\$46.8 million;
- Improvement to roadside drains at Joo Chiat worth S\$10.2 million;
- Improvement to roadside drains at Lucky Heights Estate (Eastern) worth S\$15.0 million; and
- Improvement to roadside drains at Geylang area worth S\$13.6 million.

On-going JTC projects include:

- Construction of roads, drains, sewers and soil improvement works at Tuas South Avenue 7/14 worth S\$20.4 million contract.

On the property development front, we embarked on our first project in property development with the launch of freehold residential development, Amber Skye, on 10 September 2014. Amber Skye was developed following our minority investment of 10% stake in July 2012 in CS Amber Development Pte. Ltd., a wholly-owned subsidiary of China Sonangol Land Pte. Ltd., the property arm of China Sonangol International (S) Pte. Ltd..

In addition, we also hold a 10% stake in a property development joint venture, Lakehomes Pte. Ltd. to develop an Executive Condominium ("EC"), Lake Life, in Jurong. This was the first EC to be developed on the Western side of Singapore in 17 years. It was successfully launched on 4 October 2014 and recorded strong sales performance.

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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 it 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 2014, OKP won Merit for the Singapore Corporate Governance Awards, mainboard Small Caps category and Runner-up for the "Most Transparent Company Award 2014" in the Constructions and Material Category. OKP was also conferred the "Most Transparent Company Award" under the Mainboard Small Caps Category in 2012 and 2013. At the Singapore Corporate Awards ("SCA") 2013, it clinched the Best Annual Report (Gold), Best Managed Board Award (Silver) and Best Investor Relations (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 under the same category. At SCA 2009, it bagged two awards – Best Investor Relations Award (Gold) and Best Annual Report Award (Silver). OKP was the Silver winner for Best Investor Relations Award at SCA 2008. It was also the second runner-up at the 30th Annual Report Awards in 2004 and Best Annual Report Award (Gold) at the Inaugural SCA 2006 for excellent standards of corporate disclosure.

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