



**First Quarter
Financial Statement
for the Period Ended
31 March 2008**

12 May 2008

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First Quarter Financial Statement for the Period Ended 31 March 2008
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	← The Group →		Increase/ (Decrease) %
	Current first quarter ended 31 Mar 2008	Previous first quarter ended 31 Mar 2007	
	\$'000	\$'000	
Revenue	28,553	22,765	25.4
Cost of works	(23,769)	(19,372)	22.7
Gross profit	<u>4,784</u>	<u>3,393</u>	41.0
Other income	206	178	15.7
Expenses			
- Administrative	(1,735)	(1,228)	41.3
- Other	(116)	(78)	48.7
- Finance	(41)	(30)	36.7
Profit before income tax	<u>3,098</u>	<u>2,235</u>	38.6
Income tax expense	(636)	(601)	5.8
Net profit	<u>2,462</u> =====	<u>1,634</u> =====	50.7

Attributable to :-

Equity holders of the Company	2,408	1,592	51.3
Minority interests	54	42	28.6
	<u>2,462</u> =====	<u>1,634</u> =====	50.7

n.m. – not meaningful



(i) Additional disclosures

Profit before income tax was arrived at after:

	← The Group →		
	Current first quarter ended 31 Mar 2008	Previous first quarter ended 31 Mar 2007	Increase/ (Decrease) %
	\$'000	\$'000	%
<u>After charging:-</u>			
Non-audit fee paid to the auditors of the Company	4	1	300.0
Depreciation of property, plant & equipment	66	67	(1.5)
Directors' remuneration			
- Directors of the Company	379	361	5.0
- Other Directors	68	64	6.3
Directors' fee	38	30	26.7
Interest paid and payable			
- Finance lease liabilities	41	30	36.7
Loss on foreign exchange	116	78	48.7
Staff costs	379	246	54.1
<u>After crediting:-</u>			
Interest income from bank deposits	85	94	(9.6)
Gain on disposal of property, plant and equipment	14	-	n.m.
<u>Included in the cost of works are the following:-</u>			
Depreciation of plant and equipment	418	275	52.0
Staff costs	3,543	2,393	48.1

(ii) Extraordinary/Exceptional items

Nil

(iii) Adjustments for under or over-provision of tax in respect of prior years

There were no material adjustments for under or over-provision of tax in respect of prior years.



1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Note	← The Group →		← The Company →	
	31 Mar 2008 \$'000	31 Dec 2007 \$'000	31 Mar 2008 \$'000	31 Dec 2007 \$'000
ASSETS				
Current assets				
	35,409	24,862	4,238	2,700
Cash and cash equivalents				
Trade and other receivables i	24,626	36,046	5,587	7,441
Construction contracts works-in-progress	1,669	1,805	-	-
Other current assets	540	506	24	27
	62,244	63,219	9,849	10,168
Non-current assets				
Investments in subsidiaries	-	-	14,476	14,476
Investment property	1,400	1,400	-	-
Property, plant and equipment	10,690	10,623	12	13
Intangible assets	1,688	1,688	-	-
	13,778	13,711	14,488	14,489
Total assets	76,022	76,930	24,337	24,657
LIABILITIES				
Current liabilities				
Trade and other payables ii	31,697	35,098	3,277	3,660
Current portion of finance lease liabilities	1,434	1,343	-	-
Current income tax liabilities	3,496	3,664	308	382
	36,627	40,105	3,585	4,042
Non-current liabilities				
Finance lease liabilities	2,494	2,451	-	-
Deferred income tax liabilities	267	202	-	-
	2,761	2,653	-	-
Total liabilities	39,388	42,758	3,585	4,042
NET ASSETS	36,634	34,172	20,752	20,615
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	17,243	17,243	17,243	17,243
Retained earnings	18,810	16,402	3,509	3,372
Minority interests	36,053 581	33,645 527	20,752 -	20,615 -
	36,634	34,172	20,752	20,615
Net tangible assets	34,365	31,957	20,752	20,615



Notes to Balance Sheets:

(i) Trade and other receivables comprise:

	← The Group →		← The Company →	
	31 Mar 2008 \$'000	31 Dec 2007 \$'000	31 Mar 2008 \$'000	31 Dec 2007 \$'000
Trade receivables				
- Non-related parties	4,833	3,414	-	-
- Minority shareholder of a subsidiary	1,252	474	-	-
- Subsidiaries	-	-	5,609	7,500
	6,085	3,888	5,609	7,500
Less: Allowance for impairment of receivables	(461)	(461)	(544)	(544)
Trade receivables - net	5,624	3,427	5,065	6,956
Construction contracts				
- Due from customers	17,354	30,678	-	-
- Retentions	1,462	1,373	-	-
	18,816	32,051	-	-
Non-trade receivables				
- Minority shareholder of a subsidiary	-	262	-	-
- Subsidiaries	-	-	1,474	1,564
	-	262	1,474	1,564
Less: Allowance for impairment of receivables	-	-	(954)	(1,080)
Non-trade receivables - net	-	262	520	484
Other receivables	186	306	2	1
	24,626	36,046	5,587	7,441

(ii) Trade and other payables comprise:

	← The Group →		← The Company →	
	31 Mar 2008 \$'000	31 Dec 2007 \$'000	31 Mar 2008 \$'000	31 Dec 2007 \$'000
Trade payables				
- Non-related parties	18,841	23,423	55	251
- Minority shareholder of a subsidiary	97	-	-	-
	18,938	23,423	55	251
Non-trade payables				
- Subsidiaries	-	-	1,318	1,318
- Minority shareholder of a subsidiary	256	380	-	-
- Related party	345	-	-	-
	601	380	1,318	1,318
Accrued operating expenses	12,132	11,219	1,904	2,091
Other payables	26	76	-	-
	31,697	35,098	3,277	3,660



Explanatory Notes:

(i) Current assets

Current assets decreased by \$1.0 million, from \$63.2 million to \$62.2 million. The decrease was largely attributable to a decrease in trade and other receivables resulting from collections from a few major customers at the end of the quarter ended 31 March 2008, which was offset by an increase in cash and cash equivalents.

(ii) Non-current assets

The marginal increase in non-current assets was due mainly to the addition of new plant & equipment, partially offset by depreciation and disposal of property, plant & equipment during the first quarter of 2008.

(iii) Current liabilities

Current liabilities decreased by \$3.5 million, from \$40.1 million to \$36.6 million. The decrease was due mainly to the settlement of trade & other payables from surplus receipts from the construction billings.

(iv) Non-current liabilities

The increase in non-current liabilities was due mainly to an increase in finance lease liabilities as a result of new plant and equipment purchased during the first quarter of 2008.

(v) Shareholders' equity

Shareholders' equity comprised of share capital, revenue reserves and minority interest, and increased by \$2.5 million, from \$34.2 million to \$36.6 million. The increase was largely attributable to the increase in profit generated from operations for the first quarter of 2008.



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 Mar 2008		As at 31 Dec 2007	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,434	-	1,343	-

(b) Amount repayable after one year

As at 31 Mar 2008		As at 31 Dec 2007	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
2,494	-	2,451	-

(c) Details of any collateral

The above secured borrowings of the Group relate to finance lease liabilities secured by way of corporate guarantee issued by the Company.



1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	← The Group →	
Note	Current first quarter ended 31 Mar 2008	Previous first quarter ended 31 Mar 2007
	\$'000	\$'000
Cash flows from operating activities		
Net profit	2,462	1,634
Adjustments for:		
- Income tax expense	636	601
- Depreciation of properties, plant and equipment	484	342
- Gain on disposal of plant and equipment	(14)	-
- Interest income	(85)	(94)
- Interest expense	41	30
Operating cash flow before working capital changes	3,524	2,513
Change in working capital		
- Trade and other receivables	11,444	(2,241)
- Construction contracts work-in-progress	136	500
- Other current assets	(34)	(78)
- Trade and other payables	(3,401)	1,351
Cash generated from operations	11,670	2,045
- Interest income	85	94
- Income tax paid	(739)	(261)
Net cash provided by operating activities	11,016	1,878
Cash flows from investing activities		
- Purchase of property, plant and equipment	(70)	(530)
- Proceeds from disposal of property, plant and equipment	14	-
Net cash used in investing activities	(56)	(530)
Cash flows from financing activities		
- Repayment of finance lease liabilities	(347)	(287)
- Interest expense	(41)	(30)
- Proceeds from issuance of shares	-	2,288
- Proceeds from issue of shares of subsidiaries to minority shareholders	-	450
Net cash (used in)/ generated from financing activities	(388)	2,421
Net increase in cash and cash equivalents i	10,572	3,769
Cash and cash equivalents at the beginning of the financial period	19,407	9,131
Cash and cash equivalents at the end of the financial period ii	29,979	12,900



Explanatory Notes:

- (i) Our Group generated a net cash of \$11.0 million from operating activities in the first quarter of 2008, a significant increase of \$9.1 million from \$1.9 million in the first quarter of 2007. The increase was due to higher operating profit generated in the first quarter ended 31 March 2008, coupled with better cash flow management by realising trade and other receivables into cash balances for the settlement of trade and other payables.

Net cash of \$0.06 million was used in investing activities related to the purchase of new plant & equipment to support existing projects.

Net cash of \$0.4 million was used in financing activities in the first quarter of 2008, to repay finance lease liabilities and service interest payments.

Overall, cash and cash equivalents stood at \$30.0 million as at 31 March 2008, an increase of \$17.1 million, from \$12.9 million as at 31 March 2007.

- (ii) For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents at the end of the financial period comprised the following:

	The Group	
	31 Mar 2008	31 Mar 2007
	\$'000	\$'000
Cash at bank and on hand	7,103	5,290
Fixed deposits with banks	28,306	13,181
	<hr/>	<hr/>
	35,409	18,471
Fixed deposits pledged to banks	(5,430)	(5,571)
	<hr/>	<hr/>
Cash and cash equivalents in consolidated statement of cash flows	29,979	12,900
	<hr/>	<hr/>



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 →				
	Share capital	Retained earnings	Total	Minority interest	Total equity
<u>The Group</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at 1 Jan 2008	17,243	16,402	33,645	527	34,172
Total recognised income					
- Net profit	-	2,408	2,408	54	2,462
As at 31 Mar 2008	17,243	18,810	36,053	581	36,634
As at 1 Jan 2007	14,955	7,728	22,683	(2)	22,681
Total recognised income					
- Net profit	-	1,592	1,592	42	1,634
Issue of shares	2,288	-	2,288	-	2,288
Incorporation of new subsidiaries	-	-	-	450	450
As at 31 Mar 2007	17,243	9,320	26,563	490	27,053
<u>The Company</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at 1 Jan 2008	17,243	3,372	20,615	-	20,615
Total recognised income					
- Net profit	-	137	137	-	137
As at 31 Mar 2008	17,243	3,509	20,752	-	20,752
As at 1 Jan 2007	14,955	3,360	18,315	-	18,315
Total recognised income					
- Net profit	-	16	16	-	16
Issue of shares	2,288	-	2,288	-	2,288
As at 31 Mar 2007	17,243	3,376	20,619	-	20,619



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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**

There have been no changes in the issued share capital of the Company since 31 December 2007.

There are no outstanding convertibles issued or treasury shares held by the Company as at 31 March 2008.

- 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 Mar 2008	31 Dec 2007
Total number of issued shares (excluding treasury shares)	149,860,940	149,860,940

- 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**

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**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2007.



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

Not applicable.

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

	The Group		
	Current first quarter ended 31 Mar 2008	Previous first quarter ended 31 Mar 2007	Increase / (Decrease) %
Net profit for the period (\$'000)	2,408	1,592	51.3
Weighted average number of ordinary shares in issue	149,860,940	144,118,718	4.0
EPS based on weighted average number of ordinary shares in issue (cents)	1.61	1.11	45.1
EPS based on fully diluted basis (cents)	n.a.	n.a.	n.a.

n.a. – not applicable

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares, of the issuer at the end of the
 (a) current period reported on and
 (b) immediately preceding financial year

	The Group		The Company		Increase / (Decrease) %	
	Current first quarter ended 31 Mar 2008	Previous financial year ended 31 Dec 2007	Current first quarter ended 31 Mar 2008	Previous financial year ended 31 Dec 2007	The Group	The Company
Net tangible assets (\$'000)	34,365	31,957	20,752	20,615	7.5	0.7
Number of shares	149,860,940	149,860,940	149,860,940	149,860,940	-	-
NTA per share (cents)	22.9	21.32	13.85	13.76	7.4	0.7



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, specialising in the construction of urban and arterial roads, expressways, vehicular bridges, flyovers, airport infrastructure and oil & 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 have two core business segments: Construction and Maintenance.

Income Statement Review (First Quarter of 2008 vs First Quarter of 2007)

	The Group			
	Current first quarter ended 31 Mar 2008	Previous first quarter ended 31 Mar 2007	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	24,198	19,265	4,933	25.6
Maintenance	4,355	3,500	855	24.4
Total Revenue	28,553	22,765	5,788	25.4

Revenue

Our Group recorded a 25.4% increase in revenue to \$28.6 million in the first quarter of 2008 compared to \$22.8 million in the first quarter of 2007. The increase was due mainly to a 25.6% increase in revenue from the construction segment to \$24.2 million coupled with a 24.4% increase in revenue from the maintenance segment to \$4.4 million.

Gross profit

Our gross profit margin increased from 14.9% in the first quarter of 2007 to 16.8% in the first quarter of 2008. The increase in our gross profit margin in the first quarter of 2008 was largely attributable to a few key construction projects which commanded better gross profit margin. Significant variation orders on a few projects requested by our clients also helped to contribute to our gross profit and gross profit margin in the first quarter of 2008.



Other income

Other income remained fairly constant at approximately \$0.2 million in the first quarter of 2007 and 2008. Other income comprises mainly interest income earned on cash & cash equivalents, profit from disposal of property, plant & equipment and rental income from an investment property.

Administrative expenses

The increase in administrative expenses of \$0.4 million or 32.8% was largely attributable to an increase in professional fees and higher staff costs arising from an increase in headcount and salary increments in the first quarter of 2008.

Other expenses

The increase in other expenses was due mainly to foreign exchange losses resulting from the weakening of the United States Dollar against the Singapore Dollar.

Finance expenses

The increase in finance costs was due mainly to an increase in finance lease interest expense arising from additional plant and equipment acquired during the first quarter of 2008.

Profit before income tax

Profit before income tax increased by \$0.9 million or 38.6% to \$3.1 million due mainly to an improvement in our gross profit margins as explained above and partially offset by an increase in administrative expenses, other operating expenses and finance cost as explained above.

Income tax expense

Income tax expense for the first quarter of 2008 was \$0.6 million, representing an effective tax rate of 20.5%. The effective tax rate for the first quarter of 2008 was higher than the statutory tax rate of 18% due mainly to certain non-deductible items added back for tax purposes.

Minority interests

Minority interests increased due to higher contributions from our subsidiaries in the first quarter of 2008.

Net profit

Overall, for the first quarter of 2008, net profit increased by 50.7% to \$2.5 million as compared to the first quarter of 2007 following the increase in profit before income tax as explained above.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement was made in the previous announcement.



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

According to a press release issued by the Ministry of Finance on 14 April 2008, the government will tender out more than \$8 billion worth of projects over the next 12 months. Of these, about \$5.8 billion involves building and construction projects which are proceeding as planned. These include projects to improve traffic on the Central Expressway (“CTE”) as well as the Gardens by the Bay projects which will keep the Marina Bay Development on schedule. We believe these sizeable government tenders for building and construction projects to be advantageous to local construction industry players. The expected increase in construction demand will present opportunities for us to tender and secure new projects. We believe the outlook for the construction industry will remain positive for the next two to three years.

Since the start of 2008, we have secured 5 new projects from the Land Transport Authority, with a combined contract value of approximately \$78.5 million. The contracts include the widening of Eunos Link and Jalan Eunos from Airport Road to Sims Avenue (\$28.5 million), upgrading and improvement of CTE (\$16.9 million), 2 road maintenance projects for East Sector and Central Sector (\$26.0 million) and a term contract for construction of linkways, pedestrian overhead bridges and bus shelters (\$7.1 million). We will continue to tender actively for government projects which continue to be a fundamental and important part of our business. As at the date of this announcement, our current order book based on secured contracts stands at approximately \$281.1 million, with some projects completing in 2010.

Besides the government sector, we will continue to extend our civil engineering capabilities into the oil & gas sector. We believe that we are well-positioned to benefit from the current building boom and will continue to build up our capabilities and track record to secure more projects in the oil & gas sector.

We are also looking to grow our civil engineering business regionally. Should the opportunity arise, we may form strategic alliances with local/overseas partners to tender for projects in these countries.



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared/recommendeded for the first quarter ended 31 March 2008. The first and final dividend of 2.0 cent (one tier tax-exempt) for the financial year ended 31 December 2007 was approved at the Company's Annual General Meeting on 21 April 2008. Payment of the dividend will be made on 28 May 2008.

13. Interested person transactions disclosure

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the first quarter ended 31 March 2008.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
12 May 2008



**CONFIRMATION BY THE BOARD ON FINANCIAL RESULTS PURSUANT TO RULE 705(4)
OF THE LISTING MANUAL**

We, Or Kim Peow and Or Toh Wat, being directors of OKP Holdings Limited (“the Company”), do hereby confirm for and on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the first quarter ended 31 March 2008 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Or Kim Peow
Group Chairman

Or Toh Wat
Group Managing Director

Singapore
12 May 2008