



**Third Quarter and  
Nine-Months Financial  
Statements for the  
Period Ended 30  
September 2008**

**31 October 2008**

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**Third Quarter and Nine-Months Financial Statement for the Period Ended 30 September 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			The Group		
	Third Quarter ended 30 Sep		Increase / (Decrease)	Nine-Months ended 30 Sep		Increase / (Decrease)
	2008	2007		2008	2007	
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>	23,292	38,649	(39.7)	74,227	87,711	(15.4)
Cost of works	(19,049)	(33,237)	(42.7)	(61,448)	(72,585)	(15.3)
<b>Gross profit</b>	<b>4,243</b>	<b>5,412</b>	(21.6)	<b>12,779</b>	<b>15,126</b>	(15.5)
Other income	360	191	88.5	778	604	28.8
Expenses						
- Administrative	(1,801)	(1,083)	66.3	(5,163)	(5,252)	(1.7)
- Finance	(52)	(36)	44.4	(142)	(98)	44.9
<b>Profit before income tax</b>	<b>2,750</b>	<b>4,484</b>	(38.7)	<b>8,252</b>	<b>10,380</b>	(20.5)
Income tax expense	(643)	(903)	(28.8)	(1,747)	(2,703)	(35.4)
<b>Net profit</b>	<b>2,107</b>	<b>3,581</b>	(41.2)	<b>6,505</b>	<b>7,677</b>	(15.3)
<u>Attributable to:-</u>						
Equity holders of the Company	2,135	3,512	(39.2)	6,439	7,645	(15.8)
Minority interests	(28)	69	(140.6)	66	32	106.3
	2,107	3,581	(41.2)	6,505	7,677	(15.3)

n.m. – not meaningful



(i) Additional disclosures

Profit before income tax was arrived at after:

	The Group			The Group		
	Third Quarter ended 30 Sep		Increase / (Decrease)	Nine-Months ended 30 Sep		Increase / (Decrease)
	2008	2007		2008	2007	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging:-</u>						
Non-audit fee paid to the auditors of the Company	5	8	(37.5)	14	12	16.7
Depreciation of property, plant & equipment	69	74	(6.8)	208	202	3.0
Directors' remuneration						
- Directors of the Company	414	376	10.1	1,180	1,126	4.8
- Other Directors	73	69	5.8	209	201	4.0
Directors' fee	38	30	26.7	113	90	25.6
Interest paid and payable						
- Finance lease liabilities	53	35	51.4	142	98	44.9
Loss/(Gain) on foreign exchange (net)	(99)	15	(760.0)	70	74	(5.4)
Loss on disposal of property, plant & equipment	-	-	n.a.	21	1	2,000.0
Allowance for impairment of trade receivables	-	-	n.a.	-	208	n.m.
Staff costs	347	314	10.5	1,055	848	24.4
Preliminary expenses written off	-	-	n.a.	-	1	n.m.
<u>After crediting:-</u>						
Interest income from bank deposits	48	83	(42.2)	194	264	(26.5)
Gain on disposal of property, plant & equipment	-	82	n.m.	41	120	(65.8)
<u>Included in the cost of works are the following:-</u>						
Depreciation of property, plant & equipment	549	454	20.9	1,467	1,081	35.7
Staff costs	3,838	2,804	36.9	10,961	7,937	38.1

n.m. – not meaningful

n.a. – not applicable

(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	
		30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		30,953	24,862	3,103	2,700
Trade and other receivables	i	23,345	36,046	1,944	7,441
Construction contracts works-in progress		2,713	1,805	-	-
Other current assets		732	506	38	27
		57,743	63,219	5,085	10,168
<b>Non-current assets</b>					
Investments in subsidiaries		-	-	14,476	14,476
Investment property		1,400	1,400	-	-
Property, plant and equipment		11,396	10,623	14	13
Intangible assets		1,688	1,688	-	-
		14,484	13,711	14,490	14,489
<b>Total assets</b>		<b>72,227</b>	<b>76,930</b>	<b>19,575</b>	<b>24,657</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	ii	27,337	35,098	1,718	3,660
Current portion of finance lease liabilities		1,629	1,343	-	-
Current income tax liabilities		2,554	3,664	48	382
		31,520	40,105	1,766	4,042
<b>Non-current liabilities</b>					
Finance lease liabilities		2,868	2,451	-	-
Deferred income tax liabilities		159	202	-	-
		3,027	2,653	-	-
<b>Total liabilities</b>		<b>34,547</b>	<b>42,758</b>	<b>1,766</b>	<b>4,042</b>
<b>NET ASSETS</b>		<b>37,680</b>	<b>34,172</b>	<b>17,809</b>	<b>20,615</b>
<b>EQUITY</b>					
<b>Capital and reserve attributable to equity holders of the Company</b>					
Share capital		17,243	17,243	17,243	17,243
Retained earnings		19,844	16,402	566	3,372
Minority interests		37,087	33,645	17,809	20,615
		593	527	-	-
		<b>37,680</b>	<b>34,172</b>	<b>17,809</b>	<b>20,615</b>
<b>Net tangible assets</b>		<b>35,399</b>	<b>31,957</b>	<b>17,809</b>	<b>20,615</b>



**Notes to Balance Sheets:**

(i) Trade and other receivables comprise:

	The Group		The Company	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	7,938	3,414	-	-
- Minority shareholder of a subsidiary	1,167	474	-	-
- Subsidiaries	-	-	1,924	7,500
	9,105	3,888	1,924	7,500
Less: Allowance for impairment of receivables	(461)	(461)	(531)	(544)
Trade receivables - net	8,644	3,427	1,393	6,956
Construction contracts				
- Due from customers	12,800	30,678	-	-
- Retentions	1,613	1,373	-	-
	14,413	32,051	-	-
Non-trade receivables				
- Minority shareholder of a subsidiary	118	262	-	-
- Subsidiaries	-	-	1,504	1,564
	118	262	1,504	1,564
Less: Allowance for impairment of receivables	-	-	(954)	(1,080)
Non-trade receivables - net	118	262	550	484
Other receivables	170	306	1	1
	23,345	36,046	1,944	7,441

(ii) Trade and other payables comprise:

	The Group		The Company	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	19,852	23,423	42	251
- Minority shareholder of a subsidiary	-	-	-	-
	19,852	23,423	42	251
Non-trade payables				
- Subsidiaries	-	-	1,318	1,318
- Minority shareholder of a subsidiary	256	380	-	-
- Related party	346	-	-	-
	602	380	1,318	1,318
Accrued operating expenses	6,717	11,219	358	2,091
Other payables	166	76	-	-
	27,337	35,098	1,718	3,660



### **Explanatory Notes:**

(i) **Current assets**

Current assets decreased by \$5.5 million, from \$63.2 million to \$57.7 million. The decrease was largely attributable to a dip in trade and other receivables owing to a decline in revenue, which was partially offset by an increase in cash & cash equivalents and construction contracts work-in-progress.

(ii) **Non-current assets**

The increase of \$0.8 million in non-current assets was due mainly to the addition of new property, plant & equipment, partially offset by the depreciation and disposal of some property, plant & equipment during the nine-months ended 30 September 2008.

(iii) **Current liabilities**

Current liabilities decreased by \$8.6 million, from \$40.1 million to \$31.5 million. This was largely due to a decrease in trade & other payables following a dip in revenue and payment of tax liabilities.

(iv) **Non-current liabilities**

The increase in non-current liabilities was due mainly to a rise in finance lease liabilities as a result of new property, plant & equipment purchased during the nine-months ended 30 September 2008.

(v) **Shareholders' equity**

Shareholders' equity, comprising of share capital, revenue reserves and minority interest, increased by \$3.5 million, from \$34.2 million to \$37.7 million. The increase was largely attributable to the increase in profit generated from operations for the nine-months ended 30 September 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 30 Sep 2008		As at 31 Dec 2007	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,629	-	1,343	-

(b) Amount repayable after one year

As at 30 Sep 2008		As at 31 Dec 2007	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
2,868	-	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**

Note	The Group		The Group	
	Third Quarter ended 30 Sep		Nine-Months ended 30 Sep	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Net profit	2,107	3,581	6,505	7,677
Adjustments for:				
- Income tax expense	643	903	1,747	2,703
- Depreciation of properties, plant and equipment	618	528	1,675	1,283
- Gain on disposal of plant and equipment (net)	-	(82)	(20)	(119)
- Interest income	(48)	(83)	(194)	(264)
- Interest expense	52	36	142	98
<b>Operating cash flow before working capital changes</b>	<b>3,372</b>	<b>4,883</b>	<b>9,855</b>	<b>11,378</b>
Change in working capital				
- Trade and other receivables	1,630	(9,903)	12,687	(18,730)
- Construction contracts work-in-progress	232	(387)	(908)	(539)
- Other current assets	(60)	(115)	(226)	(37)
- Trade and other payables	(2,821)	8,022	(7,761)	14,492
<b>Cash generated from operations</b>	<b>2,353</b>	<b>2,500</b>	<b>13,647</b>	<b>6,564</b>
- Interest income	48	83	194	264
- Income tax paid	(1,079)	(439)	(2,900)	(1,086)
<b>Net cash provided by operating activities</b>	<b>1,322</b>	<b>2,144</b>	<b>10,941</b>	<b>5,742</b>
<b>Cash flows from investing activities</b>				
- Purchase of property, plant and equipment	(406)	(541)	(635)	(1,845)
- Proceeds from disposal of property, plant and equipment	34	125	83	165
<b>Net cash used in investing activities</b>	<b>(372)</b>	<b>(416)</b>	<b>(552)</b>	<b>(1,680)</b>
<b>Cash flows from financing activities</b>				
- Repayment of finance lease liabilities	(448)	(290)	(1,173)	(838)
- Interest expense	(52)	(36)	(142)	(98)
- Proceeds from issuance of shares	-	-	-	2,288
- Proceeds from issue of shares of subsidiaries to minority shareholders	-	-	-	451
- Dividend paid to shareholders	-	-	(2,997)	(2,247)
<b>Net cash used in financing activities</b>	<b>(500)</b>	<b>(326)</b>	<b>(4,312)</b>	<b>(444)</b>



	Note	The Group		The Group	
		Third Quarter ended 30 Sep		Nine-Months ended 30 Sep	
		2008	2007	2008	2007
		\$'000	\$'000	\$'000	\$'000
<b>Net increase in cash and cash equivalents</b>	i	450	1,402	6,077	3,618
Cash and cash equivalents at the beginning of the financial period		25,034	11,347	19,407	9,131
<b>Cash and cash equivalents at the end of the financial period</b>	ii	25,484	12,749	25,484	12,749

**Explanatory Notes:**

- (i) Our Group continued to enjoy positive cash flow and working capital in the nine months ended 30 September 2008. We generated a net cash amount of \$13.6 million from operating activities in the nine- months ended 2008. This is a significant increase of \$7.0 million from \$6.6 million in the nine-months ended 2007.

Net cash amounting to \$0.6 million was used in investing activities related to the purchase of new property, plant & equipment to support existing projects.

Net cash amounting to \$4.3 million was used in financing activities in the nine-months 2008 to repay finance lease liabilities, service interest payments and make dividend payments to shareholders in the nine-months ended 30 September 2008.

Overall, cash and cash equivalents stood at \$25.5 million as at 30 September 2008. This is an increase of \$12.8 million, from \$12.7 million as at 30 September 2007.

We are in a healthy financial position and will retain surplus cash reserves for future expansion.

- (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	
	30 Sep 2008	30 Sep 2007
	\$'000	\$'000
Cash at bank and on hand	4,946	5,406
Fixed deposits with banks	26,007	12,831
	—————	—————
	30,953	18,237
Fixed deposits pledged to banks	(5,469)	(5,488)
	—————	—————
Cash and cash equivalents in consolidated statement of cash flows	25,484	12,749
	—————	—————



**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
\$'000	\$'000	\$'000	\$'000	\$'000

The Group

<b>As at 1 Jan 2008</b>	17,243	16,401	33,644	527	34,171
Total recognised income					
- Net profit	-	2,408	2,408	54	2,462
<b>As at 31 Mar 2008</b>	17,243	18,809	36,052	581	36,633
Total recognised income					
- Net profit	-	1,897	1,897	40	1,937
Dividend relating to 2007 paid	-	(2,997)	(2,997)	-	(2,997)
<b>As at 30 Jun 2008</b>	17,243	17,709	34,952	621	35,573
Total recognised income					
- Net profit	-	2,135	2,135	(28)	2,107
<b>As at 30 Sep 2008</b>	<b>17,243</b>	<b>19,844</b>	<b>37,087</b>	<b>593</b>	<b>37,680</b>
<b>As at 1 Jan 2007</b>	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
<b>As at 31 Mar 2007</b>	17,243	9,320	26,563	490	27,053
Total recognised income					
- Net profit	-	2,540	2,540	(78)	2,462
Dividend relating to 2006 paid	-	(2,247)	(2,247)	-	(2,247)
<b>As at 30 Jun 2007</b>	17,243	9,613	26,856	412	27,268
Total recognised income					
- Net profit	-	3,512	3,512	69	3,581
<b>As at 30 Sep 2007</b>	<b>17,243</b>	<b>13,125</b>	<b>30,368</b>	<b>481</b>	<b>30,849</b>



Attributable to Equity holders of the Company				
Share capital	Retained earnings	Total	Minority interest	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000

The Company

<b>As at 1 Jan 2008</b>	17,243	3,372	20,615	-	20,615
Total recognised income					
- Net profit	-	137	137	-	137
<b>As at 31 Mar 2008</b>	17,243	3,509	20,752	-	20,752
Total recognised income					
- Net profit	-	26	26	-	26
Dividend relating to 2007 paid	-	(2,997)	(2,997)	-	(2,997)
<b>As at 30 Jun 2008</b>	17,243	538	17,781	-	17,781
Total recognised income					
- Net profit	-	28	28	-	28
<b>As at 30 Sep 2008</b>	<b>17,243</b>	<b>566</b>	<b>17,809</b>	<b>-</b>	<b>17,809</b>
<b>As at 1 Jan 2007</b>	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
<b>As at 31 Mar 2007</b>	17,243	3,376	20,619	-	20,619
Total recognised income					
- Net profit	-	41	41	-	41
Dividend relating to 2006 paid	-	(2,247)	(2,247)	-	(2,247)
<b>As at 30 Jun 2007</b>	17,243	1,170	18,413	-	18,413
Total recognised income					
- Net profit	-	166	166	-	166
<b>As at 30 Sep 2007</b>	<b>17,243</b>	<b>1,336</b>	<b>18,579</b>	<b>-</b>	<b>18,579</b>



- 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 has been no change 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 30 September 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**

	30 Sep 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**

There are no significant changes in the accounting policies and method of computation adopted in the financial statements for the current reporting period.

**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			The Group		
	Third Quarter ended 30 Sep		Increase / (Decrease)	Nine-Months ended 30 Sep		Increase / (Decrease)
	2008	2007		2008	2007	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period (\$'000)	2,135	3,512	(39.2)	6,439	7,645	(15.8)
Weighted average number of ordinary shares in issue	149,860,940	149,860,940	-	149,860,940	147,967,900	-
EPS based on weighted average number of ordinary shares in issue (cents)	1.42	2.34	(39.3)	4.30	5.17	(16.8)
EPS based on fully diluted basis (cents)	n.a	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 nine-months ended 30 Sep 2008	Previous financial year ended 31 Dec 2007	Current nine-months ended 30 Sep 2008	Previous financial year ended 31 Dec 2007	The Group	The Company
Net tangible assets (\$'000)	35,399	31,957	17,809	20,615	10.8	(13.6)
Number of shares	149,860,940	149,860,940	149,860,940	149,860,940	-	-
NTA per share (cents)	23.62	21.32	11.88	13.76	10.8	(13.7)

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 (Current Nine-Months ended 30 Sep 2008 vs Previous Nine-Months ended 30 Sep 2007)**

	The Group			
	Current nine-months ended 30 Sep 2008	Previous nine-months ended 30 Sep 2007	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	56,212	74,267	(18,055)	(24.3)
Maintenance	18,015	13,444	4,571	34.0
<b>Total Revenue</b>	<b>74,227</b>	<b>87,711</b>	<b>(13,484)</b>	<b>(15.4)</b>

Revenue

For the nine-months ended 30 September 2008, our Group turned in a revenue of \$74.2 million. This is a dip of 15.4% from the \$87.7 million registered in the previous corresponding period. The decrease was due mainly to a decrease in revenue from the construction segment. This fall was partially offset by an increase in revenue contributed by the maintenance segment. The increase in revenue from the maintenance segment was due mainly to a higher percentage of contribution from a number of newly-awarded maintenance projects during the nine-months of 2008.

The construction segment continues to be the major contributor to our Group's revenue. It accounted for 75.7% of total Group revenue in the nine-months ended 30 September 2008, with the maintenance segment making up the remaining 24.3%.

Gross profit

Our gross profit margin remained fairly constant at 17.2%.

Other income

The increase in other income of \$0.2 million or 28.8% from \$0.6 million for the nine-months of 2007 to \$0.8 million for the nine-months of 2008 was largely attributable to higher income from the sale of some construction materials.





#### Administrative expenses

The marginal decrease in administrative expenses of \$0.1 million or 1.7% was largely attributable to the absence of allowance for impairment of receivables and business taxes in the nine-months of 2008. The decrease was partially offset by higher staff costs arising from an increase in headcount and salary increments.

#### Finance costs

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 nine-months ended 30 September 2008.

#### Profit before income tax

The Group registered a profit before income tax of \$8.3 million, a decrease of \$2.1 million – or 20.5% -- from the previous corresponding period. This was due mainly to a decrease in the gross profit of \$2.3 million owing to a decline in revenue and was also partially offset by the marginal decrease in administrative expenses. The Group reported a profit before income tax margin of 11.11% and 11.83% for the nine-months ended 30 September 2008 and 2007 respectively.

#### Income tax expense

The decrease in income tax expense by \$1.0 million to \$1.7 million for the nine-months ended 30 September 2008 from \$2.7 million previously, was the result of lower profit before income tax, as explained above.

#### Net profit

Overall, for the nine-months ended 30 September 2008, net profit declined by 15.3% to \$6.5 million as compared to the nine-months ended 30 September 2007 following the decrease in profit before income tax, as explained above. We continue to maintain our net profit margin at 8.8%.



**Income Statement Review (Third Quarter ended 30 Sep 2008 vs Third Quarter ended 30 Sep 2007)**

	The Group			
	Current third quarter ended 30 Sep 2008	Previous third quarter ended 30 Sep 2007	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	15,710	32,586	(16,876)	(51.8)
Maintenance	7,582	6,063	1,519	25.1
<b>Total Revenue</b>	<b>23,292</b>	<b>38,649</b>	(15,357)	(39.7)

Revenue

The construction segment contributed \$15.7 million to our Group's revenue in the third quarter of 2008, compared to \$32.6 million in the third quarter of 2007. The decrease in revenue from the construction segment was due to substantial completion of a few key construction projects in the second quarter. Partially offsetting the lower percentage of revenue recognition for the construction segment, however, was the strong performance of the maintenance segment. Revenue from the maintenance segment increased by 25.1% to \$7.6 million in the third quarter of 2008 from \$6.1 million previously. This was due mainly to the contributions from a number of newly-awarded maintenance projects.

Gross profit

Our lower gross profit was largely due to a decline in revenue generated in the third quarter of 2008 as compared to 2007.

Other income

Other income increased largely due to an increase in the sale of some construction materials in the third quarter of 2008 as compared to 2007.

Administrative expenses

The increase in administrative expenses was largely attributable to the increase in directors' remuneration, staff costs and professional fees incurred in the third quarter of 2008.



#### Finance costs

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 third quarter of 2008.

#### Profit before income tax

Profit before income tax decreased by \$1.7 million or 38.7% to \$2.8 million due mainly to a decline in gross profit of \$1.2 million owing to a dip in revenue coupled with increases in both administrative and finance costs, as explained above. We continue to maintain our profit before income tax margin at 12%.

#### Income tax expense

The decrease in income tax expense by \$0.3 million to \$0.6 million for the third quarter ended 2008 from \$0.9 million previously was the result of lower profit before income tax, as explained above.

#### Net profit

Overall, third quarter of 2008, net profit of \$2.1 million declined by 41.2% over the third quarter of 2007 of \$3.6 million following the drop in profit before income tax as explained above. We registered a net profit margin of 9.04% and 9.27% for the third quarter of 2008 and 2007 respectively.

**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 recent estimates from the Building and Construction Authority ("BCA"), the total construction demand could reach a high of \$32 billion in 2008, but due to the current economic downturn, the construction demand is expected to decline. But we believe the construction demand for public civil engineering projects will continue to remain healthy over the next few years.

The Government had also recently announced that it might consider to inject some \$4.7 billion worth of public projects that had been deferred earlier. Indeed, activity on that front continues to be high judging from the tenders being called. For example, the Land Transport Authority ("LTA") has called for tenders to widen another 4 stretches of the Central Expressway ("CTE") to improve traffic flow under the Land Transport Master Plan. These works are expected to commence by February 2009 and complete by end of 2011. Against this backdrop, we believe that the outlook for the Singapore construction industry will remain fairly positive in the near term.

Since the start of 2008, we have secured a total of 9 new contracts totalling approximately \$107.7 million from the public sector agencies. The contracts are; 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), improvement to Roadside Drains at Western Sector (\$13.9 million), ad hoc traffic scheme improvement works in central area (\$5.0 million), proposed covered pedestrian overhead bridge across TPE (\$3.5 million) and proposed construction of roads and infrastructure for Tukang Estate (\$6.8 million). Public projects will continue to play an integral role in our business growth and to provide a steady stream of earnings for the Group. We currently have a strong defensive construction order book of approximately \$310.3 million which covers till FY2010.

Leveraging on our strengths, we will continue to focus on our traditional core business of construction and maintenance activities. In this respect, our steady track record, expertise and strengths as a niche transport infrastructure company in the construction industry will certainly hold us in good stead.

We will continue to be cautious and prudent in all our business activities -- bidding for projects that yield reasonable returns, adopting stringent cost control measures and improving our project management processes -- in order to stay competitive.

In addition, we will continue to explore suitable opportunities beyond our shores and make strategic investments when it is wise to do so.



**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 third quarter and nine-months ended 30 September 2008. The first and final dividend of 2.0 cents (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 was 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 third quarter and nine-months ended 30 September 2008.

**BY ORDER OF THE BOARD**

Or Toh Wat  
Group Managing Director  
31 October 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 third quarter and nine-months ended 30 September 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  
31 October 2008