



**First Quarter
Financial Statement
for the Period Ended
31 March 2009**

11 May 2009

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First Quarter Financial Statement for the Period Ended 31 March 2009
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 2009	Previous first quarter ended 31 Mar 2008	
	\$'000	\$'000	
Revenue	29,621	28,553	3.7
Cost of works	(24,746)	(23,769)	4.1
Gross profit	<u>4,875</u>	<u>4,784</u>	1.9
Other income	193	206	(6.3)
Expenses			
- Administrative	(1,301)	(1,735)	(25.0)
- Other	-	(116)	n.m.
- Finance	(51)	(41)	24.4
Profit before income tax	<u>3,716</u>	<u>3,098</u>	19.9
Income tax expense	(536)	(636)	(15.7)
Net profit for the period	<u>3,180</u> =====	<u>2,462</u> =====	29.2
Gross profit margin	16.5%	16.8%	
Net profit margin	10.7%	8.6%	

<u>Attributable to :-</u>			
Equity holders of the Company	3,183	2,408	32.2
Minority interests	(3)	54	(105.6)
	<u>3,180</u> =====	<u>2,462</u> =====	29.2

n.m. – not meaningful



(i) Additional disclosures

Profit before income tax was arrived at:

	← The Group →		
	Current first quarter ended 31 Mar 2009	Previous first quarter ended 31 Mar 2008	Increase/ (Decrease) %
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
<u>After charging:-</u>			
Non-audit fee paid to the auditors of the Company	7	4	75.0
Depreciation of property, plant & equipment	64	66	(3.0)
Directors' remuneration			
- Directors of the Company	436	379	15.0
- Other Directors	82	68	20.6
Directors' fee	38	38	-
Interest paid and payable			
- Finance lease liabilities	51	41	24.4
Loss on foreign exchange	-	116	n.m.
Staff costs	332	379	(12.4)
<u>After crediting:-</u>			
Interest income from bank deposits	22	85	(74.1)
Gain on disposal of property, plant and equipment (net)	21	14	50.0
Gain on foreign exchange	105	-	n.m.
<u>Included in the cost of works are the following:-</u>			
Depreciation of plant and equipment	462	418	10.5
Staff costs	3,658	3,543	3.2

(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

Statements of Financial Position

Note	← The Group →		← The Company →	
	31 Mar 2009 \$'000	31 Dec 2008 \$'000	31 Mar 2009 \$'000	31 Dec 2008 \$'000
ASSETS				
Current assets				
	47,326	35,410	4,576	3,367
Cash and cash equivalents				
Trade and other receivables i	21,714	25,243	4,687	6,369
Construction contracts works-in-progress	1,040	1,672	-	-
Other current assets	1,370	630	180	23
	71,450	62,955	9,443	9,759
Non-current assets				
Investments in subsidiaries	-	-	14,476	14,476
Investment property	1,200	1,200	-	-
Property, plant and equipment	10,804	10,978	76	13
Intangible assets	1,688	1,688	-	-
	13,692	13,866	14,552	14,489
Total assets	85,142	76,821	23,995	24,248
LIABILITIES				
Current liabilities				
Trade and other payables ii	34,619	28,920	2,914	3,211
Current portion of finance lease liabilities	1,413	1,528	-	-
Current income tax liabilities	2,777	2,871	58	73
	38,809	33,319	2,972	3,284
Non-current liabilities				
Finance lease liabilities	2,395	2,647	-	-
Deferred income tax liabilities	52	149	-	-
	2,447	2,796	-	-
Total liabilities	41,256	36,115	2,972	3,284
NET ASSETS	43,886	40,706	21,023	20,964
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	17,243	17,243	17,243	17,243
Retained earnings	26,045	22,862	3,780	3,721
	43,288	40,105	21,023	20,964
Minority interests	598	601	-	-
	43,886	40,706	21,023	20,964
Net tangible assets	41,600	38,417	21,023	20,964



Notes to Statements of Financial Position:

(i) Trade and other receivables comprise:

	← The Group →		← The Company →	
	31 Mar 2009 \$'000	31 Dec 2008 \$'000	31 Mar 2009 \$'000	31 Dec 2008 \$'000
Trade receivables				
- Non-related parties	4,329	6,406	-	-
- Minority shareholder of a subsidiary	6	358	-	-
- Subsidiaries	-	-	4,661	6,416
	4,335	6,764	4,661	6,416
Less: Allowance for impairment of receivables	(1,196)	(1,196)	(531)	(531)
Trade receivables - net	3,139	5,568	4,130	5,885
Construction contracts				
- Due from customers	16,048	17,572	-	-
- Retentions	2,217	1,871	-	-
	18,265	19,443	-	-
Non-trade receivables				
- Minority shareholder of a subsidiary	6	6	-	-
- Subsidiaries	-	-	1,577	1,504
	6	6	1,577	1,504
Less: Allowance for impairment of receivables	-	-	(1,021)	(1,021)
Non-trade receivables - net	6	6	556	483
Other receivables	304	226	1	1
	21,714	25,243	4,687	6,369

(ii) Trade and other payables comprise:

	← The Group →		← The Company →	
	31 Mar 2009 \$'000	31 Dec 2008 \$'000	31 Mar 2009 \$'000	31 Dec 2008 \$'000
Trade payables				
- Non-related parties	17,443	19,206	48	165
Non-trade payables				
- Subsidiaries	-	-	1,318	1,318
- Minority shareholder of a subsidiary	647	588	-	-
	647	588	1,318	1,318
Accrued operating expenses	16,478	9,092	1,548	1,728
Other payables	51	34	-	-
	34,619	28,920	2,914	3,211



Explanatory Notes:

(i) Current assets

Current assets increased by \$8.5 million, from \$63.0 million to \$71.5 million. The increase was largely attributable to higher cash & cash equivalents resulting from collections from a few major customers during the first quarter ended 31 March 2009, which was offset by a decrease in trade and other receivables.

(ii) Non-current assets

The marginal decrease in non-current assets was due mainly to the decrease in property, plant and equipment resulting from depreciation and disposal of property, plant & equipment during the first quarter of 2009.

(iii) Current liabilities

Current liabilities increased by \$5.5 million, from \$33.3 million to \$38.8 million. The increase was due mainly to the increase in trade and other payables resulting from provision for significant costs for some on-going projects in March 2009.

(iv) Non-current liabilities

The decrease in non-current liabilities was due mainly to repayment of finance lease liabilities during the first quarter of 2009.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, retained earnings and minority interests, increased by \$3.2 million, from \$40.7 million to \$43.9 million. The increase was largely attributable to the profit generated from operations for the first quarter of 2009.



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 2009		As at 31 Dec 2008	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,413	-	1,528	-

(b) Amount repayable after one year

As at 31 Mar 2009		As at 31 Dec 2008	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
2,395	-	2,647	-

(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 and charges over the property, plant & equipment under the finance leases.



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

Statements of Cash Flows for the first quarter ended 31 March:

	← The Group →	
Note	Current first quarter ended 31 Mar 2009	Previous first quarter ended 31 Mar 2008
	\$'000	\$'000
Cash flows from operating activities		
Net profit	3,180	2,462
Adjustments for:		
- Income tax expense	536	636
- Depreciation of property, plant and equipment	526	484
- Gain on disposal of property, plant and equipment (net)	(21)	(14)
- Interest income	(22)	(85)
- Interest expense	51	41
Operating cash flow before working capital changes	4,250	3,524
Change in working capital		
- Trade and other receivables	3,489	11,445
- Construction contracts work-in-progress	632	136
- Other current assets	(740)	(34)
- Trade and other payables	5,698	(3,401)
Cash generated from operations	13,329	11,670
- Interest income	22	85
- Income tax paid	(727)	(739)
Net cash provided by operating activities	12,624	11,016
Cash flows from investing activities		
- Purchase of property, plant and equipment	(314)	(70)
- Proceeds from disposal of property, plant and equipment	78	14
Net cash used in investing activities	(236)	(56)
Cash flows from financing activities		
- Repayment of finance lease liabilities	(461)	(347)
- Interest expense	(51)	(41)
Net cash used in financing activities	(512)	(388)
Net increase in cash and cash equivalents i	11,876	10,572
Cash and cash equivalents at the beginning of the financial period	29,929	19,407
Cash and cash equivalents at the end of the financial period ii	41,805	29,979



Explanatory Notes:

- (i) Our Group generated net cash of \$12.6 million from operating activities in the first quarter of 2009, an increase of \$1.6 million from \$11.0 million in the first quarter of 2008. The increase was due to higher operating profit generated in the first quarter ended 31 March 2009, coupled with better cash flow management.

Net cash of \$0.2 million was used in investing activities related to the purchase of new property, plant & equipment to support existing projects.

Net cash of \$0.5 million was used in financing activities in the first quarter of 2009, to repay finance lease liabilities and service interest payments.

Overall, cash and cash equivalents stood at \$41.8 million as at 31 March 2009, an increase of \$11.8 million, from \$30.0 million as at 31 March 2008.

- (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 2009	31 Mar 2008
		\$'000	\$'000
Cash at bank and on hand	18,151	7,103	
Short-term bank deposits	29,175	28,306	
	<hr/>	<hr/>	
Bank deposits pledged	47,326	35,409	
	(5,521)	(5,430)	
	<hr/>	<hr/>	
Cash and cash equivalents per consolidated statement of cash flows	41,805	29,979	
	<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
\$'000	\$'000	\$'000	\$'000	\$'000

The Group

As at 1 Jan 2009	17,243	22,862	40,105	601	40,706
Total comprehensive income for the period	-	3,183	3,183	(3)	3,180
As at 31 Mar 2009	17,243	26,045	43,288	598	43,886
As at 1 Jan 2008	17,243	16,402	33,645	527	34,172
Total comprehensive income for the period	-	2,408	2,408	54	2,462
As at 31 Mar 2008	17,243	18,810	36,053	581	36,634

The Company

As at 1 Jan 2009	17,243	3,721	20,964	-	20,964
Total comprehensive income for the period	-	59	59	-	59
As at 31 Mar 2009	17,243	3,780	21,023	-	21,023
As at 1 Jan 2008	17,243	3,372	20,615	-	20,615
Total comprehensive income for the period	-	137	137	-	137
As at 31 Mar 2008	17,243	3,509	20,752	-	20,752



Consolidated statements of comprehensive income for the first quarter ended 31 March

	← The Group →	
	Current first quarter ended 31 Mar 2009	Previous first quarter ended 31 Mar 2008
Net profit for the period	3,180	2,462
	=====	=====
Total comprehensive income for the period	3,180	2,462
	=====	=====

Total comprehensive income attributable to :-

Owners of the parent	3,183	2,408
Minority interests	(3)	54
	-----	-----
	3,180	2,462
	=====	=====

- 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 2008.

On 17 April 2009, the Company entered into a subscription agreement with China Sonangol International (S) Pte. Ltd. to allot and issue 15 million new ordinary shares or such number of ordinary shares representing 10% of the issued and paid-up share capital of the Company as at the date of issue, whichever is higher, for cash at \$0.45 per share. The Company has made an application to the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing and quotation of the new shares on the Main Board of the SGX-ST on 30 April 2009. The above placement is conditional upon, inter-alia, the approval of the listing and quotation of the new shares on the Main Board of the SGX-ST. When completed, the issued and paid-up capital of the Company will be increased by \$6.75 million from \$17,243,071 comprising 149,860,940 ordinary shares to \$23,993,071 comprising 164,860,940 ordinary shares.

There are no outstanding convertibles issued or treasury shares held by the Company as at 31 March 2008 and 31 March 2009.



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 2009	31 Dec 2008
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

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 2008.

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

In the current year, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

FRS 1 (Revised)	Presentation of Financial Statements
FRS 108	Operating Segments

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.



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 2009	Previous first quarter ended 31 Mar 2008	Increase / (Decrease) %
Net profit for the period (\$'000)	3,183	2,408	32.2
Weighted average number of ordinary shares in issue	149,860,940	149,860,940	-
EPS based on weighted average number of ordinary shares in issue (cents)	2.12	1.61	31.7
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) %	
	As at 31 Mar 2009	As at 31 Dec 2008	As at 31 Mar 2009	As at 31 Dec 2008	The Group	The Company
Net tangible assets (\$'000)	41,600	38,417	21,023	20,964	8.3	0.3
Number of shares	149,860,940	149,860,940	149,860,940	149,860,940	-	-
NTA per share (cents)	27.76	25.64	14.03	13.99	8.3	0.3



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 & 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 2009 vs First Quarter of 2008)

	The Group			
	Current first quarter ended 31 Mar 2009	Previous first quarter ended 31 Mar 2008	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	20,921	24,198	(3,277)	(13.5)
Maintenance	8,700	4,355	4,345	99.8
Total Revenue	29,621	28,553	1,068	3.7

Revenue

Our Group registered a 3.7% increase in revenue to \$29.6 million in the first quarter of 2009 compared to \$28.6 million in the first quarter of 2008. The increase was due mainly to a 99.8% increase in revenue from the maintenance segment to \$8.7 million offset by a 13.5% decrease in revenue from the construction segment to \$20.9 million.

Gross profit

Our gross profit margin remained fairly constant at 16.5% and 16.8% for the first quarter of 2009 and 2008 respectively.



Other income

Other income remained fairly constant at approximately \$0.2 million in the first quarter of 2009 and 2008. Other income comprises mainly interest income earned on cash & cash equivalents, net gain from disposal of property, plant & equipment and rental income from an investment property.

Administrative expenses

The decrease in administrative expenses of \$0.4 million or 25.0% was largely attributable to the decrease in professional fees for the first quarter of 2009.

Other expenses

Other expenses relate to foreign exchange losses resulting from the weakening of the United States Dollar against the Singapore Dollar in the first quarter of 2008. No foreign exchange loss in the first quarter of 2009.

Finance expenses

The increase in finance expenses was due mainly to an increase in finance lease interest expense arising from additional property, plant and equipment acquired during the first quarter of 2009.

Profit before income tax

Profit before income tax increased by \$0.6 million or 19.9% to \$3.7 million due mainly to an increase in our gross profit coupled with the decrease in administrative expenses and other operating expenses as explained above.

Income tax expense

Income tax expense decreased by \$0.1 million or 16.2% despite an increase in profit before income tax. The relatively higher effective tax rate of 20.5% for the first quarter of 2008 was due mainly to certain non-deductible items added back for tax purposes.

Minority interests

Minority interests decreased due to losses incurred by a subsidiary in the first quarter of 2009.

Net profit

Overall, for the first quarter of 2009, net profit increased by 29.2% to \$3.2 million as compared to the first quarter of 2008 following the increase in profit before income tax coupled with the drop in income tax expense 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 previously disclosed to shareholders.



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

The Government had recently announced that it would pump in \$15 billion to \$17 billion in building and infrastructure projects in each of 2010 and 2011. This is on top of the \$18 billion to \$20 billion expected expenditure in 2009. These initiatives form part of the Singapore government's economic stimulus packages in relation to infrastructure spending. These initiatives will be advantageous to local construction industry players and we believe that we are well-positioned to benefit from these.

Based on the information released by the Ministry of Trade and Industry on 14 April 2009, Singapore's GDP is expected to contract by 6% to 9% in 2009. GDP estimates for the Singapore economy in the first quarter of 2009 showed that the construction sector was the only one that showed signs of growth -- by 25.6%, supported by the strong pipeline of committed projects in both housing and infrastructure. Notwithstanding the negative GDP growth, we believe the outlook for the construction industry will remain positive for the next twelve months.

Riding on the strong wave of public construction demand, we have secured three public sector projects totalling approximately \$139.5 million for the period ended 8 May 2009. The projects included drainage improvement works worth \$15.4 million from the Public Utilities Board and a contract to widen the stretch of Central Expressway from Pan Island Expressway to Braddell Interchange worth \$119.3 million and road works at City Centre (Phase 3) worth \$4.8 million from the Land Transport Authority. Government projects will continue to be a fundamental and important part of our business and we will continue to tender actively for these. As at the date of this announcement, our order book based on secured contracts stands at approximately \$307.3 million, with some projects completing in 2011.

Besides the public sector, we will continue to extend our civil engineering capabilities into the oil & gas sector. In the first quarter of 2009, we have also secured a third contract worth approximately \$21.7 million from the FWP Joint Venture, Singapore (a joint venture between Foster Wheeler Asia Pacific Pte Ltd and Worley Parsons Pte Ltd) to carry out selected civil works on Jurong Island. The award of this contract has helped to underpin our experience and presence in both public and private sector construction work.

We are also looking for opportunities to grow our civil engineering business overseas. China Sonangol International (S) Pte Ltd ("CSI"), to whom we have agreed to allot and issue 15 million new ordinary shares, is part of our continuing effort to raise additional funds for overseas projects and to establish strategic alliances. CSI is a subsidiary of China Sonangol International Limited, an overseas conglomerate that specialises in oil, gas, and minerals investment and explorations, crude oil supply and national infrastructure construction projects. We see a good opportunity to tap into the expertise and networks of CSI and its related companies in expanding our business overseas.



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 2009. The first and final dividend of 2.0 cent per ordinary share (one tier tax-exempt) for the financial year ended 31 December 2008 was approved at the Company's Annual General Meeting on 20 April 2009. Payment of the dividend will be made on 27 May 2009.

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 2009.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
11 May 2009



**CONFIRMATION BY THE BOARD ON FINANCIAL RESULTS PURSUANT TO RULE 705(5)
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 2009 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
11 May 2009