



**Second Quarter and
Half-Year Financial
Statement for the Period
Ended 30 June 2009**

27 July 2009

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Second Quarter and Half-Year Financial Statement for the Period Ended 30 June 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			The Group		
	Second Quarter ended 30 June		Increase / (Decrease)	Half-Year ended 30 June		Increase / (Decrease)
	2009	2008		2009	2008	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	31,875	22,382	42.4	61,496	50,935	20.7
Cost of works	(27,135)	(18,630)	45.7	(51,881)	(42,399)	22.4
Gross profit	4,740	3,752	26.3	9,615	8,536	12.6
Other income	1,065	211	404.7	1,259	417	201.9
Expenses						
- Administrative	(1,386)	(1,458)	(4.9)	(2,688)	(3,193)	(15.8)
- Other	-	(53)	n.m.	-	(169)	n.m.
- Finance	(51)	(48)	6.3	(102)	(89)	14.6
Profit before income tax	4,368	2,404	81.7	8,084	5,502	46.9
Income tax expense	(744)	(467)	59.3	(1,280)	(1,104)	15.9
Net profit for the period	3,624	1,937	87.1	6,804	4,398	54.7
Gross profit margin	14.9%	16.8%		15.6%	16.8%	
Net profit margin	11.4%	8.7%		11.1%	8.6%	
<u>Attributable to:-</u>						
Equity holders of the Company	3,625	1,897	91.1	6,808	4,304	58.2
Minority interests	(1)	40	(102.5)	(4)	94	(104.3)
	3,624	1,937	87.1	6,804	4,398	54.7

n.m. – not meaningful



Consolidated statements of comprehensive income for the second quarter and half-year ended 30 June

	The Group			The Group		
	Second Quarter ended 30 June		Increase / (Decrease)	Half-Year ended 30 June		Increase / (Decrease)
	2009	2008		2009	2008	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period	3,624	1,937	87.1	6,804	4,398	54.7
Total comprehensive income for the period	3,624	1,937	87.1	6,804	4,398	54.7
<u>Total comprehensive income attributable to:-</u>						
Owners of the parent	3,625	1,897	91.1	6,808	4,304	58.2
Minority interests	(1)	40	(102.5)	(4)	94	(104.3)
	3,624	1,937	87.1	6,804	4,398	54.7



(i) Additional disclosures

Profit before income tax was arrived at:

	The Group			The Group		
	Second Quarter ended 30 June		Increase / (Decrease)	Half-Year ended 30 June		Increase / (Decrease)
	2009	2008		2009	2008	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging:-</u>						
Non-audit fee paid to the auditors of the Company	7	4	75.0	14	9	55.6
Depreciation of property, plant & equipment	63	74	(14.9)	127	139	(8.6)
Directors' remuneration						
- Directors of the Company	450	387	16.3	886	766	15.7
- Other Directors	82	68	20.6	164	136	20.6
Directors' fee	38	38	-	75	75	-
Interest paid and payable						
- Finance lease liabilities	50	48	4.2	101	89	13.5
Loss/(Gain) on foreign exchange (net)	87	54	61.1	(17)	169	(110.1)
Loss on disposal of property, plant & equipment	-	21	n.m.	22	21	4.8
Staff costs	306	329	(7.0)	638	708	(9.9)
<u>After crediting:-</u>						
Interest income from bank deposits	8	61	(86.9)	30	146	(79.5)
Gain on disposal of property, plant & equipment	-	27	n.m.	43	41	4.9
Reversal of allowance for impairment of trade receivables	1,088	-	n.m.	1,088	-	n.m.
<u>Included in the cost of works are the following:-</u>						
Depreciation of property, plant & equipment	499	500	(0.2)	961	918	4.7
Staff costs	4,019	3,584	12.1	7,677	7,123	7.8

n.m. – not meaningful

(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

	The Group		The Company	
	Note			
	30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents				
Trade and other receivables	54,134	35,410	10,745	3,367
Construction contracts works-in progress	31,329	25,243	1,613	6,369
Other current assets	1,435	1,672	-	-
	1,239	630	9	23
	88,137	62,955	12,367	9,759
Non-current assets				
Investments in subsidiaries	-	-	14,476	14,476
Investment property	1,200	1,200	-	-
Properties, plant & equipment	12,932	10,978	2,290	13
Intangible assets	1,688	1,688	-	-
	15,820	13,866	16,766	14,489
Total assets	103,957	76,821	29,133	24,248
LIABILITIES				
Current liabilities				
Trade and other payables	46,752	28,920	4,318	3,211
Current portion of finance lease liabilities	1,292	1,528	-	-
Current income tax liabilities	2,499	2,871	38	73
	50,543	33,319	4,356	3,284
Non-current liabilities				
Finance lease liabilities	2,092	2,647	-	-
Deferred income tax liabilities	59	149	-	-
	2,151	2,796	-	-
Total liabilities	52,694	36,115	4,356	3,284
NET ASSETS	51,263	40,706	24,777	20,964
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	23,993	17,243	23,993	17,243
Retained earnings	26,673	22,862	784	3,721
Minority interests	50,666	40,105	24,777	20,964
	597	601	-	-
	51,263	40,706	24,777	20,964
Net tangible assets	48,978	38,417	24,777	20,964



Notes to Statements of Financial Position:

(i) Trade and other receivables comprise:

	The Group		The Company	
	30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	9,401	6,406	94	-
- Minority shareholder of a subsidiary	234	358	-	-
- Subsidiaries	-	-	1,491	6,416
	9,635	6,764	1,585	6,416
Less: Allowance for impairment of receivables	(53)	(1,196)	(531)	(531)
Trade receivables - net	9,582	5,568	1,054	5,885
Construction contracts				
- Due from customers	18,692	17,572	-	-
- Retentions	1,900	1,871	-	-
	20,592	19,443	-	-
Non-trade receivables				
- Minority shareholder of a subsidiary	6	6	-	-
- Subsidiaries	-	-	1,578	1,504
	6	6	1,578	1,504
Less: Allowance for impairment of receivables	-	-	(1,021)	(1,021)
Non-trade receivables - net	6	6	557	483
Advance to a supplier	952	-	-	-
Other receivables	197	226	2	1
	31,329	25,243	1,613	6,369

(ii) Trade and other payables comprise:

	The Group		The Company	
	30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	23,255	19,206	-	165
- Minority shareholder of a subsidiary	9	-	-	-
	23,264	19,206	-	165
Non-trade payables				
- Subsidiaries	-	-	2,718	1,318
- Minority shareholder of a subsidiary	637	588	-	-
	637	588	2,718	1,318
Accrued operating expenses	17,818	9,092	1,586	1,728
Advance from a customer	4,970	-	-	-
Other payables	63	34	14	-
	46,752	28,920	4,318	3,211



Explanatory Notes:

(i) Current assets

Current assets increased by \$25.1 million, from \$63.0 million to \$88.1 million. The increase was largely attributable to:

- (a) higher cash and cash equivalents due mainly to the inflow of proceeds from the issuance of new shares on 26 May 2009 and cash generated from operations; and
- (b) an increase of trade and other receivables following higher revenue recognised for the half-year ended 30 June 2009.

(ii) Non-current assets

The increase of \$2.0 million in non-current assets was due mainly to the acquisition of the property at 30 Tagore Lane Singapore 787484 for a cash consideration of \$2.05 million and purchase of new plant & equipment, partially offset by depreciation and disposal of property, plant & equipment during the half-year ended 30 June 2009.

(iii) Current liabilities

Current liabilities increased by \$17.2 million, from \$33.3 million to \$50.5 million. The increase was due mainly to:

- (a) an increase in trade and other payables resulting from a provision for significant costs for some on-going projects; and
- (b) an advance received from a customer for an on-going project during the half-year ended 30 June 2009.

(iv) Non-current liabilities

The decrease in non-current liabilities was due mainly to the repayment of finance lease liabilities during the half-year ended 30 June 2009.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, retained earnings and minority interest increased by \$10.6 million, from \$40.7 million to \$51.3 million. The increase was largely attributable to the profit generated from operations for the half-year ended 30 June 2009 and the increase in share capital resulting from the issuance of new shares on 26 May 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 30 Jun 2009		As at 31 Dec 2008	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,292	-	1,528	-

(b) Amount repayable after one year

As at 30 Jun 2009		As at 31 Dec 2008	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
2,092	-	2,647	-

(c) Details of any collateral

The above secured borrowings of the Group relate to finance lease liabilities secured by way of corporate guarantees 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

	The Group		The Group	
	Second Quarter ended 30 June		Half-Year ended 30 June	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Net profit	3,624	1,937	6,804	4,398
Adjustments for:				
- Income tax expense	744	467	1,280	1,104
- Depreciation of properties, plant & equipment	562	574	1,088	1,057
- Gain on disposal of properties, plant & equipment (net)	-	(6)	(21)	(20)
- Interest income	(8)	(61)	(30)	(146)
- Interest expense	50	48	101	89
Operating cash flow before working capital changes	4,972	2,959	9,222	6,482
Change in working capital				
- Trade and other receivables	(9,596)	(388)	(6,108)	11,057
- Construction contracts work-in-progress	(395)	(1,276)	237	(1,140)
- Other current assets	131	(132)	(609)	(166)
- Trade and other payables	12,133	(1,539)	17,832	(4,940)
Cash generated from / (used in) operations	7,245	(376)	20,574	11,293
- Interest income	8	61	30	146
- Income tax paid	(1,017)	(1,082)	(1,744)	(1,821)
Net cash provided by / (used in) operating activities	6,236	(1,397)	18,860	9,618
Cash flows from investing activities				
- Purchase of properties, plant & equipment	(2,689)	(159)	(3,003)	(229)
- Proceeds from disposal of properties, plant & equipment	-	34	78	49
Net cash used in investing activities	(2,689)	(125)	(2,925)	(180)
Cash flows from financing activities				
- Repayment of finance lease liabilities	(424)	(378)	(885)	(725)
- Interest expense	(50)	(48)	(101)	(89)
- Proceeds from issuance of shares	6,750	-	6,750	-
- Dividend paid to shareholders	(2,997)	(2,997)	(2,997)	(2,997)
Net cash provided by/ (used in) financing activities	3,279	(3,423)	2,767	(3,811)



Note	The Group		The Group		
	Second Quarter ended 30 June		Half-Year ended 30 June		
	2009	2008	2009	2008	
	\$'000	\$'000	\$'000	\$'000	
Net increase in cash and cash equivalents	ii	6,826	(4,945)	18,702	5,627
Cash and cash equivalents at the beginning of the financial period		41,805	29,979	29,929	19,407
Cash and cash equivalents at the end of the financial period	iii	48,631	25,034	48,631	25,034

Explanatory Notes:

(i) The entire proceeds from the issue of new shares pursuant to the Subscription Agreement dated 17 April 2009 is deposited with a bank pending its deployment.

(ii) We generated net cash of \$20.6 million from operating activities in the half-year ended 30 June 2009, a significant increase of \$9.3 million from \$11.3 million in the half-year ended 30 June 2008.

Net cash of \$2.9 million was used in investing activities relating to the purchase of new properties, plant & equipment in the half-year ended 30 June 2009.

Net cash inflow from financing activities was \$2.8 million. This was mainly due to cash proceeds from the issuance of new shares of \$6.8 million, which was partially offset by repayment of finance lease liabilities, interest payments and dividend payments to shareholders in the half-year ended 30 June 2009 amounting to \$4.0 million.

Overall, cash and cash equivalents stood at \$48.6 million as at 30 June 2009, an increase of \$23.6 million, from \$25.0 million as at 30 June 2008. We are in a healthy financial position and will retain surplus cash reserves for future expansion.

(iii) 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 Jun 2009	30 Jun 2008
	\$'000	\$'000
Cash at bank and on hand	14,058	6,669
Short-term bank deposits	40,076	23,802
	_____	_____
Bank deposits pledged	54,134	30,471
	(5,503)	(5,437)
	_____	_____
Cash and cash equivalents in consolidated statement of cash flows	48,631	25,034
	_____	_____



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
Issuance and allotment of new ordinary shares	6,750	-	6,750	-	6,750
Total comprehensive income for the period	-	3,625	3,625	(1)	3,624
Dividend relating to 2008 paid	-	(2,997)	(2,997)	-	(2,997)
As at 30 Jun 2009	23,993	26,673	50,666	597	51,263
As at 1 Jan 2008	17,243	16,401	33,644	527	34,171
Total comprehensive income for the period	-	2,408	2,408	54	2,462
As at 31 Mar 2008	17,243	18,809	36,052	581	36,633
Total comprehensive income for the period	-	1,897	1,897	40	1,937
Dividend relating to 2007 paid	-	(2,997)	(2,997)	-	(2,997)
As at 30 Jun 2008	17,243	17,709	34,952	621	35,573



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

The Company

As at 1 January 2009	17,243	3,721	20,964	-	20,964
Total comprehensive income for the period	-	59	59	-	59
As at 31 March 2009	17,243	3,780	21,023	-	21,023
Issuance and allotment of new ordinary shares	6,750	-	6,750	-	6,750
Total comprehensive Income for the period	-	1	1	-	1
Dividend relating to 2008 paid	-	(2,997)	(2,997)	-	(2,997)
As at 30 June 2009	23,993	784	24,777	-	24,777
As at 1 January 2008	17,243	3,372	20,615	-	20,615
Total comprehensive income for the period	-	137	137	-	137
As at 31 March 2008	17,243	3,509	20,752	-	20,752
Total comprehensive income for the period	-	26	26	-	26
Dividend relating to 2007 paid	-	(2,997)	(2,997)	-	(2,997)
As at 30 June 2008	17,243	538	17,781	-	17,781



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

	Number of shares	\$
<u>Share Capital</u>		
Ordinary shares issued and fully paid		
Balance as at 1 January 2009	149,860,940	17,243,071
Issuance of new shares pursuant to Subscription Agreement	15,000,000	6,750,000
Balance as at 30 June 2009	164,860,940	23,993,071

On 26 May 2009, the Company issued and allotted 15 million new ordinary shares at the price of \$0.45 for each new ordinary share for a total consideration of \$6,750,000 in cash pursuant to the Subscription Agreement dated 17 April 2009. The newly issued shares rank *pari passu* in all respects with the previously issued shares.

Except as mentioned above, there have been no changes in the issued share capital of the Company since 31 December 2008.

Under the Share Buy Back Mandate which was approved by the Shareholders on 20 April 2009, no shares were bought back by the Company during the second quarter and half-year ended 30 June 2009.

There are no outstanding convertibles issued or treasury shares held by the Company as at 30 June 2008 and 30 June 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

	30 Jun 2009	31 Dec 2008
Total number of issued shares (excluding treasury shares)	164,860,940	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			The Group		
	Second Quarter ended 30 June		Increase / (Decrease)	Half-Year ended 30 June		Increase / (Decrease)
	2009	2008		2009	2008	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period (\$'000)	3,625	1,897	91.1	6,808	4,304	58.2
Weighted average number of ordinary shares in issue	152,761,493	149,860,940	1.9	152,761,493	149,860,940	1.9
EPS based on weighted average number of ordinary shares in issue (cents)	2.37	1.27	86.6	4.46	2.87	55.4
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) %	
	As at 30 Jun 2009	As at 31 Dec 2008	As at 30 Jun 2009	As at 31 Dec 2008	The Group	The Company
Net tangible assets (\$'000)	48,978	38,417	24,777	20,964	27.5	18.2
Number of shares	164,860,940	149,860,940	164,860,940	149,860,940	10.0	10.0
NTA per share (cents)	29.71	25.64	15.03	13.99	15.9	7.4



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 (Half-Year ended 30 Jun 2009 vs Half-Year ended 30 Jun 2008)

	The Group			
	Current first half-year ended 30 Jun 2009	Previous first half-year ended 30 Jun 2008	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	43,763	40,502	3,261	8.1
Maintenance	17,733	10,433	7,300	70.0
Total Revenue	61,496	50,935	10,561	20.7

Revenue

For the first half-year ended 30 June 2009, our Group's revenue increased by 20.7% or \$10.6 million, from \$50.9 million in the half-year ended 30 June 2008 to \$61.5 million in the half-year ended 30 June 2009. The increase in revenue was contributed by a strong revenue growth of 70.0% from the maintenance segment, coupled with the increase in revenue from the construction segment. The strong growth in revenue from the maintenance segment was attributable to higher revenue recognised from a few new maintenance projects.

Construction segment continues to be the major contributor to our Group's revenue. On a segmental basis, our core construction segment and maintenance segment accounted for 71.2% and 28.8% of our Group's revenue respectively for the half-year ended 30 June 2009.



Gross profit

Our gross profit increased by 12.6% from \$8.5 million in the half-year ended 30 June 2008 to \$9.6 million in the half-year ended 30 June 2009. The increase in our gross profit was largely attributable to revenue generated from more projects in the half-year ended 30 June 2009 as compared to the previous corresponding period ended 30 June 2008.

Our gross profit margin dropped slightly from 16.8% in the half-year ended 30 June 2008 to 15.6% in the half-year ended 30 June 2009. The drop in our gross profit margin was largely attributable to relatively higher costs accrued during the initial stages of some projects which commenced in the half-year ended 30 June 2009.

Other income

The increase in other income of \$0.8 million or 201.9% was largely attributable to a non-recurrent reversal of allowance for impairment of trade receivables of \$1.1 million in the second quarter ended 30 June 2009, offset by lower interest income from bank deposits in the half-year ended 30 June 2009 as compared to previous corresponding period ended 30 June 2008.

Administrative expenses

The decrease in administrative expenses of \$0.5 million or 15.8% was largely attributable to a decrease in professional fees for the half-year ended 30 June 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 half-year ended 30 June 2008. There was no foreign exchange loss in the half-year ended 30 June 2009.

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 half-year ended 30 June 2009.

Profit before income tax

Profit before income tax increased by \$2.6 million or 46.9% to \$8.1 million due mainly to an increase in our gross profit and other income coupled with a decrease in administrative expenses and partially offset by an increase in finance costs as explained above.

Income tax expense

Income tax expense increased by \$0.2 million from \$1.1 million for the half-year ended 30 June 2008 to \$1.3 million for the half-year ended 30 June 2009. The higher income tax expense is in line with higher profit before income tax as explained above.

Minority interests

Minority interests decreased due to losses incurred by a subsidiary in the half-year ended 30 June 2009.

Net profit

Overall, for the half-year ended 30 June 2009, net profit increased by 54.7% to \$6.8 million as compared to the half-year ended 30 June 2008 following the increase in profit before income tax as explained above.



Income Statement Review (Second Quarter ended 30 Jun 2009 vs Second Quarter ended 30 Jun 2008)

	The Group			
	Current second quarter ended 30 Jun 2009	Previous second quarter ended 30 Jun 2008	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	22,842	16,304	6,538	40.1
Maintenance	9,033	6,078	2,955	48.6
Total Revenue	31,875	22,382	9,493	42.4

Revenue

Our Group registered strong and healthy growth in revenue in the second quarter ended 30 June 2009. Our Group's revenue increased by 42.4% to \$31.9 million in the second quarter ended 30 June 2009 as compared to \$22.4 million in the second quarter ended 30 June 2008. The growth was due mainly to a 40.1% increase in revenue from the construction segment coupled with recurring revenue from the road maintenance segment.

Gross profit

Our gross profit increased by 26.3% from \$3.8 million in the second quarter ended 30 June 2008 to \$4.8 million in the second quarter ended 30 June 2009. The increase in our gross profit was largely attributable to revenue generated from more projects in the second quarter ended 30 June 2009 as compared to the previous corresponding period ended 30 June 2008.

Our slightly lower gross profit margin was due to relatively higher costs accrued during the initial stage of some projects which commenced in the second quarter ended 30 June 2009.

Other income

Other income increased by 404.7% to \$1.1 million in the second quarter ended 30 June 2009. The increase in other income was largely attributable to a non-recurrent reversal of allowance for impairment of trade receivables in the second quarter ended 30 June 2009.

Administrative expenses

The decrease in administrative expenses was largely attributable to the decrease in professional fees in the second 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 second quarter ended 30 June 2008. There was no foreign exchange loss in the second quarter ended 30 June 2009.



Finance costs

Finance costs remained fairly constant at \$0.05 million for the second quarter ended 30 June 2008 and 30 June 2009.

Profit before income tax

Profit before income tax increased by \$2.0 million or 81.7% to \$4.4 million due mainly to the increase in our gross profit and other income coupled with a decrease in administrative expenses as explained above.

Income tax expense

The \$0.2 million increase in income tax expense from \$0.5 million for the second quarter ended 30 June 2008 to \$0.7 million for the second quarter ended 30 June 2009 is in line with the higher profit before income tax as explained above.

Minority interests

Minority interests decreased due to losses incurred by a subsidiary in the second quarter ended 30 June 2009.

Net profit

Overall, for the second quarter ended 30 June 2009, net profit increased by 87.1% to \$3.6 million as compared to the second quarter ended 30 June 2008 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 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

A quarterly survey released by the Monetary Authority of Singapore on 10 June 2009 forecast Singapore's economy to contract by 6.5% in 2009, worse than the 4.9% contraction forecast in March 2009. GDP growth forecasts for the third quarter 2009 and fourth quarter 2009 were also revised downwards to -6.6% and -1.2% respectively. Indeed, only the construction sector was expected to post a stronger growth of 15.9%. However, on 14 July 2009, a press release issued by the Ministry of Trade and Industry revised Singapore's GDP number upwards. It is now expected to contract by 4% to 6% in 2009, an upward revision from the contraction of 6% to 9% that it had forecast earlier. In addition, under the Land Transport Master Plan published by the Land Transport Authority ("LTA"), the government will spend approximately \$54 billion to improve our current land transport networks which will be completed over the next 10 to 15 years. With the generally more optimistic outlook, coupled with the strong pipeline of committed public sector projects, we believe the outlook for the construction industry will remain favourable for the next twelve months.

The Ministry of National Development also announced recently that the government will spend \$25 million on a three-year Interim Estate Upgrading Programme ("I-EUP"). This aims to provide speedier upgrades to more estates and to complement the current Estate Upgrading Programme ("EUP"), which focuses more on larger-scale improvements in older estates. This expected increase in construction demand would present more opportunities for us to tender for and secure new projects.

To date, we have secured a total of 6 new contracts totalling approximately \$170.3 million from the public and private sectors. These are: (i) a \$119.3 million contract from the LTA to widen the stretch of Central Expressway from Pan Island Expressway to Braddell Interchange, (ii) a \$15.4 million contract from the Public Utilities Board for drainage works, (iii) a \$4.8 million contract from the LTA to upgrade roads at the Formula One Circuit, (iv) a \$3.4 million contract from the Urban Redevelopment Authority for environmental improvement works at Siglap Village, Upper Serangoon Road and Kampong Sireh, (v) a \$5.7 million contract from the National Parks Board to construct three park connectors and (vi) a \$21.7 million project from Foster Wheeler Asia Pacific Pte Ltd and WorleyParsons Pte Ltd to carry out civil works on Jurong Island. As at the date of this announcement, our order book based on secured contracts stands at approximately \$316.3 million, with several contracts completing in 2011.

We will continue to focus on our traditional core business of road construction and maintenance activities and leverage on our steady track record, expertise and core strengths, as we strive to become the first and preferred transport infrastructure and civil engineering company in Singapore.

We will continue to step up efforts to diversify and explore suitable opportunities to regionalise our core business in order to strengthen our competitive edge.



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/recommended, a statement to that effect

No dividend has been declared/recommended for the second quarter and half-year ended 30 June 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 was made on 27 May 2009.

13. Interested person transactions disclosure

Name of interested person	Nature of transactions	Relationship	Aggregate value of all interested person transactions	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920
			\$'000	\$'000
Niru & Co	Provision of legal services	Mr Nirumalan s/o V Kanapathi Pillai, the independent director of the Company, is the Managing Partner of Niru & Co	4	Not applicable. The Company does not have a shareholders' mandate under Rule 920

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
27 July 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 second quarter and half-year ended 30 June 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
27 July 2009