



OKP HOLDINGS LIMITED

胡金標控股有限公司

**Financial Statements
For The Third Quarter
and Nine Months Ended
30 September 2009**

26 October 2009

Table of Contents

		<u>Page No</u>
1(a)	Income statement	2
1(b)(i)	Statements of financial position	5
1(b)(ii)	Borrowings and debt securities	8
1(c)	Statements of cash flows	9
1(d)(i)	Statement of changes in equity	11
1(d)(ii)	Changes in share capital	13
1(d)(iii)	Total number of issued shares	14
1(d)(iv)	Statement of sales, transfers, disposals, cancellations and/or use of treasury shares	14
2 & 3	Audit statement	14
4	Accounting policies	14
5	Changes in accounting policies	15
6	Earnings per share	15
7	Net asset value per share	16
8	Review of group performance	16
9	Variance from previous prospect statement	20
10	Outlook	21
11 & 12	Dividend	22
13	Use of proceeds	22
14	Interested person transactions	23
15	Confirmation pursuant to Rule 705(5) of the Listing Manual	23

Financial Statement for the Third Quarter and Nine Months Ended 30 September 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		
	Third Quarter ended 30 Sep		Increase / (Decrease)	Nine Months ended 30 Sep		Increase / (Decrease)
	2009	2008		2009	2008	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	35,118	23,292	50.8	96,614	74,227	30.2
Cost of works	(28,950)	(19,049)	52.0	(80,831)	(61,448)	31.5
Gross profit	6,168	4,243	45.4	15,783	12,779	23.5
Other income	111	360	(69.2)	1,369	778	76.0
Expenses						
- Administrative	(1,345)	(1,899)	(29.2)	(4,033)	(5,092)	(20.8)
- Other	(29)	98	(129.6)	(29)	(71)	(59.2)
- Finance	(45)	(52)	(13.5)	(147)	(142)	3.5
Profit before income tax	4,860	2,750	76.7	12,943	8,252	56.8
Income tax expense	(856)	(643)	33.1	(2,136)	(1,747)	22.3
Net profit for the period	4,004	2,107	90.0	10,807	6,505	66.1
Gross profit margin	17.6%	18.2%		16.3%	17.2%	
Net profit margin	11.4%	9.0%		11.2%	8.8%	
<u>Attributable to:-</u>						
Equity holders of the Company	4,005	2,135	87.6	10,812	6,439	67.9
Minority interests	(1)	(28)	(96.4)	(5)	66	(107.6)
	4,004	2,107	90.0	10,807	6,505	66.1



Consolidated statements of comprehensive income for the third quarter and nine months ended 30 September

	The Group			The Group		
	Third Quarter ended 30 Sep		Increase / (Decrease)	Nine Months ended 30 Sep		Increase / (Decrease)
	2009	2008		2009	2008	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period	4,004	2,107	90.0	10,807	6,505	66.1
Total comprehensive income for the period	4,004	2,107	90.0	10,807	6,505	66.1
<u>Total comprehensive income attributable to:-</u>						
Equity holders of the Company	4,005	2,135	87.6	10,812	6,439	67.9
Minority interests	(1)	(28)	(96.4)	(5)	66	(107.6)
	4,004	2,107	90.0	10,807	6,505	66.1



(i) Additional disclosures

Profit before income tax was arrived at :

	The Group			The Group		
	Third Quarter ended 30 Sep		Increase / (Decrease)	Nine Months ended 30 Sep		Increase / (Decrease)
	2009	2008		2009	2008	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging:-</u>						
Non-audit fee paid to the auditors of the Company	5	5	-	19	14	35.7
Depreciation of properties, plant & equipment	63	69	(8.7)	190	208	(8.7)
Directors' remuneration						
- Directors of the Company	460	414	11.1	1,346	1,180	14.1
- Other Directors	81	73	11.0	245	209	17.2
Directors' fee	38	38	-	113	113	-
Interest paid and payable						
- Finance lease liabilities	45	52	(13.5)	147	142	3.5
Loss/(Gain) on foreign exchange (net)	46	(99)	146.5	29	70	(58.6)
Loss on disposal of properties, plant & equipment	-	-	n.a.	22	21	4.8
Staff costs	286	347	(17.6)	924	1,055	(12.4)
<u>After crediting:-</u>						
Interest income from bank deposits	13	48	(72.9)	43	194	(77.8)
Gain on disposal of properties, plant & equipment	34	-	n.m.	77	41	87.8
Reversal of allowance for Impairment of trade receivables	-	-	n.a.	1,088	-	n.m.
<u>Included in the cost of works are the following:-</u>						
Depreciation of property, plant & equipment	594	549	8.2	1,555	1,467	6.0
Staff costs	4,264	3,838	11.1	11,941	10,961	8.9

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

Statements of Financial Position

	The Group		The Company	
	30 Sep 2009	31 Dec 2008	30 Sep 2009	31 Dec 2008
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	62,315	35,410	10,032	3,367
Trade and other receivables	30,089	25,243	1,661	6,369
Construction contracts works-in progress	1,639	1,672	-	-
Other current assets	1,249	630	66	23
	95,292	62,955	11,759	9,759
Non-current assets				
Investments in subsidiaries	-	-	14,576	14,476
Investment property	1,200	1,200	-	-
Properties, plant & equipment	13,537	10,978	2,289	13
Intangible assets	1,688	1,688	-	-
	16,425	13,866	16,865	14,489
Total assets	111,717	76,821	28,624	24,248
LIABILITIES				
Current liabilities				
Trade and other payables	51,055	28,920	3,746	3,211
Current portion of finance lease liabilities	1,227	1,528	-	-
Current income tax liabilities	2,269	2,871	37	73
	54,551	33,319	3,783	3,284
Non-current liabilities				
Finance lease liabilities	1,791	2,647	-	-
Deferred income tax liabilities	108	149	-	-
	1,899	2,796	-	-
Total liabilities	56,450	36,115	3,783	3,284
NET ASSETS	55,267	40,706	24,841	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	30,678	22,862	848	3,721
	54,671	40,105	24,841	20,964
Minority interests	596	601	-	-
	55,267	40,706	24,841	20,964
Net tangible assets	52,983	38,417	24,841	20,964



Notes to statements of financial position:

(i) Trade and other receivables comprise:

	The Group		The Company	
	30 Sep 2009	31 Dec 2008	30 Sep 2009	31 Dec 2008
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	5,192	6,406	-	-
- Minority shareholder of a subsidiary	234	358	-	-
- Subsidiaries	-	-	1,634	6,416
	5,426	6,764	1,634	6,416
Less: Allowance for impairment of receivables	(53)	(1,196)	(531)	(531)
Trade receivables - net	5,373	5,568	1,103	5,885
Construction contracts				
- Due from customers	21,781	17,572	-	-
- Retentions	1,564	1,871	-	-
	23,345	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	1,156	-	-	-
Other receivables	209	226	1	1
	30,089	25,243	1,661	6,369

(ii) Trade and other payables comprise:

	The Group		The Company	
	30 Sep 2009	31 Dec 2008	30 Sep 2009	31 Dec 2008
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	27,100	19,206	59	165
- Minority shareholder of a subsidiary	9	-	-	-
	27,109	19,206	59	165
Non-trade payables				
- Subsidiaries	-	-	3,138	1,318
- Minority shareholder of a subsidiary	638	588	-	-
	638	588	3,138	1,318
Accrued operating expenses	19,268	9,092	535	1,728
Advance from a customer	3,976	-	-	-
Other payables	64	34	14	-
	51,055	28,920	3,746	3,211



Explanatory Notes:

(i) Current assets

Current assets increased by \$32.3 million, from \$63.0 million to \$95.3 million. The increase was attributable to:

- (a) an increase in cash and cash equivalents of approximately \$26.9 million due mainly to the inflow of proceeds from the issuance of new shares on 26 May 2009 and cash generated from operations;
- (b) an increase in trade and other receivables of approximately \$4.8 million following higher revenue recognised for the nine months ended 30 September 2009; and
- (c) an increase in other current assets of approximately \$0.6 million due mainly to an increase in prepayments.

(ii) Non-current assets

The increase of \$2.6 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 the purchase of new plant & equipment, partially offset by depreciation and disposal of property, plant & equipment during the nine months ended 30 September 2009.

(iii) Current liabilities

Current liabilities increased by \$21.2 million, from \$33.3 million to \$54.6 million. The increase was due mainly to:

- (a) an increase in trade payables and accrued operating expenses resulting from a provision for significant costs mainly in relation to goods and services provided by the suppliers and sub-contractors for some on-going projects; and
- (b) an advance received from a customer of approximately \$4.0 million for an on-going project during the nine months ended 30 September 2009.

(iv) Non-current liabilities

The decrease in non-current liabilities was due mainly to the repayment of finance lease liabilities during the nine months ended 30 September 2009.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, retained earnings and minority interest increased by \$14.6 million, from \$40.7 million to \$55.3 million. The increase was largely attributable to the profit generated from operations of approximately \$7.8 million for the nine months ended 30 September 2009 and the increase in share capital of approximately \$6.8 million 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 Sep 2009		As at 31 Dec 2008	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,227	-	1,528	-

(b) Amount repayable after one year

As at 30 Sep 2009		As at 31 Dec 2008	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,791	-	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 properties, 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	
	Third Quarter ended 30 Sep		Nine Months ended 30 Sep	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Net profit	4,004	2,107	10,807	6,505
Adjustments for:				
- Income tax expense	856	643	2,136	1,747
- Depreciation of properties, plant and equipment	657	618	1,745	1,675
- Gain on disposal of properties, plant and equipment (net)	(34)	-	(55)	(20)
- Interest income	(13)	(48)	(43)	(194)
- Interest expense	45	52	147	142
Operating cash flow before working capital changes	5,515	3,372	14,737	9,855
Change in working capital				
- Trade and other receivables	1,249	1,630	(4,860)	12,687
- Construction contracts work-in-progress	(204)	232	34	(908)
- Other current assets	(9)	(60)	(617)	(226)
- Trade and other payables	4,303	(2,821)	22,134	(7,761)
Cash generated from operations	10,854	2,353	31,428	13,647
- Interest income	13	48	43	194
- Income tax paid	(1,036)	(1,079)	(2,780)	(2,900)
Net cash provided by operating activities	9,831	1,322	28,691	10,941
Cash flows from investing activities				
- Purchase of property, plant and equipment	(1,278)	(406)	(4,281)	(635)
- Proceeds from disposal of property, plant and equipment	49	34	127	83
Net cash used in investing activities	(1,229)	(372)	(4,154)	(552)
Cash flows from financing activities				
- Repayment of finance lease liabilities	(366)	(448)	(1,251)	(1,173)
- Interest expense	(46)	(52)	(147)	(142)
- Proceeds from issuance of shares	-	-	6,750	-
- Dividend paid to shareholders	-	-	(2,997)	(2,997)
Net cash (used in)/provided by financing activities	(412)	(500)	2,355	(4,312)



	Note	The Group		The Group	
		Third Quarter ended 30 Sep		Nine Months ended 30 Sep	
		2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
Net increase in cash and cash equivalents	i	8,190	450	26,892	6,077
Cash and cash equivalents at the beginning of the financial period		48,631	25,034	29,929	19,407
Cash and cash equivalents at the end of the financial period	ii	56,821	25,484	56,821	25,484

Explanatory Notes:

- (i) Our Group continued to enjoy positive cash flow and working capital in the nine months ended 30 September 2009. We generated a net cash amount of \$31.4 million from operating activities in the period under review, a significant increase of \$17.8 million from \$13.6 million over the previous corresponding period.

Net cash of \$4.2 million was used in investing activities relating to the purchase of new properties, plant & equipment in the nine months ended 30 September 2009.

Net cash inflow from financing activities was \$2.4 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 nine months ended 30 September 2009 amounting to \$4.4 million.

Overall, cash and cash equivalents stood at \$56.8 million as at 30 September 2009. This is an increase of \$31.3 million, from \$25.5 million as at 30 September 2008. We have a set of healthy financials and this puts us in a favourable position for future growth.

- (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 2009	30 Sep 2008
	\$'000	\$'000
Cash at bank and on hand	7,490	4,946
Fixed deposits with banks	54,825	26,007
	<hr/>	<hr/>
	62,315	30,953
Fixed deposits pledged to banks	(5,494)	(5,469)
	<hr/>	<hr/>
Cash and cash equivalents in consolidated statement of cash flows	56,821	25,484
	<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
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
Total comprehensive income for the period	-	4,005	4,005	(1)	4,004
As at 30 Sep 2009	23,993	30,678	54,671	596	55,267
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
Total comprehensive income for the period	-	2,135	2,135	(28)	2,107
As at 30 Sep 2008	17,243	19,844	37,087	593	37,680



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 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
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 Jun 2009	23,993	784	24,777	-	24,777
Total comprehensive income for the period	-	64	64	-	64
As at 30 Sep 2009	23,993	848	24,841	-	24,841
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
Total comprehensive Income for the period	-	26	26	-	26
Dividend relating to 2007 paid	-	(2,997)	(2,997)	-	(2,997)
As at 30 Jun 2008	17,243	538	17,781	-	17,781
Total comprehensive income for the period	-	28	28	-	28
As at 30 Sep 2008	17,243	566	17,809	-	17,809



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 and 30 September 2009	164,860,940	23,993,071

On 26 May 2009, the Company issued and allotted 15 million new ordinary shares in the capital of the Company (the "Subscription Shares") at the price of \$0.45 for each Subscription 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.

On 14 September 2009, the Company announced that it was proposing to undertake:

- (a) a bonus issue (the "Bonus Issue") of 82,430,470 new ordinary shares in the capital of the Company (the "Bonus Shares") on the basis of one Bonus Share for every two ordinary shares in the capital of the Company held by the entitled shareholders as at a books closure date to be determined by the directors for the purpose of determining the entitlements of the shareholders of the Company under the Bonus Issue; and
- (b) a renounceable and non-underwritten rights issue (the "Rights Issue") of up to 61,822,852 warrants (the "Warrants"), at an issue price of S\$0.01 for each Warrant, with each Warrant carrying the right to subscribe for one new share (the "New Share") at an exercise price of S\$0.20 for each New Share, on the basis of one Warrant for every four shares held by the entitled shareholders as at a books closure date (such date to occur after the books closure date for the Bonus Issue) to be determined by the directors for the purpose of determining the entitlements of the shareholders of the Company under the Rights Issue,

fractional entitlements being disregarded.

The Company had made an application to the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing and quotation of 82,430,470 Bonus Shares, up to 61,822,852 Warrants and up to 61,822,852 New Shares to be issued arising from the exercise of the Warrants on the Main Board of the SGX-ST on 5 October 2009. The Bonus Issue and Rights Issue are conditional upon, *inter alia*, the in-principle approval for the listing and quotation of the Bonus Shares, the Warrants and the New Shares on the Main Board of the SGX-ST.



On completion of the Bonus Issue, the number of ordinary shares comprising the issued and paid-up capital of the Company will increase from 164,860,940 ordinary shares to 247,291,410 ordinary shares, and up to 61,822,852 Warrants will be issued pursuant to the Rights Issue.

The Company obtained its approval in-principle from the SGX-ST on 23 October 2009 in respect of the above application for the dealing in, listing of and quotation for the Bonus Shares, the Warrants and the New Shares, subject to the fulfilment of certain conditions as set out in the announcement made by the Company on 23 October 2009.

Approval in-principle granted by the SGX-ST to the Company for the dealing in, listing of and quotation for the Bonus Shares, the Warrants and the New Shares is not to be taken as an indication of the merits of the Bonus Issue, the Rights Issue, the Bonus Shares, the Warrants, the New Shares, the Company and/or its subsidiaries.

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 third quarter and nine months ended 30 September 2009.

There are no outstanding convertibles issued or treasury shares held by the Company as at 30 September 2008 and 30 September 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 Sep 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		
	Third Quarter ended 30 Sep		Increase / (Decrease)	Nine Months ended 30 Sep		Increase / (Decrease)
	2009	2008		2009	2008	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period (\$'000)	4,005	2,135	87.6	10,812	6,439	67.9
Weighted average number of ordinary shares in issue	156,838,962	149,860,940	4.7	156,838,962	149,860,940	4.7
EPS based on weighted average number of ordinary shares in issue (cents)	2.55	1.42	79.6	6.89	4.30	60.2
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 Sep 2009	As at 31 Dec 2008	As at 30 Sep 2009	As at 31 Dec 2008	The Group	The Company
Net tangible assets (\$'000)	52,983	38,417	24,841	20,964	37.9	18.5
Number of shares	164,860,940	149,860,940	164,860,940	149,860,940	10.0	10.0
NTA per share (cents)	32.14	25.64	15.07	13.99	25.4	7.7

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. 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 (Current Nine Months ended 30 Sep 2009 vs Previous Nine Months ended 30 Sep 2008)

	The Group			
	Current nine months ended 30 Sep 2009	Previous nine months ended 30 Sep 2008	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	72,097	56,212	15,885	28.3
Maintenance	24,517	18,015	8,502	36.1
Total Revenue	96,614	74,227	22,387	30.2

Revenue

For the nine months ended 30 September 2009, our Group reported a revenue of \$96.6 million. This is an increase of 30.2% from the \$74.2 million registered in the previous corresponding period. The increase in revenue was contributed by a strong revenue growth from both the construction and maintenance segments.

The strong growth in revenue from the construction segment was attributable to the higher percentage of revenue recognised from a few construction projects which were in full swing and revenue from some new projects in the nine months ended 30 September 2009.

The construction segment continued to be the major contributor to our Group's revenue. It accounted for 74.6% of our Group's revenue for the nine months ended 30 September 2009, with the maintenance segment making up the remaining 25.4%.

Gross profit and gross profit margin

In line with the increase in our revenue, our gross profit increased by \$3.0 million from \$12.8 million for the nine months ended 30 September 2008 to \$15.8 million for the nine months ended 30 September 2009.

Our gross profit margin decreased slightly from 17.2% for the nine months ended 30 September 2008 to 16.3% for the nine months ended 30 September 2009. The decrease was due mainly to the relatively higher costs accrued during the initial stages of a few new projects which commenced towards the end of the second quarter ended 30 June 2009 and which had spilled over to the third quarter ended 30 September 2009.

Other income

The increase in other income of \$0.6 million or 76.0% 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 for the nine months ended 30 September 2009 as compared to the previous corresponding period ended 30 September 2008.



Administrative expenses

The decrease in administrative expenses of \$1.1 million or 20.8% was largely attributable to a decrease in professional fees for the nine months ended 30 September 2009.

Other expenses

Other expenses relate to foreign exchange losses resulting from the weakening of the United States Dollar against the Singapore Dollar for the nine months ended 30 September 2009.

Finance costs

The marginal 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 2009.

Profit before income tax

The Group registered a profit before income tax of \$12.9 million, an increase of \$4.7 million or 56.8% from the previous corresponding period. This was due mainly to an increase in our gross profit and other income coupled with a decrease in administrative expenses and other expenses and partially offset by an increase in finance costs as explained above.

Our profit before income tax margin increased from 11.1% for the nine months ended 30 September 2008 to 13.4% for the nine months ended 30 September 2009.

Income tax expense

Income tax expense increased by \$0.4 million from \$1.7 million for the nine months ended 30 September 2008 to \$2.1 million for the nine months ended 30 September 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 for the nine months ended 30 September 2009.

Net profit

Overall, for the nine months ended 30 September 2009, net profit surged by 66.1% to \$10.8 million as compared to the nine months ended 30 September 2008 following the increase in profit before income tax, as explained above.

Our net profit margin increased from 8.8% for the nine months ended 30 September 2008 to 11.2% for the nine months ended 30 September 2009.



Income Statement Review (Third Quarter ended 30 Sep 2009 vs Third Quarter ended 30 Sep 2008)

	The Group			
	Current third quarter ended 30 Sep 2009	Previous third quarter ended 30 Sep 2008	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	28,334	15,710	12,624	80.4
Maintenance	6,784	7,582	(798)	(10.5)
Total Revenue	35,118	23,292	11,826	50.8

Revenue

Our Group achieved robust growth in revenue in the third quarter ended 30 September 2009. Our Group's revenue increased by 50.8% to \$35.1 million in the third quarter ended 30 September 2009 as compared to \$23.3 million in the third quarter ended 30 September 2008. The growth was due mainly to a 80.4% increase in revenue from the construction segment.

Gross profit and gross profit margin

In line with our increase in revenue, our gross profit increased by \$1.9 million from \$4.2 million in the third quarter ended 30 September 2008 to \$6.2 million in the third quarter ended 30 September 2009.

Our gross profit margin decreased slightly from 18.2% for the third quarter ended 30 September 2008 to 17.6% for the third quarter ended 30 September 2009. The decrease was due mainly to relatively higher costs accrued during the initial stages of a few new projects which commenced towards the end of second quarter ended 30 June 2009 and which had spilled over to the third quarter ended 30 September 2009.

Other income

Other income decreased by \$0.2 million largely due to a drop in interest income earned on cash & cash equivalents and a dip in the sale of some construction materials in the third quarter ended 30 September 2009 as compared to the previous corresponding period.

Administrative expenses

The decrease in administrative expenses by \$0.6 was largely attributable to the decrease in professional fees incurred in the third quarter ended 30 September 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 third quarter ended 30 September 2009.

Finance costs

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

Profit before income tax

Profit before income tax improved by \$2.1 million or 76.7% to \$4.9 million due mainly to the increase in our gross profit coupled with a decrease in administrative expenses and partially offset by the increase in other expenses and finance costs as explained above.

Our profit before income tax margin improved from 11.8% for the third quarter ended 30 September 2008 to 13.8% for the third quarter ended 30 September 2009.

Income tax expense

The \$0.3 million increase in income tax expense from \$0.6 million for the third quarter ended 30 September 2008 to \$0.9 million for the third quarter ended 30 September 2009 was 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 third quarter ended 30 September 2009.

Net profit

Overall, for the third quarter ended 30 September 2009, net profit increased by \$1.9 million or 90.0%, compared to the previous corresponding period, following the increase in profit before income tax as explained above.

Our net profit margin increased from 9.0% for the third quarter ended 30 September 2008 to 11.4% for the third quarter ended 30 September 2009.

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

On 12 October 2009, the Ministry of Trade and Industry revised its official forecast for Singapore's GDP 2009 from a contraction of between 4.0% and 6.0% that it had forecast earlier, to a contraction of between 2.0% and 2.5%. With the gradual recovery of the Singapore economy, coupled with the strong pipeline of committed public sector projects such as the subsequent phases of the Downtown Line, the North-South Expressway and various public housing projects, we believe the outlook for the construction industry will remain positive for the next twelve months.

Over the past few months, we have made strategic initiatives to grow our civil engineering business overseas. In May 2009, we allotted and issued 15 million new ordinary shares to China Sonangol International (S) Pte. Ltd. (CSI), a subsidiary of China Sonangol International Holding Limited which is an overseas conglomerate engaged in oil, gas and minerals investments and explorations, crude oil supply and national infrastructure construction projects. In September 2009, one of our wholly-owned subsidiaries, OKP Technical Management Pte. Ltd., entered into a joint venture agreement with CIF Singapore Pte. Ltd., a subsidiary of CSI. The new joint venture company will undertake the design, construction and execution of urban development projects, including road infrastructure works, in countries outside of Singapore as well as provide project management services for these urban development jobs. Its initial focus will be on Africa; in particular, the Republic of Angola, the Republic of Guinea and the Republic of Zimbabwe where our partner has built up a strong presence. This partnership will put us in an excellent position to secure more and larger projects overseas in order to increase our operational base and expand our business beyond our shores.

In Singapore, we will still continue to focus on our traditional core business of construction and maintenance activities as we have built up our expertise and distinctive track records in these areas over the past 43 years. These have held us in good stead in the past several years, and we continue to benefit from the pipeline of large government infrastructure projects recently. Since the start of 2009, we have secured a total of 5 new public sector contracts totalling approximately \$148.6 million. 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 and (v) a \$5.7 million contract from the National Parks Board to construct three park connectors. On the private sector front, we secured 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 gross order book based on secured contracts stands at approximately \$316.3 million, with several contracts completing in 2011.

We will continue to prospect actively for new projects that yield reasonable returns, adopting stringent cost control measures and improving our project management processes in order to stay competitive.



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 third quarter and nine months ended 30 September 2009. The first and final dividend of 2.0 cents (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. Use of proceeds

- (i) Placement of 13.6 million new ordinary shares completed in February 2007 raising net proceeds of \$2.20 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To fund expansion of the Group's oil, petrochemical and gas related business in Singapore	2.20	0.55	1.65

The balance unutilised proceeds are deposited with a bank pending deployment.

- (ii) Placement of 15.0 million new ordinary shares completed in May 2009 raising net proceeds of \$6.75 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as working capital for the Company's overseas business expansion	6.75	-	6.75

The balance unutilised proceeds are deposited with a bank pending deployment.



14. 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
Global Law Alliance LLC (incorporating Niru & Co)	Provision of legal services	Mr Nirumalan s/o V Kanapathi Pillai, the independent director of the Company, is the Senior Director of Global Law Alliance LLC	4	Not applicable. The Company does not have a shareholders' mandate under Rule 920

15. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of OKP Holdings Limited confirms that, to the best of their knowledge, nothing has come to their attention which may render the financial results for the third quarter and nine months ended 30 September 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
26 October 2009