



**Second Quarter and
Half Year Financial
Statement for the Period
Ended 30 June 2011**

25 July 2011

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Second Quarter and Half Year Financial Statement for the Period Ended 30 June 2011
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)
	2011	2010		2011	2010	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	28,296	39,753	(28.8)	61,140	73,657	(17.0)
Cost of works	(17,136)	(33,174)	(48.3)	(41,216)	(61,272)	(32.7)
Gross profit	11,160	6,579	69.6	19,924	12,385	60.9
Other income	219	53	313.2	352	129	172.9
Expenses						
- Administrative	(2,971)	(1,397)	112.7	(5,396)	(3,000)	79.9
- Other	(45)	(1)	4,400.0	(86)	(9)	855.6
- Finance	(26)	(38)	(31.6)	(62)	(76)	(18.4)
Profit before income tax	8,337	5,196	60.5	14,732	9,429	56.2
Income tax expense	(1,448)	(907)	59.6	(2,611)	(1,638)	59.4
Net profit	6,889	4,289	60.6	12,121	7,791	55.6
Gross profit margin	39.4%	16.5%		32.6%	16.8%	
Net profit margin	24.3%	10.8%		19.8%	10.6%	
Effective tax rate	17.3%	17.5%		17.7%	17.4%	
Net profit attributable to:						
Equity holders of the Company	6,891	4,288	60.7	12,126	7,791	55.6
Non-controlling interests	(2)	1	(300.0)	(5)	-	n.m.
	6,889	4,289	60.6	12,121	7,791	55.6

n.m – not meaningful



(i) Consolidated Statement of comprehensive income for the second quarter and half-year ended 30 June 2011

	The Group			The Group		
	Second Quarter ended 30 June		Increase/ (Decrease)	Half Year ended 30 June		Increase/ (Decrease)
	2011	2010		2011	2010	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit	6,889	4,289	60.6	12,121	7,791	55.6
Other comprehensive income:						
Financial asset, available-for-sale						
- Fair value gain, net of tax	11	-	n.m.	15	-	n.m.
Total comprehensive income	6,900	4,289	60.9	12,136	7,791	55.8
Total comprehensive income attributable to:						
Equity holders of the Company	6,902	4,288	61.0	12,141	7,791	55.8
Non-controlling interests	(2)	1	(300.0)	(5)	-	n.m.
	6,900	4,289	60.9	12,136	7,791	55.8

n.m – not meaningful



(ii) 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)
	2011	2010		2011	2010	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging:-</u>						
Non-audit fee paid to the auditors of the Company	5	5	-	10	9	11.1
Depreciation of property, plant and equipment	95	52	82.7	190	104	82.7
Directors' remuneration						
- Directors of the Company	1,861	478	289.3	3,079	935	229.3
- Other Directors	112	86	30.2	259	214	21.0
Directors' fee	45	52	13.5	90	90	-
Interest paid and payable						
- Finance lease liabilities	26	38	(31.6)	62	76	(18.4)
Loss on foreign exchange (net)	45	1	4,400.0	86	9	855.6
Loss on disposal of property, plant and equipment	-	10	n.m.	-	10	n.m.
Currency translation differences arise from debt securities investment	19	-	n.m.	33	-	n.m.
Employees compensation cost	419	334	25.4	913	763	19.7
<u>After crediting:-</u>						
Interest income						
- Bank deposits	38	27	40.7	74	52	42.3
- Financial asset, held-to-maturity	6	1	500.0	10	1	900.0
- Financial asset, available for-sale	11	-	n.m.	25	-	n.m.
Gain on disposal of property, plant and equipment	123	-	n.m.	164	11	1,390.9
Rental income from an investment property	9	10	10.0	22	20	10.0
Government grant-Job credit scheme	-	31	n.m.	-	93	n.m.
<u>Included in the cost of works are the following:-</u>						
Depreciation of property, plant and equipment	662	567	16.8	1,236	1,105	11.9
Employees compensation cost	4,607	4,311	6.9	9,254	8,692	6.5

n.m. – not meaningful



(iii) Extraordinary/Exceptional items

Nil

(iv) Adjustments for under or over-provision of tax in respect of prior periods

The Group	
30 June 2011	30 June 2010
\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial period:

Current income tax - Singapore

2,471

1,581

Deferred income tax

141

34

2,612

1,615

- (Over)/under provision of deferred income tax in prior financial periods

(1)

23

2,611

1,638



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 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
	Cash and cash equivalents	98,556	100,074	21,058	14,103
i	Trade and other receivables	28,500	28,446	7,831	15,506
	Construction contract works-in-progress	1,740	2,681	-	-
		128,796	131,201	28,889	29,609
Non-current assets					
ii	Investments in subsidiaries	-	-	15,174	15,174
iii	Investments in joint ventures	-	-	-	-
	Investment property	1,500	1,500	-	-
iv	Financial asset, held-to-maturity	1,000	1,000	-	-
v	Financial asset, available-for-sale	711	726	-	-
	Property, plant and equipment	18,334	16,996	4,685	3,449
	Intangible asset	1,688	1,688	-	-
		23,233	21,910	19,859	18,623
	Total assets	152,029	153,111	48,748	48,232
LIABILITIES					
Current liabilities					
vi	Trade and other payables	69,699	78,436	7,445	8,976
	Finance lease liabilities	770	898	-	-
	Current income tax liabilities	3,865	3,506	70	101
		74,334	82,840	7,515	9,077
Non-current liabilities					
	Finance lease liabilities	544	943	-	-
	Deferred income tax liabilities	537	393	-	-
		1,081	1,336	-	-
	Total liabilities	75,415	84,176	7,515	9,077
	NET ASSETS	76,614	68,935	41,233	39,155
EQUITY					
Capital and reserves attributable to equity holders of the Company					
	Share capital	35,988	27,885	35,988	27,885
vii	Other reserves	77	448	47	433
	Retained profits	40,626	40,674	5,198	10,837
		76,691	69,007	41,233	39,155
	Non-controlling interests	(77)	(72)	-	-
	Total equity	76,614	68,935	41,233	39,155
	Net tangible assets	75,003	67,319	41,233	39,155



Notes to Statements of Financial Position:

(i) Trade and other receivables comprise:

	The Group		The Company	
	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	3,703	7,186	-	-
- Subsidiaries	-	-	7,860	15,502
	3,703	7,186	7,860	15,502
Less: Allowance for impairment of receivables	-	-	(531)	(531)
Trade receivables – net	3,703	7,186	7,329	14,971
Construction contracts				
- Due from customers	19,670	16,523	-	-
- Retentions	4,063	3,731	-	-
	23,733	20,254	-	-
Non-trade receivables				
- Non-controlling shareholder of a subsidiary	6	6	-	-
- Subsidiaries	-	-	1,432	1,598
- Joint venture partner	6	34	-	19
- Non-related parties	138	228	1	1
	150	268	1,433	1,618
Less: Allowance for impairment of receivables	-	-	(949)	(1,097)
Non-trade receivables - net	150	268	484	521
Deposits	628	205	8	-
Prepayments	286	533	10	14
	28,500	28,446	7,831	15,506



(ii) Investments in subsidiaries:

The Company	
30 Jun 2011	31 Dec 2010
\$'000	\$'000
Equity investments at cost	
Beginning of financial period	15,448
Acquisition of non-controlling interest in a subsidiary	14,850
	-
End of financial period	598
Less: Allowance for impairment	15,448
	15,448
	(274)
	15,174

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			30 Jun 2011	31 Dec 2010
<u>Held by the Company</u>				
Or Kim Peow Contractors (Pte) Ltd	Business of road and building construction and maintenance	Singapore	100%	100%
Eng Lam Contractors Co. (Pte) Ltd	Business of road construction and maintenance	Singapore	100%	100%
OKP Technical Management Pte Ltd	Provision of technical management and consultancy services	Singapore	100%	100%
OKP Investments (China) Pte Ltd	Investment holding	Singapore	100%	100%
OKP (Oil & Gas) Infrastructure Pte Ltd	Business of carrying out civil engineering projects in respect of oil, petrochemical and gas related businesses in Singapore	Singapore	100%	100%
United Pavement Specialists Pte Ltd	Provision of rental services and investment holding	Singapore	55%	55%
OKP (CNMI) Corporation	Business of general construction	Saipan, Commonwealth of the Northern Mariana Islands	96%	96%
<u>Held by a subsidiary</u>				
United Pavement Specialists (CNMI) Corporation	Business of general construction, subcontractor	Saipan, Commonwealth of the Northern Mariana Islands	99%	99%



(iii) Investments in joint ventures:

Name of joint ventures	Principal activities	Country of incorporation	Equity holding	
			30 Jun 2011	31 Dec 2010

Held by the subsidiaries

CIF-OKP Construction and Development Pte Ltd	Design, construction and execution of urban developments (including road infrastructure)	Singapore	50%	50%
Forte Builder Pte Ltd	Business of general construction	Singapore	50%	50%

(1) CIF-OKP Construction and Development Pte Ltd ("CIF-OKP"), incorporated in Singapore on 1 December 2009, remained inactive as at 30 June 2011. CIF-OKP is a joint venture company of OKP Technical Management Pte Ltd ("OKPTM"), a wholly-owned subsidiary, and CIF Singapore Pte Ltd, a subsidiary of China Sonangol International Limited, with a share capital of \$100,000 consisting of 100 ordinary shares. OKPTM has a 50% equity interest at a cost of \$50,000 (2010: \$50,000) in CIF-OKP.

(2) On 8 December 2010, Or Kim Peow Contractors (Pte) Ltd ("OKPC"), a wholly-owned subsidiary, entered into a joint venture agreement with Soil-Build (Pte) Ltd ("SBPL"), incorporated in Singapore and a subsidiary of Soilbuild Group Holdings Ltd., to form a 50:50 joint venture company. On the same date, the joint venture company, Forte Builder Pte. Ltd. ("FBPL") was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKPC has a 50% equity interest at a cost of \$500,000 in FBPL. The principal activity of FBPL is the construction of the condominium housing development, comprising one (1) 36-storey block of 54 residential units at Angullia Park.

The following amounts represent the Group's 50% share of the assets, liabilities, income and expenses of the joint ventures which are included in the consolidated balance sheet and statement of comprehensive income using the line-by-line format of proportionate consolidation:

The Group	
30 Jun 2011	31 Dec 2010
\$'000	\$'000

Assets		
- Current assets	1,568	496
Liabilities		
- Current liabilities	(926)	-
Net assets	642	496
Revenue	2,926	-
Expenses	(2,742)	(4)
Profit before income tax	184	(4)
Income tax expense	(30)	-
Net profit	154	(4)
Operating cash inflows/(outflows), representing total cash outflows	122	(17)



(iv) Financial asset, held-to-maturity

The Group	
30 Jun 2011	31 Dec 2010
\$'000	\$'000

Unlisted debt securities

- Bonds with fixed interest of 2.22% and maturity date on 5 July 2013 - Singapore

1,000	1,000
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The fair value of the bonds at the balance sheet date based on available market or common reference prices provided by the bank is \$1,022,100 (2010: \$1,021,750).

(v) Financial asset, available-for-sale

The Group	
30 Jun 2011	31 Dec 2010
\$'000	\$'000

Beginning of financial period	726	-
Additions	-	745
Currency translation differences	(33)	(37)
Fair value gain recognised in other comprehensive income	18	18
End of financial period	<u>711</u>	<u>726</u>

Financial asset, available-for-sale is analysed as follows:

Unlisted debt securities

- Bonds with fixed interest of 7.875% without fixed maturity

711	726
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The fair value of the bond is based on available market or common reference prices provided by the bank.



(vi) Trade and other payables

	The Group		The Company	
	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	55,356	60,445	103	259
Non-trade payables				
- Subsidiaries	-	-	5,052	5,045
- Non-controlling shareholder of a subsidiary	459	647	-	-
- Joint venture partner	895	-	-	-
	1,354	647	5,052	5,045
Construction contracts				
- Advance received	1,189	-	-	-
Accrued operating expenses	11,697	17,206	2,290	3,672
Other payables	103	138	-	-
	<u>69,699</u>	<u>78,436</u>	<u>7,445</u>	<u>8,976</u>

The non-trade amounts due to subsidiaries and non-controlling shareholder of a subsidiary are unsecured, interest-free and repayable on demand.

(vii) Other reserves

	The Group		The Company	
	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000
Warrant reserve				
Beginning of financial period	433	618	433	618
Warrants exercised	(386)	(185)	(386)	(185)
End of financial period	47	433	47	433
Fair value reserve				
Beginning of financial period	15	-	-	-
Financial asset – available-for-sale				
-Fair value gain	18	18	-	-
-Tax on fair value	(3)	(3)	-	-
End of financial period	30	15	-	-
	<u>77</u>	<u>448</u>	<u>47</u>	<u>433</u>



Explanatory Notes:

(i) Current assets

Current assets decreased by \$2.4 million, from \$131.2 million as at 31 December 2010 to \$128.8 million as at 30 June 2011. The decrease was attributable to:

- (a) a decrease in cash and cash equivalents of approximately \$1.5 million. The decrease was due mainly to dividend payment to shareholders of approximately \$12.2 million, the purchase of new property, plant and equipment of \$2.9 million and the repayment of finance lease liabilities of \$0.5 million during the half year ended 30 June 2011, which was partially offset by the inflow of proceeds from the issuance of new shares arising from the exercise of warrants of \$7.7 million, cash generated from operations of \$6.1 million and the proceeds from the disposal of property, plant and equipment of \$0.3 million during the half year ended 30 June 2011; and
- (b) a decrease in construction contract works-in-progress of approximately \$0.9 million due mainly to lower unbilled amounts expected to be collected from customers for contract work performed up till 30 June 2011 as compared to 31 December 2010.

(ii) Non-current assets

The increase of \$1.3 million in non-current assets was due mainly to the addition of new property, plant and equipment to support the newly awarded projects.

(iii) Current liabilities

Current liabilities decreased by \$8.5 million, from \$82.8 million as at 31 December 2010 to \$74.3 million as at 30 June 2011. The decrease was due mainly to:

- (a) a decrease in trade payables and accrued operating expenses of approximately \$8.7 million following a reduction in work done as some of the existing projects were completed or were near completion as at 30 June 2011; and
- (b) a decrease in finance lease liabilities of \$0.1 million due to repayment during the half year ended 30 June 2011;

which were partially offset by:

- (c) an increase in current income tax liabilities of approximately \$0.4 million due to higher tax provision arising from higher profits generated in the half year ended 30 June 2011.

(iv) Non-current liabilities

Non-current liabilities decreased by \$0.2 million, from \$1.3 million as at 31 December 2010 to \$1.1 million as at 30 June 2011. The decrease was due mainly to the decrease in finance lease liabilities of \$0.4 million as these had been paid down, partially offset by the increase in deferred tax liabilities of \$0.2 million for the half year ended 30 June 2011.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, other reserves, retained profits and non-controlling interests, increased by \$7.7 million, from \$68.9 million as at 31 December 2010 to \$76.6 million as at 30 June 2011.

The increase was largely attributable to the increase in share capital of approximately \$8.1 million, which was partially offset by the decrease in warrants reserve of approximately \$0.4 million, resulting from the issuance of new shares upon the exercise of warrants during the half year ended 30 June 2011.



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 2011		As at 31 Dec 2010	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
770	-	898	-

(b) Amount repayable after one year

As at 30 Jun 2011		As at 31 Dec 2010	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
544	-	943	-

(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 and 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

Consolidated statements of cash flows

Note	The Group		The Group	
	Second Quarter ended 30 June		Half year ended 30 June	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Net profit	6,889	4,289	12,121	7,791
Adjustments for:				
- Income tax expense	1,448	907	2,611	1,638
- Depreciation of property, plant and equipment	757	619	1,426	1,209
- Gain on disposal of property, plant and equipment (net)	(123)	10	(164)	(1)
- Unrealised currency translation loss	19	-	33	-
- Interest income	(55)	(28)	(109)	(53)
- Finance expenses	26	38	62	76
Operating cash flow before working capital changes	8,961	5,835	15,980	10,660
Change in working capital				
- Trade and other receivables	(1,819)	(3,383)	(56)	(4,526)
- Construction contracts work-in-progress	610	(223)	940	200
- Trade and other payables	(9,363)	8,656	(8,734)	11,111
Cash (used in)/generated from operations	(1,611)	10,885	8,130	17,445
- Interest income	55	28	109	53
- Income tax paid	(1,267)	(1,055)	(2,112)	(1,760)
Net cash (used in)/provided by operating activities	(2,823)	9,858	6,127	15,738
Cash flows from investing activities				
- Additions to property, plant and equipment	(2,005)	(264)	(2,931)	(313)
- Disposal of property, plant and equipment	218	20	331	39
- Acquisition of minority interest in a subsidiary	-	(598)	-	(598)
Net cash used in investing activities	(1,787)	(842)	(2,600)	(872)
Cash flows from financing activities				
- Repayment of finance lease liabilities	(217)	(312)	(528)	(617)
- Finance expenses	(26)	(38)	(62)	(76)
- Proceeds from issuance of shares	4,568	1,101	7,717	3,459
- Dividend paid to shareholders	(12,174)	(7,937)	(12,174)	(7,937)
Net cash used in financing activities	(7,849)	(7,186)	(5,047)	(5,171)



Consolidated statements of cash flows (Cont'd)

Note	The Group		The Group	
	Second Quarter ended 30 June		Half year ended 30 June	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Net (decrease)/increase in cash and cash equivalents	(12,459)	1,830	(1,520)	9,695
Cash and cash equivalents at the beginning of the financial period	105,943	80,067	95,004	72,202
Cash and cash equivalents at the end of the financial period	93,484	81,897	93,484	81,897

Explanatory Notes:

- (i) Our Group generated net cash of \$6.1 million from operating activities in the half year ended 30 June 2011 as compared to \$15.7 million in the half year ended 30 June 2010. The decrease was due mainly to a lower net working capital inflow which was partially offset by higher operating profit before working capital changes generated in the half year ended 30 June 2011.

Net cash of \$2.6 million used in investing activities was due to the purchase of new property, plant and equipment which was partially offset by the proceeds received from the disposal of property, plant and equipment in the half year ended 30 June 2011.

Net cash of \$5.0 million used in financing activities in the half year ended 30 June 2011 included repayment of finance lease liabilities, interest payments and dividend payments to shareholders amounting to \$12.8 million which was partially offset by cash proceeds from the issuance of new shares upon the exercise of warrants.

Overall, cash and cash equivalents stood at \$93.5 million as at 30 June 2011, an increase of \$11.6 million, from \$81.9 million as at 30 June 2010. This works out to cash of 30.7 cents per share (based on 304,409,710 shares issued) as at 30 June 2011 as compared to 31.0 cents per share (based on 264,585,484 shares issued) as at 30 June 2010.

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

	The Group	
	30 Jun 2011	30 Jun 2010
	\$'000	\$'000
Cash at bank and on hand	6,180	10,679
Short-term bank deposits	92,376	76,712
	98,556	87,391
Short-term bank deposits pledged to banks	(5,072)	(5,494)
Cash and cash equivalents per consolidated statement of cash flows	93,484	81,897

Bank deposits of \$5,072,052 (2010: \$5,494,271) are pledged to banks for banking facilities of certain subsidiaries.



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	Warrants reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>							
As at 1 Jan 2011	27,885	433	15	40,674	69,007	(72)	68,935
Total comprehensive income for the period	-	-	4	5,235	5,235	(3)	5,236
Issue of new shares	3,306	(157)	-	-	3,149	-	3,149
As at 31 Mar 2011	31,191	276	19	45,909	77,395	(75)	77,320
Total comprehensive income for the period	-	-	11	6,891	6,902	(2)	6,900
Issue of new shares	4,797	(229)	-	-	4,568	-	4,568
Dividend relating to FY2010 paid	-	-	-	(12,174)	(12,174)	-	(12,174)
As at 30 Jun 2011	35,988	47	30	40,626	76,691	(77)	76,614
As at 1 Jan 2010	23,993	618	-	34,307	58,918	596	59,514
Total comprehensive income for the period	-	-	-	3,503	3,503	(1)	3,502
Issue of new shares	2,476	(118)	-	-	2,358	-	2,358
As at 31 Mar 2010	26,469	500	-	37,810	64,779	595	65,374
Total comprehensive income for the period	-	-	-	4,288	4,288	1	4,289
Issue of new shares	1,156	(55)	-	-	1,101	-	1,101
Dividend relating to FY2009 paid	-	-	-	(7,937)	(7,937)	-	(7,937)
Acquisition of minority interest in a subsidiary	-	-	-	-	-	(598)	(598)
As at 30 Jun 2010	27,625	445	-	34,161	62,231	(2)	62,229



Attributable to equity holders of the Company						
Share capital	Warrants reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Company

As at 1 Jan 2011	27,885	433	-	10,837	39,155	-	39,155
Total comprehensive income for the period	-	-	-	3,414	3,414	-	3,414
Issue of new shares	3,306	(157)	-	-	3,149	-	3,149
As at 31 Mar 2011	31,191	276	-	14,251	45,718	-	45,718
Total comprehensive income for the period	-	-	-	3,121	3,121	-	3,121
Issue of new shares	4,797	(229)	-	-	4,568	-	4,568
Dividend relating to FY2010 paid	-	-	-	(12,174)	(12,174)	-	(12,174)
As at 30 Jun 2011	35,988	47	-	5,198	41,233	-	41,233
As at 1 Jan 2010	23,993	618	-	8,759	33,370	-	33,370
Total comprehensive income for the period	-	-	-	19	19	-	19
Issue of new shares	2,476	(118)	-	-	2,358	-	2,358
As at 31 Mar 2010	26,469	500	-	8,778	35,747	-	35,747
Total comprehensive income for the period	-	-	-	3,090	3,090	-	3,090
Issue of new shares	1,156	(55)	-	-	1,101	-	1,101
Dividend relating to FY2009 paid	-	-	-	(7,937)	(7,937)	-	(7,937)
As at 30 Jun 2010	27,625	445	-	3,931	32,001	-	32,001



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 2011	265,823,335	27,884,776
Issue of new shares pursuant to exercise of warrants	15,744,750	3,148,950
Transfer from warrants reserve to share capital upon exercise of warrants	-	157,447
Balance as at 31 March 2011	281,568,085	31,191,173
Issue of new shares pursuant to exercise of warrants	22,841,625	4,568,325
Transfer from warrants reserve to share capital upon exercise of warrants	-	228,416
Balance as at 30 June 2011	304,409,710	35,987,914

The Company issued 61,822,852 warrants on 6 January 2010, of which 22,841,625 had been exercised by warrant holders at the exercise price of \$0.20 per share during the second quarter ended 30 June 2011. There were 4,704,550 and 44,528,776 outstanding warrants as at 30 June 2011 and 30 June 2010, respectively.

Except as mentioned above, there have been no changes in the issued share capital of the Company since 31 March 2011.

Under the Share Buy Back Mandate which was approved by the Shareholders on 20 April 2011, no shares were bought back by the Company during the second quarter ended 30 June 2011.

Except as mentioned above, there were no outstanding convertibles issued or treasury shares held by the Company as at 30 June 2010 and 30 June 2011.



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 2011	31 Dec 2010
Total number of issued shares (excluding treasury shares)	304,409,710	265,823,335

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 2010.

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 2011. 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:

Amendments to FRS 24 - Related party disclosures (effective for annual periods beginning on or after 1 January 2011)

Amendments to FRS 32 Financial instruments: Presentation – classification of right issues (effective for annual periods beginning on or after 1 February 2010)

The adoption of the above FRSs 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

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period:

	The Group			The Group		
	Second Quarter ended 30 Jun		Increase / (Decrease)	Half Year ended 30 Jun		Increase / (Decrease)
	2011	2010		2011	2010	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit attributable to equity holders of the Company(\$'000)	6,891	4,288	60.7	12,126	7,791	55.6
Weighted average number of ordinary shares outstanding for basic earnings per share	283,791,135	256,513,164	10.6	283,791,135	256,513,164	10.6
Basic earnings per share (cents)	2.43	1.67	45.5	4.27	3.04	40.5



Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted for the effects of all dilutive potential shares. The Company has warrants as potential dilutive ordinary shares.

	The Group			The Group		
	Second Quarter ended 30 Jun		Increase / (Decrease)	Half Year ended 30 Jun		Increase / (Decrease)
	2011	2010		2011	2010	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit attributable to equity holders of the Company(\$'000)	6,891	4,288	60.7	12,126	7,791	55.6
Weighted average number of ordinary shares outstanding for basic earnings per share	283,791,135	256,513,164	10.6	283,791,135	256,513,164	10.6
Adjustment for - warrants	3,195,069	26,090,360	(87.8)	3,195,069	26,090,360	(87.8)
	286,986,304	282,603,524	1.6	286,986,304	282,603,524	1.6
Diluted earnings per share (cents)	2.40	1.52	57.9	4.23	2.76	53.3

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 2011	As at 31 Dec 2010	As at 30 Jun 2011	As at 31 Dec 2010	The Group	The Company
Net tangible assets (\$'000)	75,003	67,319	41,233	39,155	11.4	5.3
Number of shares	304,409,710	265,823,335	304,409,710	265,823,335	14.5	14.5
NTA per share (cents)	24.64	25.32	13.55	14.73	(2.7)	(8.0)

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 2011 vs Half Year ended 30 Jun 2010)

	The Group					
	Current half year ended 30 Jun 2011		Previous half year ended 30 Jun 2010		Increase / (Decrease)	
	\$'000		\$'000		\$'000	%
Construction	52,105	85.2%	62,156	84.4%	(10,051)	(16.2)
Maintenance	9,035	14.8%	11,501	15.6%	(2,466)	(21.4)
Total Revenue	61,140	100.0%	73,657	100.0%	(12,517)	(17.0)

Revenue

Our Group recorded revenue of \$61.1 million in the half year ended 30 June 2011 as compared to \$73.7 million in the half year ended 30 June 2010 after recognising lower revenue contribution from both the construction and maintenance segments.

The decrease in revenue from both segments was due mainly to the completion and substantial completion of existing projects, coupled with a lower percentage of revenue recognised from a few newly-awarded projects during the half year ended 30 June 2011.

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 85.2% (2010: 84.4%) and 14.8% (2010: 15.6%) of our Group's revenue respectively for the half year ended 30 June 2011.

Gross profit and gross profit margin

Despite recording a lower revenue, our gross profit increased by \$7.5 million or 60.9% from \$12.4 million in the half year ended 30 June 2010 to \$19.9 million in the half year ended 30 June 2011.

Our gross profit margin improved from 16.8% in the half year ended 30 June 2010 to 32.6% in the half year ended 30 June 2011.

The increase in our gross profit was due mainly to cost savings in certain design-and-build construction projects which resulted in a higher gross profit margin. These high gross profit margin projects are non-recurrent as all our current projects are priced competitively in the light of the more aggressive pricing environment.

Other income

Other income increased by \$0.2 million or 172.9% from \$0.1 million for the half year ended 30 June 2010 to \$0.3 million for the half year ended 30 June 2011. The increase was due mainly to the increase in interest from bank deposits arising from higher cash and cash equivalents, interest earned from financial assets and gain on disposal of property, plant and equipment during the half year ended 30 June 2011.



Administrative expenses

Administrative expenses increased by \$2.4 million or 79.9% from \$3.0 million for the half year ended 30 June 2010 to \$5.4 million for the half year ended 30 June 2011. The increase was largely attributable to higher directors' remuneration (including profit sharing) and staff costs accrued as a result of the strong financial performance of the Group for the half year ended 30 June 2011.

Other expenses

Other expenses increased by \$77,000 or 855.6% due to a loss from foreign exchange resulting from the weakening of the US dollar against the Singapore dollar during the half year ended 30 June 2011.

Finance expenses

Finance expenses decreased marginally by \$14,000 due mainly to repayment of finance leases during the half year ended 30 June 2011.

Profit before income tax

Profit before income tax increased by \$5.3 million or 56.2% from \$9.4 million for the half year ended 30 June 2010 to \$14.7 million for the half year ended 30 June 2011. The increase was due mainly to an increase in gross profit of \$7.5 million and increase in other income of \$0.2 million and partially offset by an increase in administrative expenses of \$2.4 million, as explained above.

Income tax expense

Income tax expense increased by \$1.0 million or 59.4% from \$1.6 million for the half year ended 30 June 2010 to \$2.6 million for the half year ended 30 June 2011. The higher income tax expense was in line with higher profit before income tax, as explained above.

The effective tax rates for the half year ended 30 June 2011 of 17.7% and half year ended 30 June 2010 of 17.4% were comparable to the statutory tax rate of 17%.

Non-controlling interests

Non-controlling interests arose from the losses incurred by some subsidiaries during the half year ended 30 June 2011.

Net profit

Overall, for the half year ended 30 June 2011, net profit increased by \$4.3 million or 55.6% from \$7.8 million for the half year ended 30 June 2010 to \$12.1 million for the half year ended 30 June 2011 following the increase in profit before income tax of \$5.3 million which was partially offset by an increase in income tax expense of \$1.0 million, as explained above.

Our net profit margin increased from 10.6% for the half year ended 30 June 2010 to 19.8% for the half year ended 30 June 2011.



Income Statement Review (Second Quarter ended 30 Jun 2011 vs Second Quarter ended 30 Jun 2010)

	The Group					
	Current second quarter ended 30 Jun 2011		Previous second quarter ended 30 Jun 2010		Increase / (Decrease)	
	\$'000		\$'000		\$'000	%
Construction	24,115	85.2%	34,725	87.4%	(10,610)	(30.6)
Maintenance	4,181	14.8%	5,028	12.6%	(847)	(16.8)
Total Revenue	28,296	100.0%	39,753	100.0%	(11,457)	(28.8)

Revenue

Our Group recorded a decrease in revenue in the second quarter ended 30 June 2011 of \$11.5 million or 28.8% to \$28.3 million as compared to \$39.8 million in the second quarter ended 30 June 2010.

The decrease in revenue from both segments was due mainly to the completion and substantial completion of existing projects, coupled with a lower percentage of revenue recognised from a few newly-awarded projects in the second quarter ended 30 June 2011.

Gross profit and gross profit margin

Despite the lower revenue, our gross profit for the second quarter ended 30 June 2011 increased by \$4.6 million or 69.6% from \$6.6 million for the second quarter ended 30 June 2010 to \$11.2 million for the second quarter ended 30 June 2011.

Our gross profit margin increased from 16.5% in the second quarter ended 30 June 2010 to 39.4% in the second quarter ended 30 June 2011.

The increase in our gross profit was due mainly to cost savings in certain design-and-build construction projects which resulted in a higher gross profit margin during the second quarter ended 30 June 2011. These high gross profit margin projects are non-recurrent as all our current projects are priced competitively in the light of the more aggressive pricing environment.

Other income

Other income increased by \$0.2 million or 313.2% in the second quarter ended 30 June 2011. The increase was due mainly to the increase in interest from bank deposits arising from higher cash and cash equivalents, interest earned from financial assets and gain on disposal of property, plant and equipment during the second quarter ended 30 June 2011.



Administrative expenses

Administrative expenses increased by \$1.6 million or 112.7% from \$1.4 million for the second quarter ended 30 June 2010 to \$3.0 million for the second quarter ended 30 June 2011. The increase was largely attributable to higher directors' remuneration (including profit sharing) and staff costs accrued as a result of the strong financial performance of the Group for the second quarter ended 30 June 2011.

Other expenses

Other expenses increased by \$44,000 or 4,400.0% due to a loss from foreign exchange resulting from the weakening of the US dollar against the Singapore dollar during the second quarter ended 30 June 2011.

Finance expenses

Finance expenses decreased marginally by \$12,000 due to repayment of finance leases in the second quarter ended 30 June 2011.

Profit before income tax

Profit before income tax increased by \$3.1 million or 60.5% from \$5.2 million in the second quarter ended 30 June 2010 to \$8.3 million in the second quarter ended 30 June 2011. The increase was due mainly to an increase in gross profit of \$4.6 million and increase in other income of \$0.2 million and partially offset by an increase in administrative expenses of \$1.6 million, increase in other expenses of \$44,000 and increase in finance expenses of \$12,000, as explained above.

Income tax expense

The \$0.5 million increase in income tax expense from \$0.9 million for the second quarter ended 30 June 2010 to \$1.4 million for the second quarter ended 30 June 2011 was in line with the higher profit before income tax as explained above.

The effective tax rates for the second quarter ended 30 June 2011 of 17.3% and second quarter ended 30 June 2010 of 17.5% were comparable to the statutory tax rate of 17%.

Non-controlling interests

Non-controlling interests arose from the losses incurred by some subsidiaries during the second quarter ended 30 June 2011.

Net profit

Overall, for the second quarter ended 30 June 2011, net profit increased by \$2.6 million or 60.6% to \$6.9 million as compared to the second quarter ended 30 June 2010 following the increase in profit before income tax of \$3.1 million which was partially offset by an increase in income tax expense of \$0.5 million, as explained above.

Our net profit margin increased from 10.8% for the second quarter ended 30 June 2010 to 24.3% for the second quarter ended 30 June 2011.



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 14 July 2011, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 0.5% on a year-on-year basis in the second quarter of the year, down from 9.3% growth in the previous quarter. The construction sector grew by 1.6% on a year-on-year in the second quarter of 2011. We believe the outlook for the construction industry will remain positive and competitive for the next twelve months due to the strong pipeline of committed large public infrastructure projects such as the extension of MRT lines including the Downtown Line, Eastern Region Line, Thomson Line, and Tuas West Extension, and major road works such as the North South Highway .

Since the start of 2011, we have secured five public sector projects totalling approximately \$100.3 million. These include two projects from the Land Transport Authority, namely, a design-and-build project involving the interchange at Tampines Expressway(TPE)/Sengkang West Road/Seletar Aerospace Way worth \$61.7 million and one that involves the widening of Old Choa Chu Kang Road from Sungei Tengah Road to Lim Chu Kang Road worth \$28.5 million. The other three projects are from the Public Utilities Board, namely sewer extension works in Admiralty Road West, Andrew Avenue, Tung Po Avenue, Punggol Road and Cranwell Road worth \$4.2 million, improvement to roadside drains at Ang Mo Kio Avenue 3, Tembeling Road and Ewe Boon Road areas worth \$3.4 million and improvement to roadside drains at Jalan Ma'mor, Hua Guan Avenue and Outram Road areas worth \$2.5 million.

As at the date of this announcement, our order book based on secured contracts stands at approximately \$381.6 million, with some projects completing in 2014.

Going forward, we shall continue to focus on our traditional core business of construction and maintenance activities. In this respect, our steady track record, expertise and strengths as a niche transport infrastructure company in the construction industry will certainly hold us in good stead. Government contracts will continue to be a mainstay of our business, and we remain committed to building on our track record and reputation in this sector.

Over the years, we have broadened and deepened our expertise and we are ready to take on bigger challenges in the form of larger and more complex civil engineering projects that will generate higher revenue and profitability. This will also help to raise our company's profile in the construction industry. In addition, we are also looking to extend our civil engineering capabilities in the oil and gas sector.

Should the opportunity arise, we are open to expanding our business through acquisitions, joint ventures and strategic alliances that can complement our existing business. Our current financial strength enables us to explore larger projects and investments, either here or overseas.

We have consistently been selective in our tender participation over the years, taking up projects that promise a reasonable rate of return. Our management has and will always exercise a high degree of prudence both financially and in our business operations.



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per share	\$0.01
Tax rate	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per share	\$0.01
Tax rate	One-tier tax exempt

(c) Date payable

Payment of the said dividend will be made on 25 August 2011.

(d) Books closure date

The Share Transfer Book and Register of Members of the Company will be closed on 13 August 2011 for the preparation of dividend payment. Duly stamped and completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 pm on 12 August 2011 will be registered to determine shareholders' entitlements to the interim dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on 12 August 2011 will be entitled to the interim dividend.

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

Not applicable.



13. Use of proceeds

- (i) Placement of 13.6 million new ordinary shares at \$0.16821 for each share 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	1.15	1.05

The unutilised proceeds are deposited with a bank pending deployment.

- (ii) Placement of 15.0 million new ordinary shares at \$0.45 for each share 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 unutilised proceeds are deposited with a bank pending deployment.

- (iii) Issuance of 61,822,852 warrants at \$0.01 for each warrant completed in January 2010 raising net proceeds of \$0.62 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	0.62	-	0.62

The unutilised proceeds are deposited with a bank pending deployment.

- (iv) Exercise of 57,118,302 warrants at \$0.20 for each share as at 30 June 2011 raising net proceeds of \$11.42 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	11.42	-	11.42

The unutilised proceeds are deposited with a bank pending deployment.



14. Interested person transactions disclosure

Name of Interested Person	Aggregate value of all interested person transactions during three months ended 30 June 2011 (excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during three months ended 30 June 2011 conducted under shareholders' mandate pursuant to Rule 920
	\$'000	\$'000
Jimmy Leong and Elaine Or Lay Wah ^(a) - Provision of equipment and labour by the Group	20	Not applicable. The Company does not have a shareholders' mandate pursuant to Rule 920.
Proj.B Studio ^(b) - Provision of professional services to the Group	1	Not applicable. The Company does not have a shareholders' mandate pursuant to Rule 920.

Notes:

- (a) Mr Jimmy Leong and Mdm Elaine Or Lay Wah, are respectively the son-in-law and daughter of Mr Or Kim Peow, the Group Chairman of OKP Holdings Limited.
- (b) Proj.B Studio is a business owned by Ms Biyi Oh, who is the daughter of Mr Oh Enc Nam, the Executive Director of OKP Holdings Limited.

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 second quarter and half year ended 30 June 2011 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
25 July 2011