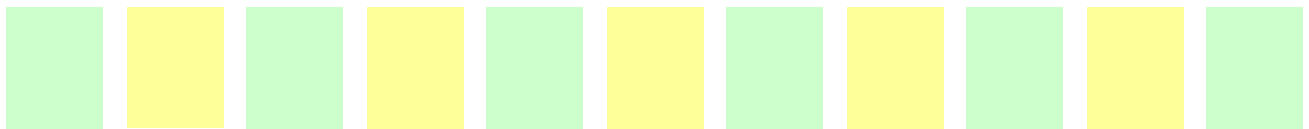




OKP HOLDINGS LIMITED

胡金標控股有限公司

**Full Year Financial
Statement and Dividend
Announcement for the year ended
31 December 2011**



15 February 2012

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Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 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		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2011	2010		2011	2010	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	23,200	29,600	(21.6)	109,817	139,856	(21.5)
Cost of works	(8,174)	(19,599)	(58.3)	(66,607)	(110,363)	(39.6)
Gross profit	15,026	10,001	50.2	43,210	29,493	46.5
Other income	335	548	(38.9)	1,017	887	14.7
Expenses						
- Administrative	(3,735)	(4,966)	(24.8)	(11,926)	(9,630)	23.8
- Other	(31)	(64)	(51.6)	(37)	(158)	(76.6)
- Finance	(26)	(37)	(29.7)	(114)	(151)	(24.5)
Profit before income tax	11,569	5,482	111.0	32,150	20,441	57.3
Income tax expense	(2,065)	(906)	127.9	(5,640)	(3,559)	58.5
Net profit	9,504	4,576	107.7	26,510	16,882	57.0
Gross profit margin	64.8%	33.8%		39.3%	21.1%	
Net profit margin	41.0%	15.5%		24.1%	12.1%	
Effective tax rate	17.8%	16.5%		17.5%	17.4%	
Net profit attributable to:						
Equity holders of the Company	9,545	4,646	105.4	26,559	16,952	56.7
Non-controlling interests	(41)	(70)	(41.4)	(49)	(70)	(30.0)
	9,504	4,576	107.7	26,510	16,882	57.0



(i) Consolidated Statement of comprehensive income for the fourth quarter and financial year ended 31 December 2011

	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2011	2010		2011	2010	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit	9,504	4,576	107.7	26,510	16,882	57.0
Other comprehensive income:						
Financial asset, available-for-sale						
- Fair value gain/(loss), net of tax	12	15	(20.0)	(26)	15	(273.3)
Total comprehensive income	9,516	4,591	107.3	26,484	16,897	56.7
Total comprehensive income attributable to:						
Equity holders of the Company	9,557	4,661	105.0	26,533	16,967	56.4
Non-controlling interests	(41)	(70)	(41.4)	(49)	(70)	(30.0)
	9,516	4,591	107.3	26,484	16,897	56.7



(ii) Additional disclosures

Profit before income tax was arrived at:

	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2011	2010		2011	2010	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging</u>						
Non-audit fee paid to the auditors of the Company	11	5	120.0	28	19	47.4
Depreciation of property, plant and equipment	98	182	(46.2)	384	351	9.4
Directors' remuneration						
- Directors of the Company	2,641	3,575	(26.1)	7,349	5,097	44.2
- Other Directors	95	90	5.6	468	400	17.0
Directors' fee	45	45	-	180	180	-
Interest paid and payable						
- Finance lease liabilities	26	37	(29.7)	114	151	(24.5)
Loss on foreign exchange	1	27	(96.3)	7	158	(95.6)
Loss on disposal of property, plant and equipment	1	-	n.m.	1	10	(90.0)
Property, plant and equipment written off	37	-	n.m.	37	-	n.m.
Employees compensation cost	460	447	2.9	1,807	1,591	13.6
Currency translation differences arise from debt securities investment	-	37	n.m.	-	37	n.m.
Preliminary expenses written off	2	-	n.m.	2	-	n.m.
<u>After crediting</u>						
Interest income						
- Bank deposits	55	30	83.3	176	111	58.6
- Financial assets, held-to-maturity	5	6	(16.7)	21	12	75.0
- Financial asset, available-for-sale	14	14	-	53	23	130.4
Gain on disposal of property, plant and equipment	103	39	164.1	309	76	306.6
Rental income from an investment property	12	11	9.1	45	41	9.8
Currency translation differences arise from debt securities investment	-	-	-	8	-	n.m.
Government grant	85	-	n.m.	140	93	50.5
Fair value gain on an investment property	150	300	(50.0)	150	300	(50.0)
Gain on foreign exchange	3	1	200.0	18	1	1700.00
<u>Included in the cost of works are the following</u>						
Depreciation of property, plant and equipment	740	745	(0.7)	2,672	2,468	8.3
Employees compensation cost	4,935	5,030	(1.9)	19,479	18,308	6.4

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

Tax expense attributable to profit is made up of:

- Profit from current financial year:

Current income tax - Singapore
Deferred income tax

5,400	3,414
229	44
5,629	3,458

- Under/(over) provision in prior financial years:

Current income tax - Singapore
Deferred income tax

11	(80)
-	181
11	101

5,640	3,559
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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		31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
	Cash and cash equivalents	92,524	100,074	21,544	14,103
i	Trade and other receivables	29,433	28,446	12,949	15,506
	Construction contract work-in-progress	2,138	2,681	-	-
		124,095	131,201	34,493	29,609
Non-current assets					
ii	Investments in subsidiaries	-	-	15,674	15,174
iii	Investments in joint ventures	-	-	-	-
iv	Investment property	1,650	1,500	-	-
v	Financial assets, held-to-maturity	1,500	1,000	-	-
vi	Financial asset, available-for-sale	708	726	-	-
	Property, plant and equipment	18,693	16,996	5,354	3,449
	Intangible asset	1,688	1,688	-	-
		24,239	21,910	21,028	18,623
	Total assets	148,334	153,111	55,521	48,232
LIABILITIES					
Current liabilities					
vii	Trade and other payables	52,976	78,436	11,090	8,976
	Finance lease liabilities	647	898	-	-
	Current income tax liabilities	5,525	3,506	79	101
		59,148	82,840	11,169	9,077
Non-current liabilities					
	Finance lease liabilities	482	943	-	-
	Deferred income tax liabilities	622	393	-	-
		1,104	1,336	-	-
	Total liabilities	60,252	84,176	11,169	9,077
	NET ASSETS	88,082	68,935	44,352	39,155
EQUITY					
Capital and reserves attributable to equity holders of the Company					
vii	Share capital	36,163	27,885	36,163	27,885
	Other reserves	28	448	39	433
	Retained profits	52,012	40,674	8,150	10,837
		88,203	69,007	44,352	39,155
	Non-controlling interests	(121)	(72)	-	-
	Total equity	88,082	68,935	44,352	39,155
	Net tangible assets	86,515	67,319	44,352	39,155



Notes to Statements of Financial Position:

(i) Trade and other receivables

	The Group		The Company	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	4,746	7,186	-	-
- Subsidiaries	-	-	13,431	15,502
	4,746	7,186	13,431	15,502
Less: Allowance for impairment of receivables	-	-	(531)	(531)
Trade receivables – net	4,746	7,186	12,900	14,971
Construction contracts				
- Due from customers	17,524	16,523	-	-
- Retentions	4,811	3,731	-	-
	22,335	20,254	-	-
Non-trade receivables				
- Non-controlling shareholder of a subsidiary	6	6	-	-
- Subsidiaries	-	-	1,467	1,598
- Joint venture partners	187	34	19	19
- Non-related parties	413	228	1	1
	606	268	1,487	1,618
Less: Allowance for impairment of receivables	-	-	(1,459)	(1,097)
Non-trade receivables - net	606	268	28	521
Deposits	1,149	205	8	-
Prepayments	597	533	13	14
	29,433	28,446	12,949	15,506

(ii) Investments in subsidiaries

	The Company	The Company
	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
Equity investments at cost		
Beginning of financial year	15,448	14,850
Incorporation of a subsidiary	500	-
Acquisition of non-controlling interest in a subsidiary	-	598
End of financial year	15,948	15,448
Less: Allowance for impairment	(274)	(274)
	15,674	15,174



Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			31 Dec 2011	31 Dec 2010

Held by the Company

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 Land Pte Ltd	Investment holding and property development	Singapore	100%	-
OKP (CNMI) Corporation ^(a)	Business of general construction	Saipan, Commonwealth of the Northern Mariana Islands	96%	96%

Held by a subsidiary

United Pavement Specialists (CNMI) Corporation ^(a)	Business of general construction, subcontractor	Saipan, Commonwealth of the Northern Mariana Islands	99%	99%
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(a) Currently under liquidation



(iii) Investments in joint ventures

Name of joint ventures	Principal activities	Country of incorporation	Equity holding	
			31 Dec 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 31 December 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	The Group
	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
Assets		
- Current assets	2,717	496
Liabilities		
- Current liabilities	(1,941)	-
Net assets	776	496
Revenue	4,981	-
Expenses	(4,667)	(4)
Profit before income tax	314	(4)
Income tax expense	(38)	-
Net profit	276	(4)
Operating cash inflows/(outflows), representing total cash outflows	164	(17)



(iv) Investment property

	The Company	The Company
	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
Beginning of financial year	1,500	1,200
Fair value gain recognised in profit and loss	150	300
End of financial year	<u>1,650</u>	<u>1,500</u>

(v) Financial assets, held-to-maturity

	The Group	The Group
	31 Dec 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
- Bonds with fixed interest of 4.3% and maturity date on 9 November 2016 - Singapore	500	-
	<u>1,500</u>	<u>1,000</u>

The fair value of the bonds at the balance sheet date based on available market or common reference prices provided by the bank is \$1,511,904 (2010: \$1,021,750).



(vi) Financial asset, available-for-sale

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

Beginning of financial year	726	-
Additions	-	745
Currency translation differences	8	(37)
Fair value (loss)/gain recognised in other comprehensive income	(26)	18
End of financial year	<u>708</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	708	726
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The fair value of the unlisted debt securities is based on available market or common reference prices provided by the bank.



(vii) Trade and other payables

	The Group	The Group	The Company	The Company
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	35,062	60,445	209	259
- Joint venture partner	1,888	-	-	-
	36,950	60,445	209	259
Non-trade payables				
- Subsidiaries	-	-	5,136	5,045
- Non-controlling shareholder of a subsidiary	459	647	-	-
- Joint venture partner	25	-	-	-
	484	647	5,136	5,045
Construction contracts				
- Advance received	2,191	-	-	-
Accrued operating expenses	13,296	17,206	5,745	3,672
Other payables	55	138	-	-
	52,976	78,436	11,090	8,976

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 Group	The Company	The Company
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000
Warrant reserve				
Beginning of financial year	433	618	433	618
Warrants exercised	(394)	(185)	(394)	(185)
End of financial year	39	433	39	433
Fair value reserve				
Beginning of financial year	15	-	-	-
Financial asset – available-for-sale				
-Fair value (loss)/gain	(26)	18	-	-
-Tax on fair value	-	(3)	-	-
End of financial year	(11)	15	-	-
	28	448	39	433



Explanatory Notes:

(i) Current assets

Current assets decreased by \$7.1 million, from \$131.2 million as at 31 December 2010 to \$124.1 million as at 31 December 2011. The decrease was attributable to:

- (a) a decrease in cash and cash equivalents of approximately \$7.6 million. The decrease was due mainly to dividend payment to shareholders of approximately \$15.2 million, the purchase of new property, plant and equipment of \$4.8 million, the purchase of financial asset, held-to-maturity for \$0.5 million and the repayment of finance lease liabilities and interest payments of \$1.1 million during the financial year ended 31 December 2011 ("FY2011"), which was partially offset by the inflow of proceeds from the issuance of new shares arising from the exercise of warrants of \$7.9 million, cash generated from operations of \$5.6 million and the proceeds from the disposal of property, plant and equipment of \$0.5 million during FY2011; and
- (b) a decrease in construction contract work-in-progress of approximately \$0.5 million due mainly to lower unbilled amounts expected to be collected from customers for contract work performed up till 31 December 2011 as compared to 31 December 2010;

which were partially offset by:

- (c) a decrease in trade and other receivables of approximately \$1.0 million following the lower revenue recognised in FY2011.

(ii) Non-current assets

Non-current assets increased by \$2.3 million, from \$21.9 million as at 31 December 2010 to \$24.2 million as at 31 December 2011. The increase was attributable to:

- (a) the purchase of financial asset, held-to-maturity for \$0.5 million during FY2011;
- (b) the fair value gain of approximately \$0.1 million arising from the revaluation of an investment property in FY2011; and
- (c) an increase in property, plant and equipment of \$1.7 million resulting from the purchase of new plant and equipment, which was partially offset by depreciation and disposal of property, plant and equipment during FY2011.

(iii) Current liabilities

Current liabilities decreased by \$23.7 million, from \$82.8 million as at 31 December 2010 to \$59.1 million as at 31 December 2011. The decrease was due mainly to:

- (a) a decrease in trade and other payables of approximately \$25.5 million following a reduction in work done as some of the existing projects were completed or were near completion as at 31 December 2011; and
- (b) a decrease in finance lease liabilities of \$0.2 million due to repayment during FY2011.

which were partially offset by:

- (c) an increase in current income tax liabilities of approximately \$2.0 million due to higher tax provision arising from higher profits generated in FY2011.

(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 31 December 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 FY2011.



(v) Shareholders' equity

Shareholders' equity, comprising share capital, other reserves, retained profits and non-controlling interests, increased by \$19.1 million, from \$68.9 million as at 31 December 2010 to \$88.0 million as at 31 December 2011. The increase was largely attributable to:

- (a) the profit generated from operations of approximately \$26.5 million in FY2011; and
- (b) the increase in share capital of approximately \$8.3 million which was partially offset by the decrease in warrants reserve of approximately \$0.4 million, resulting from the issuance of new shares arising from the exercise of warrants during FY2011;

which were partially offset by:

- (c) the dividend payments to shareholders of approximately \$15.2 million during FY2011; and
- (d) the decrease in non-controlling interests of approximately \$0.1 million arising from the losses from some of the subsidiaries during FY2011.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

- (a) Amount repayable in one year or less, or on demand

As at 31 Dec 2011		As at 31 Dec 2010	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
647	-	898	-

- (b) Amount repayable after one year

As at 31 Dec 2011		As at 31 Dec 2010	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
482	-	943	-

- (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 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	
	Fourth Quarter ended 31 Dec		Financial Year ended 31 Dec	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Net profit	9,504	4,576	26,510	16,882
Adjustments for:				
- Income tax expense	2,065	906	5,640	3,559
- Depreciation of property, plant and equipment	838	927	3,056	2,819
- Gain on disposal of property, plant and equipment (net)	(65)	(39)	(271)	(66)
- Unrealised currency translation gain	-	37	(8)	37
- Fair value gain on an investment property	(150)	(300)	(150)	(300)
- Interest income	(74)	(50)	(250)	(146)
- Finance expenses	26	37	114	151
Operating cash flow before working capital changes	12,144	6,094	34,641	22,936
Change in working capital				
- Trade and other receivables	(1,563)	2,131	(994)	(1,825)
- Construction contracts work-in-progress	(266)	(897)	543	(779)
- Trade and other payables	(12,748)	3,577	(25,460)	21,346
Cash (used in)/ generated from operations	(2,433)	10,905	8,730	41,678
- Interest income	55	30	176	111
- Income tax paid	(40)	81	(3,392)	(2,736)
Net cash (used in)/provided by operating activities	(2,418)	11,016	5,514	39,053
Cash flows from investing activities				
- Additions to property, plant and equipment	(409)	(1,536)	(4,784)	(6,408)
- Disposal of property, plant and equipment	149	614	533	680
- Purchase of financial asset, held-to-maturity	(500)	-	(500)	(1,000)
- Purchase of financial asset, available-for-sale	-	-	-	(745)
- Acquisition of non-controlling interest in a subsidiary	-	-	-	(598)
- Interest received	19	20	74	35
Net cash used in investing activities	(741)	(902)	(4,677)	(8,036)



Consolidated statements of cash flows (Cont'd)

Note	The Group		The Group	
	Fourth Quarter ended 31 Dec		Financial Year ended 31 Dec	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Cash flows from financing activities				
- Repayment of finance lease liabilities	(208)	(301)	(943)	(1,234)
- Finance expenses	(26)	(37)	(114)	(151)
- Proceeds from issuance of shares	101	199	7,884	3,706
- Dividends paid to shareholders	-	-	(15,221)	(10,585)
Net cash used in financing activities	(133)	(139)	(8,394)	(8,264)
Net (decrease)/increase in cash and cash equivalents	(3,292)	9,975	(7,557)	22,753
Cash and cash equivalents at the beginning of the financial period/year	90,740	85,030	95,005	72,252
Cash and cash equivalents at the end of the financial period/year	87,448	95,005	87,448	95,005

Explanatory Notes:

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

	The Group	The Group
	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
Cash at bank and on hand	29,842	12,684
Short-term bank deposits	62,682	87,390
	92,524	100,074
Short-term bank deposits pledged to banks	(5,076)	(5,069)
Cash and cash equivalents per consolidated statement of cash flows	87,448	95,005

Bank deposits of \$5,076,142 (2010: \$5,069,000) are pledged to banks for banking facilities of certain subsidiaries.



(ii) **Review of Cash Flows for FY2011**

Net cash provided from operating activities

Our Group provided net cash of \$5.5 million from operating activities in FY2011 as compared to \$39.1 million in FY2010. The decrease was due mainly to a lower net working capital outflow which was partially offset by higher operating profit before working capital changes generated in FY2011.

Net cash used in investing activities

Net cash of \$4.7 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 and interest earned from financial assets in FY2011.

Net cash used in financing activities

Net cash of \$8.4 million used in financing activities in FY2011 included repayment of finance lease liabilities, interest payments and dividend payments to shareholders amounting to \$16.3 million which was partially offset by cash proceeds from the issuance of new shares upon the exercise of warrants.

Overall, free cash and cash equivalents stood at \$87.4 million as at 31 December 2011, a decrease of \$7.6 million, from \$95.0 million as at 31 December 2010. This works out to cash of 28.6 cents per share (based on 305,244,585 shares issued) as at 31 December 2011 as compared to 35.7 cents per share (based on 265,823,335 shares issued) as at 31 December 2010.

(iii) **Review of Cash Flows for fourth quarter ended 31 December 2011**

Net cash provided from operating activities

Our Group's net cash used in operating activities for the fourth quarter ended 31 December 2011 was \$2.4 million as compared with net cash provided by operating activities for the fourth quarter ended 31 December 2010 of \$11.0 million. The decrease was due mainly to net working capital outflow of approximately \$13.3 million resulting mainly from a decrease in trade and other payables and construction contracts work-in-progress and an increase in trade and other receivables.

Net cash used in investing activities

Net cash of \$0.7 million used in investing activities for the fourth quarter ended 31 December 2011, compared with \$0.9 million for the fourth quarter ended 31 December 2010, was mainly for the purchase of new property, plant and equipment to support the newly awarded projects. The outflows for both quarters were partly offset by the proceeds received from the disposal of property, plant and equipment.

Net cash used in financing activities

The net cash used in financing activities maintained at \$0.1 million for the fourth quarters ended 31 December 2011 and 31 December 2010. Repayment of finance lease liabilities and interest payments of \$0.2 million in the fourth quarter ended 31 December 2011, compared with \$0.3 million in the fourth quarter ended 31 December 2010. The outflows were partially offset by cash proceeds from the issuance of new shares upon the exercise of warrants.



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

The Group

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	5,239	(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
Final 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
Total comprehensive income for the period	-	-	(53)	4,888	4,835	(3)	4,832
Issue of new shares	69	(3)	-	-	66	-	66
Interim dividend relating to FY2011 paid	-	-	-	(3,047)	(3,047)	-	(3,047)
As at 30 Sep 2011	36,057	44	(23)	42,467	78,545	(80)	78,465
Total comprehensive income for the period	-	-	12	9,545	9,557	(41)	9,516
Issue of new shares	106	(5)	-	-	101	-	101
As at 31 Dec 2011	36,163	39	(11)	52,012	88,203	(121)	88,082



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 Group

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
Final dividend relating to FY2009 paid	-	-	-	(7,937)	(7,937)	-	(7,937)
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	-	(598)	(598)
As at 30 Jun 2010	27,625	445	-	34,161	62,231	(2)	62,229
Total comprehensive income for the period	-	-	-	4,515	4,515	-	4,515
Issue of new shares	50	(2)	-	-	48	-	48
Interim dividend relating to FY2010 paid	-	-	-	(2,648)	(2,648)	-	(2,648)
As at 30 Sep 2010	27,675	443	-	36,028	64,146	(2)	64,144
Total comprehensive income for the period	-	-	15	4,646	4,661	(70)	4,591
Issue of new shares	210	(10)	-	-	200	-	200
As at 31 Dec 2010	27,885	433	15	40,674	69,007	(72)	68,935



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
Final 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
Total comprehensive income for the period	-	-	-	80	80	-	80
Issue of new shares	69	(3)	-	-	66	-	66
Interim dividend relating to FY2011 paid	-	-	-	(3,047)	(3,047)	-	(3,047)
As at 30 Sep 2011	36,057	44	-	2,231	38,332	-	38,332
Total comprehensive income for the period	-	-	-	5,919	5,919	-	5,919
Issue of new shares	106	(5)	-	-	101	-	101
As at 31 Dec 2011	36,163	39	-	8,150	44,352	-	44,352



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 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
Final 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
Total comprehensive income for the period	-	-	-	30	30	-	30
Issue of new shares	50	(2)	-	-	48	-	48
Interim dividend relating to FY2010 paid	-	-	-	(2,648)	(2,648)	-	(2,648)
As at 30 Sep 2010	27,675	443	-	1,313	29,431	-	29,431
Total comprehensive income for the period	-	-	-	9,524	9,524	-	9,524
Issue of new shares	210	(10)	-	-	200	-	200
As at 31 Dec 2010	27,885	433	-	10,837	39,155	-	39,155



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
Issue of new shares pursuant to exercise of warrants	329,875	65,975
Transfer from warrants reserve to share capital upon exercise of warrants	-	3,299
Balance as at 30 September 2011	304,739,585	36,057,188
Issue of new shares pursuant to exercise of warrants	505,000	101,000
Transfer from warrants reserve to share capital upon exercise of warrants	-	5,050
Balance as at 31 December 2011	305,244,585	36,163,238



The Company issued 61,822,852 warrants on 6 January 2010, of which 505,000 had been exercised by warrant holders at the exercise price of \$0.20 per share during the fourth quarter ended 31 December 2011. There were 3,869,675 and 43,290,925 outstanding warrants as at 31 December 2011 and 31 December 2010, respectively.

Except as mentioned above, there have been no changes in the issued share capital of the Company since 30 September 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 fourth quarter ended 31 December 2011.

Except as mentioned above, there were no outstanding convertibles issued or treasury shares held by the Company as at 31 December 2010 and 31 December 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

	31 Dec 2011	31 Dec 2010
Total number of issued shares (excluding treasury shares)	305,244,585	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 year 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 year/period:

	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase / (Decrease)	Financial Year ended 31 Dec		Increase / (Decrease)
	2011	2010		2011	2010	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit attributable to equity holders of the Company(\$'000)	9,545	4,646	105.4	26,559	16,952	56.7
Weighted average number of ordinary shares outstanding for basic earnings per share	294,406,934	260,786,150	12.9	294,406,934	260,786,150	12.9
Basic earnings per share (cents)	3.24	1.78	82.0	9.02	6.50	38.8



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		
	Fourth Quarter ended 31 Dec		Increase / (Decrease)	Financial Year ended 31 Dec		Increase / (Decrease)
	2011	2010		2011	2010	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit attributable to equity holders of the Company(\$'000)	9,545	4,646	105.4	26,559	16,952	56.7
Weighted average number of ordinary shares outstanding for basic earnings per share	294,406,934	260,786,150	12.9	294,406,934	260,786,150	12.9
Adjustment for - warrants	2,564,374	25,829,039	(90.1)	2,564,374	25,829,039	(90.1)
	296,971,308	286,615,189	3.6	296,971,308	286,615,189	3.6
Diluted earnings per share (cents)	3.21	1.62	98.1	8.94	5.91	51.3



7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares, of the issuer at the end of the**
(a) current period reported on and
(b) immediately preceding financial year

	The Group		The Company		Increase / (Decrease) %	
	As at 31 Dec 2011	As at 31 Dec 2010	As at 31 Dec 2011	As at 31 Dec 2010	The Group	The Company
Net tangible assets (\$'000)	86,515	67,319	44,352	39,155	28.5	13.3
Number of shares	305,244,585	265,823,335	305,244,585	265,823,335	14.8	14.8
NTA per share (cents)	28.34	25.32	14.53	14.73	11.2	(1.4)

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 and gas-related infrastructure for petrochemical plants and oil storage terminals as well as the maintenance of roads and road-related facilities and building construction-related works.

We have two core business segments: Construction and Maintenance.



Income Statement Review (Current financial year ended 31 December 2011 vs previous financial year ended 31 December 2010)

	The Group					
	Current financial year ended 31 December 2011		Previous financial year ended 31 December 2010		Increase / (Decrease)	
	\$'000		\$'000		\$'000	%
Construction	90,226	82.2%	115,977	82.9%	(25,751)	(22.2)
Maintenance	19,591	17.8%	23,879	17.1%	(4,288)	(18.0)
Total Revenue	109,817	100.0%	139,856	100.0%	(30,039)	(21.5)

Revenue

Our Group registered a revenue of \$109.8 million for FY2011 compared to \$139.9 million recorded in the previous corresponding year ("FY2010").

The decrease in revenue from both construction and maintenance segments was due mainly to the higher degree of completion of existing projects, coupled with a lower percentage of revenue recognised from a few newly-awarded projects in FY2011.

The construction segment continued to be the major contributor to our Group's revenue. On a segmental basis, our construction segment and maintenance segment accounted for 82.2% (2010: 82.9%) and 17.8% (2010: 17.1%) of our Group's revenue respectively for FY2011.

Gross profit and gross profit margin

Despite recording lower revenue, our gross profit increased by \$13.7 million, or 46.5%, from \$29.5 million for FY2010 to \$43.2 million for FY2011.

Our gross profit margin improved from 21.1% in FY2010 to 39.3% in FY2011.

The increase in our gross profit was due mainly to cost savings in certain construction projects which yielded higher gross profit margins. These were mainly due to better project management such as proper site planning, detailed planning in the construction processes, effective site management, and tighter cost controls, including minimising construction material wastage at site and employing effective methodologies in every stage of construction. In addition, certain design-and-build projects that gave us the autonomy and flexibility in design, project management and labour management helped to boost margins further.

Other income

Other income increased by \$0.1 million or 14.7% from \$0.9 million in FY2010 to \$1.0 million in FY2011. The increase was due mainly to the increase in interest from bank deposits arising from higher interest rates earned (2011: 0.10% per annum to 0.30% per annum vs 2010: 0.06% per annum to 0.20% per annum), interest earned from current account, interest earned from financial assets and gain on disposal of property, plant and equipment during FY2011.



Administrative expenses

Administrative expenses increased by \$2.3 million or 23.8% from \$9.6 million for FY2010 to \$11.9 million for FY2011. 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 FY2011.

Other expenses

Other expenses of \$37,000 related to fixed assets written off during FY2011.

Finance expenses

Finance expenses decreased marginally by \$37,000 due mainly to repayment of finance leases during FY2011.

Profit before income tax

Profit before income tax increased by \$11.7 million or 57.3% from \$20.4 million for FY2010 to \$32.1 million for FY2011. The increase was due mainly to an increase in gross profit of \$13.7 million, increase in other income of \$0.1 million, decrease in other expenses of \$0.1 million and decrease in finance expenses of \$0.1 million, which were partially offset by an increase in administrative expenses of \$2.3 million, as explained above.

Income tax expense

Income tax expense increased by \$2.1 million or 58.5% from \$3.5 million for FY2010 to \$5.6 million for FY2011. The higher income tax expense was in line with higher profit before income tax, as explained above.

The effective tax rates for FY2010 of 17.4% and FY2011 of 17.5% were comparable to the statutory tax rate of 17.0%.

Non-controlling interests

Non-controlling interests arose from the losses incurred by some subsidiaries for FY2011.

Net profit

Our Group reported a record high net profit of \$26.5 million for FY2011. Net profit increased by \$9.6 million or 57.0% from \$16.9 million for FY2010 to \$26.5 million for FY2011 following the increase in profit before income tax of \$11.7 million which was partially offset by an increase in income tax expense of approximately \$2.1 million, as explained above.

Our net profit margin increased from 12.1% for FY2010 to 24.1% for FY2011.



Income Statement Review (Fourth Quarter ended 31 December 2011 vs Fourth Quarter ended 31 December 2010)

	The Group					
	Current fourth quarter ended 31 Dec 2011		Previous fourth quarter ended 31 Dec 2010		Increase / (Decrease)	
	\$'000		\$'000		\$'000	%
Construction	17,183	74.1%	23,353	78.9%	(6,170)	(26.4)
Maintenance	6,017	25.9%	6,247	21.1%	(230)	(3.7)
Total Revenue	23,200	100.0%	29,600	100.0%	(6,400)	(21.6)

Revenue

Our Group's revenue was \$23.2 million in the fourth quarter ended 31 December 2011 compared to \$29.6 million in the fourth quarter ended 31 December 2010.

The decrease in revenue from both segments was due mainly to the higher degree of completion of existing projects, coupled with a lower percentage of revenue recognised from a few newly-awarded projects in the fourth quarter ended 31 December 2011.

Gross profit and gross profit margin

Despite the lower revenue, our gross profit for the fourth quarter ended 31 December 2011 increased by \$5.0 million or 50.2% from \$10.0 million for the fourth quarter ended 31 December 2010 to \$15.0 million for the fourth quarter ended 31 December 2011.

Our gross profit margin increased from 33.8% in the fourth quarter ended 31 December 2010 to 64.8% in the fourth quarter ended 31 December 2011.

Variation orders on a few projects, as well as some existing design-and-build projects that gave us the autonomy and flexibility in design, project management and labour management, helped to boost our gross profit margin in the fourth quarter ended 31 December 2011 as compared to the previous corresponding period. The relatively high profit margin also reflected the success of our continuous cost control efforts in the fourth quarter ended 31 December 2011. These include proper site planning, detailed planning in the construction processes, effective site management, and tighter cost controls including minimising construction material wastage at site and employing effective methodologies in every stage of construction.

Other income

Other income decreased by \$0.2 million or 38.9% in the fourth quarter ended 31 December 2011. The decrease was due mainly to decrease in the fair value gain on an investment property in the fourth quarter ended 31 December 2011.



Administrative expenses

Administrative expenses decreased by \$1.2 million or 24.8% from \$4.9 million for the fourth quarter ended 31 December 2010 to \$3.7 million for the fourth quarter ended 31 December 2011. The decrease was largely attributable to lower directors' remuneration (including profit sharing) accrued for the fourth quarter ended 31 December 2011. In financial year ended 31 December 2010, the total profit sharing amount was only accrued in the fourth quarter ended 31 December 2010.

Other expenses

Other expenses of \$31,000 related to fixed assets written off during the fourth quarter ended 31 December 2011.

Finance expenses

Finance expenses decreased marginally by \$11,000 due to repayment of finance leases in the fourth quarter ended 31 December 2011.

Profit before income tax

Profit before income tax increased by \$6.1 million or 111.0% from \$5.5 million in the fourth quarter ended 31 December 2010 to \$11.6 million in the fourth quarter ended 31 December 2011. The increase was due mainly to an increase in gross profit of \$5.0 million, decrease in administrative expenses of \$1.2 million, decrease in other expenses of \$33,000 and decrease in finance expenses of \$11,000, which were partially offset by increase in other income of \$0.2 million, as explained above.

Income tax expense

The \$1.2 million increase in income tax expense from \$0.9 million for the fourth quarter ended 31 December 2010 to \$2.1 million for the fourth quarter ended 31 December 2011 was due to higher profit before income tax in the fourth quarter ended 31 December 2011, as explained above.

The statutory tax rate as at 31 December 2011 and 31 December 2010 was 17%. The higher effective tax rate of 17.8% for the fourth quarter ended 31 December 2011 was due mainly to under-provision in respect of prior years' taxation and non-deductible expenses including depreciation of non-qualifying fixed assets. The effective tax rate of 16.5% for the fourth quarter ended 31 December 2010 was below the statutory tax rate as a result of certain income not being subjected to tax, including the gain on disposal of non-qualifying fixed assets and fair value gain on an investment property.

Non-controlling interests

Non-controlling interests arose from the losses incurred by some subsidiaries during the fourth quarter ended 31 December 2011.

Net profit

Overall, for the fourth quarter ended 31 December 2011, net profit increased by \$4.9 million or 107.7% to \$9.5 million as compared to the fourth quarter ended 31 December 2010 following the increase in profit before income tax of \$6.1 million which was partially offset by an increase in income tax expense of \$1.2 million, as explained above.

Our net profit margin increased from 15.5% for the fourth quarter ended 31 December 2010 to 41.0% for the fourth quarter ended 31 December 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

The Ministry of Trade and Industry has projected a lower overall GDP growth of between 1 and 3 per cent for 2012. Still, the Building and Construction Authority expects the overall construction demand to remain strong at between \$21 billion and \$27 billion for 2012. Public sector construction demand is expected to contribute between \$13 billion and \$15 billion worth of construction orders. The support is likely to come from the continued strong public housing development demand as well as construction demand for institutional buildings and civil engineering projects. A few road-related projects likely to be awarded in 2012 include: (1) Expansion of Kallang Paya Lebar Expressway (KPE)/ Tampines Expressway (TPE) Interchange; (2) Extension and reconstruction of Newton Flyover; and (3) Construction of New Lornie Road.

On 30 January 2012, the Public Utilities Board ("PUB") announced that it would spend \$750 million over the next five years on 20 drainage projects. It will deepen and widen six other major canals, in places such as Bukit Timah, Geylang and Bedok, to increase their capacity by 30% to 45%. OKP has prior experience in drainage improvement works. Our latest contract awarded by the PUB was to improve Alexandra Canal between Zion Road and Kim Seng Road (\$46.8 million) in September 2011. Other drainage improvement projects that we had undertaken in the past include: a \$13.9 million project around Chin Bee Road and Gul Circle, a \$15.4 million project in Opera and East View Garden Estates; a \$3.4 million project around Ang Mo Kio Ave 3, Tembeling Road and Ewe Boon Road and a \$2.5 million project at Jalan Ma'mor, Hua Guan Avenue and Outram Road. As such, we will continue to tender actively for upcoming drainage projects.

Based on the fairly healthy outlook of the construction industry over the next three years, it should follow that the outlook for OKP would be optimistic. However, with the expected slowdown in the economy, we also anticipate that the competition will become more intense.

Since the start of 2011, we have secured seven public sector projects totalling approximately \$152.0 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. There are four projects from the Public Utilities Board, namely improvement to Alexandra Canal (Between Zion Road and Kim Seng Road) worth \$46.8 million, 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. One project is from the JTC Corporation, namely the proposed sewers from Tuas South Avenue 14 to Tuas South Avenue 12 worth \$4.9 million.

As at the date of this announcement, our order book based on secured contracts stands at approximately \$248.6 million (2010: \$309.9 million), with some projects completing in 2014. The decrease in our order book was due mainly to the higher degree of completion of existing projects.

We have visibly strengthened our market position in public sector infrastructure projects over the past several years. We will continue to build market leadership in this market segment and increase market share by leveraging our strong track record in public sector works and existing client relationships to win new projects. A sturdy track record and strong client relationships are two of our key strengths.



Should the opportunity arise, we would also expand our business through acquisitions, joint ventures and/or strategic alliances that we believe can complement our construction and maintenance business. These can potentially provide us access to new markets and prospective clients.

While we actively prospect for growth opportunities, we remain committed to prudent cost management and improving operational efficiency.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividends	Final
Dividend Type	Cash
Dividend amount per share	\$0.02
	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 Dividends	Final	Special dividend
Dividend Type	Cash	Cash
Dividend amount per share	\$0.02	\$0.02
	One-tier tax exempt	One-tier tax exempt

(c) Date payable

Payment of the said dividends, if approved by shareholders at the forthcoming Tenth Annual General Meeting of the Company to be held on 25 April 2012, will be made on 28 May 2012.



(d) Books closure date

Notice is hereby given that the Share Transfer Book and Register of Members of the Company will be closed on 8 May 2012 for the preparation of dividend payment. Duly 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 p.m. on 7 May 2012 will be registered to determine shareholders' entitlement to the proposed final dividend.

Shareholders whose securities accounts with the Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 7 May 2012 will be entitled to the proposed final dividend.

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

Not applicable.

13. Interested person transactions disclosure

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the fourth quarter ended 31 December 2011. The Group does not have a general mandate from shareholders for interested person transactions.



PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
 (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business Segments

The Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Group's operating segments are its strategic business units which offer different services and are managed separately. The reportable segment presentation is based on the Group's management and internal reporting structure used for its strategic decision-making purposes.

The Group's activities comprise the following reportable segments:

- (i) Construction – It relates to the construction of urban and arterial roads, expressways, vehicular bridges, flyovers and buildings, airports infrastructure and oil & gas-related infrastructure for petrochemical plants and oil storage terminals.
- (ii) Maintenance – It relates to re-construction work performed on roads, road reserves, pavements, footpaths and kerbs, guardrails, railings, drains, signboards as well as bus bays and shelters.

	Primary Reporting Business Segment			Primary Reporting Business Segment		
	Current financial year ended 31 December 2011			Previous financial year ended 31 December 2010		
	Construction	Maintenance	Total	Construction	Maintenance	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group						
Revenue						
Total segment revenue	90,226	26,977	117,203	115,977	26,118	142,095
Inter-segment revenue	-	(7,386)	(7,386)	-	(2,239)	(2,239)
Revenue to external parties	90,226	19,591	109,817	115,977	23,879	139,856
Gross profit	36,304	6,906	43,210	22,944	6,549	29,493
Other income			1,017			887
Unallocated costs			(11,963)			(9,788)
Finance expenses			32,264 (114)			20,592 (151)
Profit before income tax			32,150			20,441
Income tax expense			(5,640)			(3,559)
Net profit			26,510			16,882
Total assets	23,555	7,294	30,849	22,219	9,628	31,847
Total liabilities	38,047	7,166	45,213	58,527	12,976	71,503

Revenue between segments are carried out at arm's length. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.



Geographical Segments

Our Group operates predominantly in Singapore.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

As explained under paragraph 8 above.

16. A breakdown of sales

	The Group			
	Current financial year ended 31 Dec 2011	Previous financial year ended 31 Dec 2010	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
(a) Sales reported for first half year	61,140	73,657	(12,517)	(17.0)
(b) Operating profit after taxation before deducting minority interests reported for the first half year	12,126	7,791	4,335	55.6
(c) Sales reported for second half year	48,677	66,199	(17,522)	(26.5)
(d) Operating profit after taxation before deducting minority interests reported for the second half year	14,433	9,161	5,272	57.5

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	FY2011 (\$'000)	FY2010 (\$'000)
Ordinary	9,154	14,821
Preference	-	-
Total	9,154	14,821

FY2010

Based on interim dividend of \$0.01 per share for 264,752,985 issued shares and final and special dividends of \$0.04 per share for 304,346,585 issued shares.

FY2011

Based on interim dividend of \$0.01 per share for 304,723,710 issued shares and proposed final dividend of \$0.02 per share for 305,349,585 issued shares as at the date of this announcement (the amount may increase depending on the number of issued shares as at the books closure date on 8 May 2012). The payment of the proposed final dividend of \$0.02 per share is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.



18. Use of proceeds as at 31 December 2011

- (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	0.50	0.12

The unutilised proceeds are deposited with a bank pending deployment.

- (iv) Exercise of 57,953,177 warrants at \$0.20 for each share as at 31 December 2011 raising net proceeds of \$11.6 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	11.6	-	11.6

The unutilised proceeds are deposited with a bank pending deployment.



19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
15 February 2012