



**Second Quarter and
Half Year Financial
Statement for the Period
Ended 30 June 2012**

20 July 2012

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Second Quarter and Half Year Financial Statement for the Period Ended 30 June 2012
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)
	2012	2011		2012	2011	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	23,576	28,296	(16.7)	48,530	61,140	(20.6)
Cost of works	(17,838)	(17,136)	(4.1)	(37,548)	(41,216)	(8.9)
Gross profit	5,738	11,160	(48.6)	10,982	19,924	(44.9)
Other income	433	219	97.7	1,182	352	235.8
Expenses						
- Administrative	(2,369)	(2,971)	(20.3)	(4,580)	(5,396)	(15.1)
- Other	16	(45)	(135.6)	(106)	(86)	23.3
- Finance	(24)	(26)	(7.7)	(51)	(62)	(17.7)
Profit before income tax	3,794	8,337	(54.5)	7,427	14,732	(49.6)
Income tax expense	(710)	(1,448)	(51.0)	(1,290)	(2,611)	(50.6)
Net profit	3,084	6,889	(55.2)	6,137	12,121	(49.4)
Gross profit margin	24.3%	39.4%		22.6%	32.6%	
Net profit margin	13.1%	24.3%		12.6%	19.8%	
Effective tax rate	18.7%	17.4%		17.4%	17.7%	
Net profit attributable to:						
Equity holders of the Company	3,085	6,891	(55.2)	6,139	12,126	(49.4)
Non-controlling interests	(1)	(2)	(50.0)	(2)	(5)	(60.0)
	3,084	6,889	(55.2)	6,137	12,121	(49.4)



(i) Consolidated Statement of comprehensive income for the second quarter and half-year ended 30 June 2012

Note	The Group			The Group		
	Second Quarter ended 30 June		Increase/ (Decrease)	Half Year ended 30 June		Increase/ (Decrease)
	2012	2011		2012	2011	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit	3,084	6,889	(55.2)	6,137	12,121	(49.4)
Other comprehensive income:						
Financial assets, available-for-sale - Fair value (losses)/gains, net of tax	(42)	11	(481.8)	(24)	15	(260.0)
Total comprehensive income	3,042	6,900	(55.9)	6,113	12,136	(49.6)
Total comprehensive income attributable to:						
Equity holders of the Company	3,043	6,902	(55.9)	6,115	12,141	(49.6)
Non-controlling interests	(1)	(2)	(50.0)	(2)	(5)	(60.0)
	3,042	6,900	(55.9)	6,113	12,136	(49.6)

Note:

- (i) Fair value losses were mainly attributable to lower quoted prices of financial assets, available-for-sale.



(ii) Additional disclosures

Profit before income tax was arrived at:

Note	The Group			The Group		
	Second Quarter ended 30 June		Increase/ (Decrease)	Half Year ended 30 June		Increase/ (Decrease)
	2012	2011		2012	2011	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging:-</u>						
Non-audit fee paid to the auditors of the Company	4	5	(20.0)	9	10	(10.0)
Depreciation of property, plant and equipment	179	95	88.4	272	190	43.2
Directors' remuneration						
- Directors of the Company	1,265	1,861	(32.0)	2,210	3,079	(28.2)
- Other Directors	104	112	(7.1)	212	259	(18.1)
Directors' fee	45	45	-	90	90	-
Interest paid and payable						
- Finance lease liabilities	24	26	(7.7)	51	62	(17.7)
Loss on foreign exchange (net)	(16)	45	(135.6)	106	86	23.3
Currency translation differences arise from debt securities investment	(9)	19	(147.4)	15	33	(54.5)
Employees compensation cost	464	419	10.7	1,058	913	15.9
<u>After crediting:-</u>						
Interest income						
- Bank deposits	68	38	78.9	124	74	67.6
- Financial asset, held-to-maturity	19	6	216.7	25	10	150.0
- Financial asset, available for-sale	71	11	545.5	96	25	284.0
- Other receivables (non-current)	5	-	n.m.	5	-	n.m.
Gain on disposal of property, plant and equipment	80	123	(35.0)	80	164	(51.2)
Rental income from an investment property	11	9	22.2	22	22	-
Trade creditors written off	-	-	-	487	-	n.m.
Government grant	117	-	n.m.	167	-	n.m.
<u>Included in the cost of works are the following:-</u>						
Depreciation of property, plant and equipment	560	662	(15.4)	1,142	1,236	(7.6)
Employees compensation cost	4,870	4,607	5.7	9,741	9,254	5.3

Note:

- (i) Loss on foreign exchange mainly arose from the revaluation of assets denominated in United States dollar to Singapore dollar.
- (ii) Currency translation differences mainly arose from the revaluation of financial asset, available-for-sale denominated in United States dollar to Singapore dollar.

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 2012	30 June 2011
\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial period:

Current income tax - Singapore

1,270

2,471

Deferred income tax

20

141

1,290

2,612

- Over provision of deferred income tax in prior financial periods

-

(1)

1,290

2,611



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 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
	Cash and cash equivalents	53,051	92,524	1,888	21,544
i	Trade and other receivables	32,545	29,433	6,037	12,949
	Construction contract works-in-progress	3,724	2,138	-	-
		89,320	124,095	7,925	34,493
Non-current assets					
ii	Investments in subsidiaries	-	-	15,774	15,674
iii	Investments in joint ventures	-	-	-	-
iv	Investment in an associated company	111	-	-	-
v	Investment property	1,650	1,650	-	-
vi	Other receivables	18,437	-	18,543	-
vii	Financial assets, held-to-maturity	1,500	1,500	-	-
viii	Financial assets, available-for-sale	5,169	708	-	-
	Property, plant and equipment	19,750	18,693	5,947	5,354
	Intangible asset	1,688	1,688	-	-
		48,305	24,239	40,264	21,028
	Total assets	137,625	148,334	48,189	55,521
LIABILITIES					
Current liabilities					
ix	Trade and other payables	43,549	52,976	9,665	11,090
	Finance lease liabilities	608	647	-	-
	Current income tax liabilities	3,836	5,525	14	79
		47,993	59,148	9,679	11,169
Non-current liabilities					
	Finance lease liabilities	806	482	-	-
	Deferred income tax liabilities	642	622	-	-
		1,448	1,104	-	-
	Total liabilities	49,441	60,252	9,679	11,169
	NET ASSETS	88,184	88,082	38,510	44,352
EQUITY					
Capital and reserves attributable to equity holders of the Company					
	Share capital	36,272	36,163	36,272	36,163
x	Other reserves	(1)	28	34	39
	Retained profits	52,036	52,012	2,204	8,150
		88,307	88,203	38,510	44,352
	Non-controlling interests	(123)	(121)	-	-
	Total equity	88,184	88,082	38,510	44,352
	Net tangible assets	86,619	86,515	38,510	44,352



Notes to Statements of Financial Position:

(i) Trade and other receivables

	The Group		The Company	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	9,125	4,746	-	-
- Subsidiaries	-	-	6,523	13,431
	9,125	4,746	6,523	13,431
Less: Allowance for impairment of receivables	-	-	(531)	(531)
Trade receivables – net	9,125	4,746	5,992	12,900
Construction contracts				
- Due from customers	16,491	17,524	-	-
- Retentions	5,108	4,811	-	-
	21,599	22,335	-	-
Non-trade receivables				
- Non-controlling shareholder of a subsidiary	6	6	-	-
- Subsidiaries	-	-	1,487	1,486
- Joint venture partners	36	53	-	-
- Non-related parties	945	547	1	1
	987	606	1,488	1,487
Less: Allowance for impairment of receivables	-	-	(1,459)	(1,459)
Non-trade receivables - net	987	606	29	28
Deposits	264	1,149	8	8
Prepayments	570	597	8	13
	32,545	29,433	6,037	12,949

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

(ii) Investments in subsidiaries:

	The Company	
	30 Jun 2012	31 Dec 2011
	\$'000	\$'000
Equity investments at cost		
Beginning of financial period	15,948	15,448
Incorporation of a new subsidiary	100	500
End of financial period	16,048	15,948
Less: Allowance for impairment	(274)	(274)
	15,774	15,674



Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			30 Jun 2012	31 Dec 2011
<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 Land Pte Ltd	Investment holding and property development	Singapore	100%	100%
OKP Transport & Trading Pte Ltd	Provision of transport services	Singapore	100%	-
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%

(#) In the process of liquidation.



(iii) Investments in joint ventures

Name of joint ventures	Principal activities	Country of incorporation	Equity holding	
			30 Jun 2012	31 Dec 2011

Held by the subsidiaries

CIF-OKP Construction and Development Pte Ltd ⁽¹⁾	Design, construction and execution of urban developments (including road infrastructure)	Singapore	50%	50%
Forte Builder Pte Ltd ⁽²⁾	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 2012. 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 (31 Dec 2011: \$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 2012	31 Dec 2011
	\$'000	\$'000
Assets		
- Current assets	2,051	2,717
Liabilities		
- Current liabilities	(1,162)	(1,941)
Net assets	889	776
Revenue	2,059	4,981
Expenses	(1,926)	(4,667)
Profit before income tax	133	314
Income tax expense	(11)	(38)
Net profit	122	276
Operating cash inflows, representing total cash inflows	168	164



(iv) Investment in an associated company

Name of associated company	Principal activities	Country of incorporation	Equity holding	
			30 Jun 2012	31 Dec 2011

Held by the subsidiaries

CS Amber Development Pte Ltd (formerly known as CS Land Properties Pte Ltd)	Property investment	Singapore	10%	-
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On 27 June 2012, OKP Land Pte Ltd ("OKPL"), a wholly-owned subsidiary, entered into an investment agreement with CS Amber Development Pte Ltd ("CSAmber") and China Sonangol Land Pte Ltd, pursuant to which OKPL subscribed for 111,111 ordinary shares in CSAmber, representing approximately 10% of the enlarged issued and paid-up share capital of CSAmber. The aggregate consideration for the subscription of the shares is \$111,111.

The Group accounts for its investment in CSAmber as an associated company although the Group holds less than 20% of the issued share capital of CSAmber as the Group is able to exercise significant influence over the investment due to the Group's voting power (both through its equity holding and its representation on the Board).

The Group	
30 Jun 2012	31 Dec 2011
\$'000	\$'000

Equity investment at cost

Beginning of financial period	-	-
Acquisition of an associated company	111	-
End of financial period	111	-

(v) Investment property

The Group	The Group
30 Jun 2012	31 Dec 2011
\$'000	\$'000

Beginning of financial period	1,650	1,500
Fair value gain recognised in profit and loss	-	150
End of financial period	1,650	1,650



(vi) Other receivables (non-current)

	The Group		The Company	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Other receivables				
- Loan to an associated company	18,437	-	-	-
- Loan to a subsidiary	-	-	18,543	-
	<u>18,437</u>	<u>-</u>	<u>18,543</u>	<u>-</u>

The loan to an associated company is unsecured, interest-bearing at 2.0% above SIBOR and will be repayable in full on 26 June 2018.

The loan to a subsidiary is unsecured, interest-free and repayable on demand.

(vii) Financial assets, held-to-maturity (non-current)

	The Group	
	30 Jun 2012	31 Dec 2011
	\$'000	\$'000
Unlisted debt securities		
- Bonds with fixed interest of 2.22% p.a. and maturity date on 5 July 2013 - Singapore	1,000	1,000
- Bonds with fixed interest of 4.30% p.a. and maturity date on 9 November 2016 - Singapore	500	500
	<u>1,500</u>	<u>1,500</u>



The fair values of the bonds at the balance sheet date are as follows:

The Group	
30 Jun 2012	31 Dec 2011
\$'000	\$'000
Bonds with fixed interest of 2.22% p.a. and maturity date on 5 July 2013	1,012
Bonds with fixed interest of 4.30% p.a. and maturity date on 9 November 2016	500
	1,010

The fair values of the bonds are based on available market or common reference prices provided by the bank.

(viii) Financial assets, available-for-sale (non-current)

The Group	
30 Jun 2012	31 Dec 2011
\$'000	\$'000
Beginning of financial period	726
Additions	-
Currency translation differences	8
Fair value losses recognised in other comprehensive income	(26)
	708
End of financial period	5,169

Financial assets, available-for-sale are analysed as follows:

Unlisted debt securities

- Bonds with fixed interest of 7.875% p.a. without fixed maturity	713	708
- Bonds with fixed interest of 5.125% p.a. without fixed maturity	4,456	-
	5,169	708

The fair values of unlisted debt securities are based on available market or common reference prices provided by the bank.



(ix) Trade and other payables

	The Group		The Company	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	27,318	35,062	74	209
- Joint venture partner	1,124	1,888	-	-
	28,442	36,950	74	209
Non-trade payables				
- Subsidiaries	-	-	8,140	5,136
- Non-controlling shareholder of a subsidiary	459	459	-	-
- Joint venture partners	29	25	-	-
	488	484	8,140	5,136
Construction contracts				
- Advances received	4,203	2,191	-	-
Accrued operating expenses	10,359	13,296	1,447	5,745
Other payables	57	55	4	-
	<u>43,549</u>	<u>52,976</u>	<u>9,665</u>	<u>11,090</u>

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

(xi) Other reserves

	The Group		The Company	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Warrant reserve				
Beginning of financial period	39	433	39	433
Warrants exercised	(5)	(394)	(5)	(394)
End of financial period	34	39	34	39
Fair value reserve				
Beginning of financial period	(11)	15	-	-
Financial asset – available-for-sale				
-Fair value loss	(20)	(26)	-	-
-Tax on fair value	(4)	-	-	-
End of financial period	(35)	(11)	-	-
	<u>(1)</u>	<u>28</u>	<u>34</u>	<u>39</u>

Other reserves are non-distributable.



Explanatory Notes:

(i) Current assets

Current assets decreased by \$34.8 million, from \$124.1 million as at 31 December 2011 to \$89.3 million as at 30 June 2012. The decrease was attributable to:

- (a) a decrease in cash and cash equivalents of approximately \$39.5 million. This was due mainly to the net cash used in operations of \$8.3 million, purchase of a financial asset, available-for-sale of \$4.5 million, dividend payment to shareholders of \$6.1 million, a loan extended to an associated company of \$18.4 million, the purchase of new property, plant and equipment of \$1.8 million and the repayment of finance lease liabilities of \$0.4 million during the half year ended 30 June 2012;

which was partially offset by:

- (b) an increase in construction contract works-in-progress of approximately \$1.6 million due mainly to the commencement of a few newly awarded projects during the half year ended 30 June 2012; and
- (c) an increase in trade and other receivables of approximately \$3.1 million due mainly to payment in transit for a particular customer.

(ii) Non-current assets

Non-current assets increased by \$24.1 million, from \$24.2 million as at 31 December 2011 to \$48.3 million as at 30 June 2012. The increase was due mainly to:

- (a) the purchase of a financial asset, available-for-sale for \$4.5 million in the half year ended 30 June 2012;
- (b) other receivable of \$18.4 million arising from a loan extended to an associated company, CSAmber during the second quarter ended 30 June 2012;
- (c) an investment in an associated company for \$0.1 million during the second quarter ended 30 June 2012; and
- (d) an increase in property, plant and equipment of \$1.1 million resulting from the purchase of new plant and equipment, which was partially offset by the disposal and depreciation of property, plant and equipment during the half year ended 30 June 2012.

(ii) Current liabilities

Current liabilities decreased by \$11.1 million, from \$59.1 million as at 31 December 2011 to \$48.0 million as at 30 June 2012. The decrease was due mainly to:

- (a) a decrease in trade and other payables of approximately \$9.4 million due mainly to lower business activities in the half year ended 30 June 2012; and
- (b) a decrease in current income tax liabilities of approximately \$1.7 million due to tax payments partially offset by lower tax provision due to lower profits generated in the half year ended 30 June 2012.

(iv) Non-current liabilities

Non-current liabilities increased by \$0.3 million, from \$1.1 million as at 31 December 2011 to \$1.4 million as at 30 June 2012. The increase was due mainly to the increase in finance lease liabilities as a result of the purchase of new plant and equipment to support both newly-awarded and existing projects in the half year ended 30 June 2012.



(x) Shareholders' equity

Shareholders' equity, comprising share capital, other reserves, retained profits and non-controlling interests, increased by \$0.1 million, from \$88.1 million as at 31 December 2011 to \$88.2 million as at 30 June 2012.

The increase was largely attributable to the increase in share capital of approximately \$0.1 million resulting from the issuance of new shares upon the exercise of warrants during the half year ended 30 June 2012.

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 2012		As at 31 Dec 2011	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
608	-	647	-

(b) Amount repayable after one year

As at 30 Jun 2012		As at 31 Dec 2011	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
806	-	482	-

(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

	The Group		The Group	
	Second Quarter ended 30 June		Half year ended 30 June	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Net profit	3,084	6,889	6,137	12,121
Adjustments for:				
- Income tax expense	710	1,448	1,290	2,611
- Depreciation of property, plant and equipment	739	757	1,414	1,426
- Gain on disposal of property, plant and equipment (net)	(80)	(123)	(80)	(164)
- Unrealised currency translation (gain)/loss	(9)	19	15	33
- Interest income	(163)	(55)	(250)	(109)
- Finance expenses	24	26	51	62
Operating cash flow before working capital changes	4,305	8,961	8,577	15,980
Change in working capital				
- Trade and other receivables	(4,329)	(1,819)	(3,079)	(56)
- Construction contract work-in-progress	266	610	(1,586)	940
- Trade and other payables	(6,175)	(9,363)	(9,426)	(8,734)
Cash (used in)/generated from operations	(5,933)	(1,611)	(5,514)	8,130
- Interest received	68	38	124	74
- Income tax paid	(1,479)	(1,267)	(2,958)	(2,112)
Net cash (used in)/provided by operating activities	(7,344)	(2,840)	(8,348)	6,092
Cash flows from investing activities				
- Additions to property, plant and equipment	(1,454)	(2,005)	(1,775)	(2,931)
- Disposal of property, plant and equipment	98	218	98	331
- Purchase of financial asset, available-for-sale	-	-	(4,500)	-
- Loan to an associated company	(18,437)	-	(18,437)	-
- Investment in an associated company	(111)	-	(111)	-
- Interest received	95	17	126	35
Net cash used in investing activities	(19,809)	(1,770)	(24,599)	(2,565)



Consolidated statements of cash flows (Cont'd)

	The Group		The Group	
	Second Quarter ended 30 June		Half year ended 30 June	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Cash flows from financing activities				
- Repayment of finance lease liabilities	(209)	(217)	(430)	(528)
- Finance expenses	(24)	(26)	(51)	(62)
- Proceeds from issuance of shares	39	4,568	103	7,717
- Dividend paid to shareholders	(6,115)	(12,174)	(6,115)	(12,174)
Net cash used in financing activities	(6,309)	(7,849)	(6,493)	(5,047)
Net (decrease)/increase in cash and cash equivalents	(33,462)	(12,459)	(39,440)	(1,520)
Cash and cash equivalents at the beginning of the financial period	81,470	105,943	87,448	95,004
Cash and cash equivalents at the end of the financial period	48,008	93,484	48,008	93,484

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 period comprised the following:

	The Group	
	30 Jun 2012	30 Jun 2011
	\$'000	\$'000
Cash at bank and on hand	12,974	6,180
Short-term bank deposits	40,077	92,376
Short-term bank deposits pledged to banks	53,051	98,556
	(5,043)	(5,072)
Cash and cash equivalents per consolidated statement of cash flows	48,008	93,484

Bank deposits of \$5,042,852 (30 June 2011: \$5,072,052) are pledged to banks for banking facilities of certain subsidiaries.



(ii) **Review of Cash Flows for the six months ended 30 June 2012**

Net cash used in operating activities

Our Group reported a net cash of \$8.3 million used in operating activities in the six months ended 30 June 2012, a decrease of \$14.4 million from net cash provided by operating activities of \$6.1 million in the six months ended 30 June 2011. The net cash used in operating activities comprise:

- (a) a decrease in cash generated from operating activities before working capital changes of \$7.4 million;
- (b) an increase in net working capital outflow before interest and taxes of \$6.2 million; and
- (c) an increase in income tax paid of \$0.8 million during the six months ended 30 June 2012.

Net cash used in investing activities

Net cash of \$24.6 million used in investing activities was due to the purchase of new property, plant and equipment of \$1.8 million, purchase of a financial asset, available-for-sale for \$4.5 million, investment in an associated company for \$0.1 million and a loan to an associated company for \$18.4 million, which were partially offset by interest received from financial assets and the proceeds received from the disposal of property, plant and equipment in the six months ended 30 June 2012.

Net cash used in financing activities

Net cash of \$6.5 million was used in financing activities in the six months ended 30 June 2012. This was due to repayment of finance lease liabilities, interest payments and dividend payments to shareholders amounting to \$6.6 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 \$48.0 million as at 30 June 2012, a decrease of \$45.5 million, from \$93.5 million as at 30 June 2011. This works out to cash of 15.7 cents per share (based on 305,761,585 shares issued) as at 30 June 2012 as compared to 30.7 cents per share (based on 304,409,710 shares issued) as at 30 June 2011.

(iii) **Review of Cash Flows for second quarter ended 30 June 2012**

Net cash used in operating activities

Our Group's net cash used in operating activities for the second quarter ended 30 June 2012 was \$7.3 million as compared with \$2.8 million for the second quarter ended 30 June 2011. The decrease was due mainly to lower operating cash flow before working capital changes in the second quarter ended 30 June 2012 resulting from a lower net profit reported for the second quarter ended 30 June 2012.

Net cash used in investing activities

Net cash of \$19.8 million was used in investing activities for the second quarter ended 30 June 2012, compared with \$1.8 million for the second quarter ended 30 June 2011. The major outflow for the second quarter ended 30 June 2012 related to a loan to an associated company of \$18.4 million, investment in an associated company of \$0.1 million and the purchase of new property, plant and equipment of \$1.5 million. The outflows for both quarters were partly offset by interest received from financial assets and the proceeds received from the disposal of property, plant and equipment.

Net cash used in financing activities

The net cash used in financing activities was \$6.3 million for the second quarter ended 30 June 2012, compared with \$7.8 million for the second quarter ended 30 June 2011. Dividends of \$6.1 million were paid to shareholders, compared with \$12.2 million in the second quarter ended 30 June 2011. 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
<u>The Group</u>							
As at 1 Jan 2012	36,163	39	(11)	52,012	88,203	(121)	88,082
Total comprehensive income for the period	-	-	18	3,054	3,072	(1)	3,071
Issue of shares pursuant to exercise of warrants	67	(3)	-	-	64	-	64
As at 31 Mar 2012	36,230	36	7	55,066	91,339	(122)	91,217
Total comprehensive income for the period	-	-	(42)	3,085	3,043	(1)	3,042
Issue of shares pursuant to exercise of warrants	42	(2)	-	-	40	-	40
Dividend relating to FY2011 paid	-	-	-	(6,115)	(6,115)	-	(6,115)
As at 30 Jun 2012	36,272	34	(35)	52,036	88,307	(123)	88,184
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 shares pursuant to exercise of warrants	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 shares pursuant to exercise of warrants	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



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 2012	36,163	39	-	8,150	44,352	-	44,352
Total comprehensive income for the period	-	-	-	53	53	-	53
Issue of shares pursuant to exercise of warrants	67	(3)	-	-	64	-	64
As at 31 Mar 2012	36,230	36	-	8,203	44,469	-	44,469
Total comprehensive income for the period	-	-	-	116	116	-	116
Issue of shares pursuant to exercise of warrants	42	(2)	-	-	40	-	40
Dividend relating to FY2011 paid	-	-	-	(6,115)	(6,115)	-	(6,115)
As at 30 Jun 2012	36,272	34	-	2,204	38,510	-	38,510
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 shares pursuant to exercise of warrants	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 shares pursuant to exercise of warrants	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



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 2012	305,244,585	36,163,238
Issue of new shares pursuant to exercise of warrants	316,000	63,200
Transfer from warrants reserve to share capital upon exercise of warrants	-	3,160
Balance as at 31 March 2012	305,560,585	36,229,598
Issue of new shares pursuant to exercise of warrants	201,000	40,200
Transfer from warrants reserve to share capital upon exercise of warrants	-	2,010
Balance as at 30 June 2012	305,761,585	36,271,808

The Company issued 61,822,852 warrants on 6 January 2010, of which 201,000 had been exercised by warrant holders at the exercise price of \$0.20 per share during the second quarter ended 30 June 2012. There were 3,352,675 and 4,704,550 outstanding warrants as at 30 June 2012 and 30 June 2011, respectively.

Except as mentioned above, there have been no changes in the issued share capital of the Company since 31 March 2012.

Under the Share Buy Back Mandate which was approved by the Shareholders on 25 April 2012, no shares were bought back by the Company during the second quarter ended 30 June 2012.

Except as mentioned above, there were no outstanding convertibles issued or treasury shares held by the Company as at 30 June 2012 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 2012	31 Dec 2011
Total number of issued shares (excluding treasury shares)	305,761,585	305,244,585

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 2011.



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 period, 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 2012.

- Amendments to FRS 107 Disclosures – Transfer of Financial Assets (effective for annual periods beginning on or after 1 July 2011)
- Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012)
- Amendments to FRS 12 – Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2012)
- FRS 19 (revised 2011) – Employee Benefits (effective for annual periods beginning on or after 1 January 2013)
- FRS 27 (revised 2011) – Separate Financial Statements (effective for annual periods beginning on or after 1 January 2013)
- FRS 110 – Consolidated Financial Statements (effective for annual report on or after 1 January 2013)
- FRS 112 – Disclosure of Interest in Other Entities (effective for annual report on or after 1 January 2013)
- FRS 113 – Fair Value Measurement (effective for annual report on or after 1 January 2013)
- FRS 111 – Joint Arrangements (effective for annual report on or after 1 January 2013)

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



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)
	2012	2011		2012	2011	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit attributable to equity holders of the Company(\$'000)	3,085	6,891	(55.2)	6,139	12,126	(49.4)
Weighted average number of ordinary shares outstanding for basic earnings per share	305,523,140	283,791,135	7.7	305,523,140	283,791,135	7.7
Basic earnings per share (cents)	1.01	2.43	(58.4)	2.01	4.27	(52.9)



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 dilutive potential ordinary shares.

	The Group			The Group		
	Second Quarter ended 30 Jun		Increase / (Decrease)	Half Year ended 30 Jun		Increase / (Decrease)
	2012	2011		2012	2011	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit attributable to equity holders of the Company(\$'000)	3,085	6,891	(55.2)	6,139	12,126	(49.4)
Weighted average number of ordinary shares outstanding for basic earnings per share	305,523,140	283,791,135	7.7	305,523,140	283,791,135	7.7
Adjustment for - warrants	2,198,239	3,195,069	(31.2)	2,198,239	3,195,069	(31.2)
	307,721,379	286,986,204	7.2	307,721,379	286,986,204	7.2
Diluted earnings per share (cents)	1.00	2.40	(58.3)	1.99	4.23	(53.0)



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 2012	As at 31 Dec 2011	As at 30 Jun 2012	As at 31 Dec 2011	The Group	The Company
Net tangible assets (\$'000)	86,619	86,515	38,510	44,352	(0.1)	(13.2)
Number of shares	305,761,585	305,244,585	305,761,585	305,244,585	0.2	0.2
NTA per share (cents)	28.33	28.34	12.59	14.53	(0.04)	(13.4)

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Our Business

OKP Holdings Limited is a home-grown infrastructure and civil engineering company in the region. It specialises in the construction of urban and arterial roads, expressways, vehicular bridges, flyovers, airport infrastructure and oil & gas related infrastructure for petrochemical plants and oil storage terminals as well as the maintenance of roads and roads related facilities and building construction-related works.

We have two core business segments: Construction and Maintenance.



Income Statement Review (Half Year ended 30 Jun 2012 vs Half Year ended 30 Jun 2011)

	The Group					
	Current half year ended 30 Jun 2012		Previous half year ended 30 Jun 2011		Increase / (Decrease)	
	\$'000		\$'000		\$'000	%
Construction	41,125	84.7%	52,105	85.2%	(10,980)	(21.1)
Maintenance	7,405	15.3%	9,035	14.8%	(1,630)	(18.0)
Total Revenue	48,530	100.0%	61,140	100.0%	(12,610)	(20.6)

Revenue

Our Group recorded revenue of \$48.5 million in the half year ended 30 June 2012 as compared to \$61.1 million in the half year ended 30 June 2011 after recognising lower revenue contribution from both the construction and maintenance segments.

The construction segment's lower revenue was due mainly to a reduced percentage of revenue recognised from a few newly-awarded design and build related construction projects during the half year ended 30 June 2012.

The maintenance segment also saw a lower percentage of revenue recognised from a few newly-awarded maintenance projects secured during the second quarter ended 30 June 2012.

The 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 84.7% (2011: 85.2%) and 15.3% (2011: 14.8%) of our Group's revenue respectively for the half year ended 30 June 2012.

Gross profit and gross profit margin

Our gross profit for the half year ended 30 June 2012 decreased by 44.9% or \$8.9 million from \$19.9 million for the half year ended 30 June 2011 to \$11.0 million for the half year ended 30 June 2012. Our lower gross profit was largely due to a decline in revenue for the half year ended 30 June 2012.

Our gross profit margin declined from 32.6% for the half year ended 30 June 2011 to 22.6% for the half year ended 30 June 2012.

The difference was largely attributable to the contribution from a particular design-and-build construction project that enjoyed a higher gross profit margin in the half year ended 30 June 2011 which did not recur in the half year ended 30 June 2012.



Other income

Other income increased by \$0.8 million or 235.8% from \$0.4 million for the half year ended 30 June 2011 to \$1.2 million for the half year ended 30 June 2012. The increase was due mainly to a write-back of trade payables of \$0.5 million during the half year ended 30 June 2012. This write-back of trade payables was a one-time exercise, mainly for trade payables that had been outstanding for more than seven years. The remaining \$0.3 million increase in other income was due mainly to the increase in interest from bank deposits, interest earned from financial assets, government grant and equipment hiring income from the rental of equipment and machinery during the half year ended 30 June 2012.

Administrative expenses

Administrative expenses decreased by \$0.8 million or 15.1% from \$5.4 million for the half year ended 30 June 2011 to \$4.6 million for the half year ended 30 June 2012. The decrease was largely attributable to lower directors' remuneration (including profit sharing) accrued as a result of the lower profit generated by the Group for the half year ended 30 June 2012.

Other expenses

Other expenses increased by \$20,000 or 23.3% 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 2012.

Finance expenses

Finance expenses decreased marginally by \$11,000 due mainly to repayment of finance leases during the half year ended 30 June 2012.

Profit before income tax

Profit before income tax decreased by \$7.3 million or 49.6% from \$14.7 million for the half year ended 30 June 2011 to \$7.4 million for the half year ended 30 June 2012. The decrease was due mainly to the decrease in gross profit of \$8.9 million and increase in other expenses of \$0.1 million which were partially offset by an increase in other income of \$0.8 million, the decrease in administrative expenses of \$0.8 million and the decrease in finance expenses of \$0.1 million, as explained above.

Income tax expense

Income tax expense decreased by \$1.3 million or 50.6% from \$2.6 million in the half year ended 30 June 2011 to \$1.3 million in the half year ended 30 June 2012 due mainly to lower profit before income tax, as explained above.

The effective tax rates for the half year ended 30 June 2012 of 17.4% and half year ended 30 June 2011 of 17.7% 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 2012.

Net profit

Overall, for the half year ended 30 June 2012, net profit dropped by \$6.0 million, or 49.4%, to \$6.1 million as compared to the half year ended 30 June 2011, following the decrease in profit before income tax of \$7.3 million which was partially offset by the decline in income tax expense of \$1.3 million, as explained above.

Our net profit margin decreased from 19.8% for the half year ended 30 June 2011 to 12.6% for the half year ended 30 June 2012.



Income Statement Review (Second Quarter ended 30 Jun 2012 vs Second Quarter ended 30 Jun 2011)

	The Group					
	Current second quarter ended 30 Jun 2012		Previous second quarter ended 30 Jun 2011		Increase / (Decrease)	
	\$'000		\$'000		\$'000	%
Construction	20,410	86.6%	24,115	85.2%	(3,705)	(15.4)
Maintenance	3,166	13.4%	4,181	14.8%	(1,015)	(24.3)
Total Revenue	23,576	100.0%	28,296	100.0%	(4,720)	(16.7)

Revenue

Our Group recorded a decrease in revenue in the second quarter ended 30 June 2012 of \$4.7 million or 16.7% to \$23.6 million as compared to \$28.3 million in the second quarter ended 30 June 2011.

The decrease in revenue from both segments was due mainly to lower percentage of revenue recognised from few newly-awarded construction and maintenance projects in the second quarter ended 30 June 2012.

Gross profit and gross profit margin

Our gross profit for the second quarter ended 30 June 2012 decreased by \$5.4 million or 48.6% from \$11.1 million for the second quarter ended 30 June 2011 to \$5.7 million for the second quarter ended 30 June 2012. Our lower gross profit was largely due to a drop in revenue for the second quarter ended 30 June 2012.

Our gross profit margin dropped from 39.4% in the second quarter ended 30 June 2011 to 24.3% in the second quarter ended 30 June 2012.

The difference was largely attributable to the contribution from a particular design-and-build construction project that enjoyed a higher gross profit margin in the second quarter ended 30 June 2011 which did not recur in the second quarter ended 30 June 2012.

Other income

Other income increased by \$0.2 million or 97.7% in the second quarter ended 30 June 2012. The increase was due mainly to the increase in interest from bank deposits arising from higher interest rates, interest earned from financial assets, government grants and rental income from equipment and machinery for the second quarter ended 30 June 2012.



Administrative expenses

Administrative expenses decreased by \$0.6 million or 20.3% from \$3.0 million for the second quarter ended 30 June 2011 to \$2.4 million for the second quarter ended 30 June 2012. The decrease was largely attributable to lower directors' remuneration (including profit sharing) accrued as a result of the lower profit generated by the Group for the second quarter ended 30 June 2012.

Other expenses

Other expenses decreased by \$61,000 or 135.6%, which related to foreign exchange difference during the second quarter ended 30 June 2012.

Finance expenses

Finance expenses decreased marginally by \$2,000 due to repayment of finance leases in the second quarter ended 30 June 2012.

Profit before income tax

Profit before income tax decreased by \$4.5 million or 54.5% from \$8.3 million in the second quarter ended 30 June 2011 to \$3.8 million in the second quarter ended 30 June 2012. The decrease was due mainly to a decrease in gross profit of \$5.4 million which was partially offset by an increase in other income of \$0.2 million, a decrease in administrative expenses of \$0.6 million, decrease in other expenses of \$61,000 and decrease in finance expenses of \$2,000, as explained above.

Income tax expense

The \$0.7 million decrease in income tax expense from \$1.4 million for the second quarter ended 30 June 2011 to \$0.7 million for the second quarter ended 30 June 2012 was due mainly to lower profit before income, as explained above.

The effective tax rates for the second quarter ended 30 June 2012 of 18.7% and second quarter ended 30 June 2011 of 17.3% 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 2012.

Net profit

Overall, for the second quarter ended 30 June 2012, net profit decreased by \$3.8 million or 55.2% to \$3.1 million as compared to the second quarter ended 30 June 2011 following the decrease in profit before income tax of \$4.5 million which was partially offset by the drop in income tax expense of \$0.7 million, as explained above.

Our net profit margin decreased from 24.3% for the second quarter ended 30 June 2011 to 13.1% for the second quarter ended 30 June 2012.



9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no material deviation in the actual results for the second quarter ended 30 June 2012 from what was previously discussed under paragraph 10 of the Company's financial statements for the first quarter ended 31 March 2012.

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

According to advanced estimates released by the Ministry of Trade and Industry on 13 July 2012, the Singapore economy grew by 1.9% on a year-on-year basis during the second quarter ended 30 June 2012 next to a hike of 1.4% during the first quarter of the year. Growth in the construction sector came in at 5.1% on a year-on-year basis, supported by on-going public civil engineering works. We believe the outlook for the construction industry will remain positive but competitive for the next twelve months.

Since the start of 2012, we have secured four new public sector projects. We were awarded a design-and-build project involving the expansion of the CTE/TPE/SLE Interchange worth \$75.27 million by the Land Transport Authority. The three other projects are by the Public Utilities Board, namely improvement to roadside drains at Sunset Drive, Clementi Avenues and Tiong Bahru Road areas worth \$5.3 million; improvement to roadside drains at Queen Astrid Park, Benoi Road and Wan Lee Road areas worth \$7.5 million; and lining works and removal of NEWater mains for Stamford Canal at Orchard Road worth \$4.9 million.

As at the date of this announcement, our order book based on secured contracts stands at approximately \$341.6 million, with some projects completing in 2015.

On 27 June 2012, we invested approximately \$0.1 million for a 10% stake in a property development company, CS Amber Development Pte Ltd (formerly known as CS Land Properties Pte Ltd). This venture marks our maiden foray into property development. We expect such move to enable us to tap the private sector for further business opportunities.

Going forward, we shall continue to focus on our traditional core in the construction and maintenance business. Backed by a sturdy track record in public sector works, ability to manage resources, strong client relationships and the experience, commitment and hands-on approach of key management, we shall strive to further augment our track record and reputation in this sector.

In order to generate greater profitability and raise our corporate profile within the construction industry, we intend to participate in tenders for larger and more complex civil engineering projects by leveraging on our experience and financial strength. Apart from public sector works, we continue to seek opportunities to extend our civil engineering capabilities in the oil and gas sector.

Over the years, we have consistently practised selective participation in tenders, only taking up projects that promise a reasonable rate of return. Our management has and always will exercise discernment in the conduct of our business.



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

(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

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the second quarter ended 30 June 2012.

13. Interested person transactions disclosure

Name of Interested Person	Aggregate value of all interested person transactions during three months ended 30 June 2012 (excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during three months ended 30 June 2012 conducted under shareholders' mandate pursuant to Rule 920
	\$'000	\$'000
Proj.B Studio ^(a) - Provision of professional services to the Group	15,000	Not applicable. The Company does not have a shareholders' mandate pursuant to Rule 920.

Notes:

(a) 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.



14. Use of proceeds as at 30 June 2012

- (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	2.20	-

- (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	-

- (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	-

- (iv) Exercise of 58,470,177 warrants at \$0.20 for each share as at 30 June 2012 raising net proceeds of \$11.69 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	11.69	10.72	0.97

The unutilised proceeds are deposited with a bank pending deployment.



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 statements for the second quarter and half year ended 30 June 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
20 July 2012