



**First Quarter
Financial Statement
for the Period Ended
31 March 2013**

30 April 2013

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First Quarter Financial Statement for the Period Ended 31 March 2013
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		Increase/ (Decrease)
	Current first quarter ended 31 Mar 2013	Previous first quarter ended 31 Mar 2012	
	\$'000	\$'000	
Revenue	32,038	24,954	28.4
Cost of works	(27,199)	(19,710)	38.0
Gross profit	4,839	5,244	(7.7)
Other income	299	749	(60.1)
Expenses			
- Administrative	(2,387)	(2,211)	8.0
- Other	-	(122)	n.m.
- Finance	(18)	(27)	(33.3)
Share of profit of an associated company	-(*)	-	n.m.
Profit before income tax	2,733	3,633	(24.8)
Income tax expense	(359)	(580)	(38.1)
Net profit	2,374	3,053	(22.2)
Gross profit margin	15.1%	21.0%	
Net profit margin	7.4%	12.2%	
Effective tax rate	13.2%	16.0%	
Net profit attributable to:			
Equity holders of the Company	2,375	3,054	(22.2)
Non-controlling interests	(1)	(1)	-
	2,374	3,053	(22.2)

(*) – Amount of share of profit of an associated company is not material for three months ended 31 March 2013 (ie less than \$1,000)

n.m. : not meaningful



(i) Consolidated statement of comprehensive income for the first quarter ended 31 March 2013

	The Group			
	Note	Current first quarter ended 31 Mar 2013	Previous first quarter ended 31 Mar 2012	Increase/ (Decrease)
		\$'000	\$'000	%
Net profit		2,374	3,053	(22.2)
Other comprehensive income:				
Financial assets, available-for-sale				
- Fair value (losses)/ gains, net of tax	i	(46)	18	(355.6)
- Reclassification		(26)	-	n.m.
Total comprehensive income, net of tax		2,302	3,071	(25.0)
Total comprehensive income attributable to:				
Equity holders of the Company		2,303	3,072	(25.0)
Non-controlling interests		(1)	(1)	-
		2,302	3,071	(25.0)

Note:

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

n.m. : not meaningful



(ii) Additional disclosures

Profit before income tax was arrived at:

		The Group		
	Note	Current first quarter ended 31 Mar 2013	Previous first quarter ended 31 Mar 2012	Increase/ (Decrease)
		\$'000	\$'000	%
<u>After charging:</u>				
Non-audit fee paid to the auditors of the Company		5	5	-
Amortisation of intangible assets		2	-	n.m.
Depreciation of property, plant and equipment		157	93	68.8
Directors' remuneration				
- Directors of the Company		858	945	(9.2)
- Other Directors		110	108	1.9
Directors' fee		45	45	-
Interest paid and payable				
- Finance lease liabilities		18	27	(33.3)
Currency translation differences arising from investment in debt securities	i	(13)	24	(154.2)
Employee compensation cost		636	594	7.1
<u>After crediting:</u>				
Interest income				
- Bank deposits		50	56	(10.7)
- Financial assets, held-to-maturity		11	6	83.3
- Financial assets, available-for-sale		32	25	28.0
- Other receivables (non-current)		112	-	n.m.
Gain on disposal of property, plant and equipment (net)		25	-	n.m.
Rental income from an investment property		13	11	18.2
Gain/(Loss) on foreign exchange	ii	30	(122)	124.6
Financial assets, available-for-sale				
- Loss on disposal		(20)	-	n.m.
- Reclassification from other comprehensive income upon disposal		26	-	n.m.
Government grant		44	50	(12.0)
<u>Included in the cost of works are the following:</u>				
Depreciation of property, plant and equipment		546	582	(6.2)
Amortisation of intangible assets		16	-	n.m.
Employee compensation cost		5,721	4,871	17.5

Note:

- (i) Currency translation differences mainly arose from the revaluation of financial asset, available-for-sale denominated in United States dollar to Singapore dollar.
- (ii) Gain/loss on foreign exchange mainly arose from the revaluation of assets 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	
31 Mar 2013	31 Mar 2012
\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial period:

Current income tax - Singapore

326

576

Deferred income tax

35

4

361

580

- Over provision of income tax in prior financial periods

(2)

-

359

580



1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of Financial Position

	Note	The Group		The Company	
		31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents		55,260	53,992	2,535	2,761
Trade and other receivables	i	32,195	30,919	9,543	11,144
Financial assets, held-to-maturity	vii	1,000	1,000	-	-
Construction contract work-in-progress		3,468	3,604	-	-
		91,923	89,515	12,078	13,905
Non-current assets					
Investments in subsidiaries	ii	-	-	15,774	15,774
Investments in joint ventures	iii	-	-	-	-
Investment in an associated company	iv	101	101	-	-
Investment properties	v	4,830	4,830	-	-
Other receivables	vi	18,776	18,664	18,543	18,543
Financial assets, held-to-maturity	vii	500	500	-	-
Financial assets, available-for-sale	viii	1,723	2,756	-	-
Property, plant and equipment		18,952	19,183	6,349	6,350
Intangible assets	ix	1,952	1,970	29	31
		46,834	48,004	40,695	40,698
Total assets		138,757	137,519	52,773	54,603
LIABILITIES					
Current liabilities					
Trade and other payables	x	35,452	36,648	8,809	11,558
Finance lease liabilities		800	524	-	-
Current income tax liabilities		1,868	2,204	2	-
		38,120	39,376	8,811	11,558
Non-current liabilities					
Finance lease liabilities		844	930	-	-
Deferred income tax liabilities		876	840	37	25
		1,720	1,770	37	25
Total liabilities		39,840	41,146	8,848	11,583
NET ASSETS		98,917	96,373	43,925	43,020
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		36,832	36,578	36,832	36,578
Other reserves	xi	1,388	1,479	-	19
Retained profits		60,643	58,261	7,093	6,423
		98,863	96,318	43,925	43,020
Non-controlling interests		54	55	-	-
Total equity		98,917	96,373	43,925	43,020
Net tangible assets		96,911	94,348	43,896	42,989



Notes to Statements of Financial Position:

(i) Trade and other receivables

	The Group		The Company	
	31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	9,496	5,920	-	-
- Subsidiaries	-	-	9,471	11,016
	9,496	5,920	9,471	11,016
Construction contracts				
- Due from customers	15,266	18,207	-	-
- Retentions	5,781	4,935	-	-
	21,047	23,142	-	-
Non-trade receivables				
- Subsidiaries	-	-	717	717
- Joint venture partners	85	62	-	-
- Non-related parties	1,966	2,176	5	72
	2,051	2,238	722	789
Less: Allowance for impairment of receivables	(1,474)	(1,474)	(688)	(688)
Non-trade receivables - net	577	764	34	101
Deposits	414	398	11	11
Prepayments	661	695	27	16
	<u>32,195</u>	<u>30,919</u>	<u>9,543</u>	<u>11,144</u>

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	
	31 Mar 2013	31 Dec 2012
	\$'000	\$'000
Equity investments at cost	15,774	15,948
Addition	-	100
Disposal	-	(274)
Total cost of investment	<u>15,774</u>	<u>15,774</u>
Less:		
Allowance for impairment	-	(274)
Disposal	-	274
	<u>-</u>	<u>-</u>
	<u>15,774</u>	<u>15,774</u>



Name of subsidiary	Principal activities	Country of incorporation	Equity holding	
			31 Mar 2013	31 Dec 2012

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%	100%
OKP Transport & Trading Pte Ltd ^{(@)(*)}	Provision of transport and logistics services	Singapore	100%	100%

(@) Audited by Nexia TS Public Accounting Corporation.

(*) Dormant company.



(iii) Investments in joint ventures

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	
31 Mar 2013	31 Dec 2012
\$'000	\$'000
Assets	
- Current assets	6,541
	4,792
Liabilities	
- Current liabilities	(4,985)
	(3,552)
Net assets	1,556
	1,240
Revenue	5,477
	8,666
Expenses	(5,122)
	(8,107)
Profit before income tax	355
	559
Income tax expense	(33)
	(78)
Net profit	322
	481
Operating cash inflows, representing total cash inflows	222
	402

Name of joint ventures	Principal activities	Country of incorporation	Equity holding	
			31 Mar 2013	31 Dec 2012
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%

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%

(@) Audited by Heng Lee Seng LLP.

(#) Audited by Nexia TS Public Accounting Corporation.

(1) CIF-OKP Construction and Development Pte Ltd ("CIF-OKP"), incorporated in Singapore on 1 December 2009, remained inactive as at 31 March 2013. 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 (2012: \$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.



(iv) Investment in an associated company

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	
31 Mar 2013	31 Dec 2012
\$'000	\$'000

Equity investment at cost

Beginning of financial period/year	101	-
Acquisition of an associated company	-	111
Share of profit/(losses)	_(*)	(10)
End of financial period/year	101	101

(*) - Amount of share of profit of an associated company is not material for three months ended 31 March 2013 (ie \$127)

The summarised financial information of the associated company, not adjusted for the proportion of ownership interest held by the Group, is as follows:

The Group	
31 Mar 2013	31 Dec 2012
\$'000	\$'000

Assets	190,787	188,675
Liabilities	(189,779)	(187,668)
Revenue	-	-
Net profit/(loss)	1	(87)

Name of associated company	Principal activities	Country of incorporation	Equity holding	
			31 Mar 2013	31 Dec 2012

Held by a subsidiary

CS Amber Development Pte Ltd (formerly known as CS Land Properties Pte Ltd)	Property development	Singapore	10%	10%
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(Audited by PricewaterhouseCoopers LLP)



(v) Investment properties

	The Group	
	31 Mar 2013	31 Dec 2012
	\$'000	\$'000
Beginning of financial period/year	4,830	1,650
Additions		
- Transfer from property, plant and equipment	-	3,120
Fair value gain recognised in profit and loss	-	60
End of financial period/year	<u>4,830</u>	<u>4,830</u>

The Group's policy is to revalue its investment properties on an annual basis. An update to the fair values will be done at the end of the financial year.

(vi) Other receivables (non-current)

	The Group		The Company	
	31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000
Other receivables				
- Loan to an associated company	18,776	18,664	-	-
- Loan to a subsidiary	-	-	18,543	18,543
	<u>18,776</u>	<u>18,664</u>	<u>18,543</u>	<u>18,543</u>

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

The loan made to a subsidiary is an interest-free advance for the purpose of operating and development activities in their respective fields. The loan is not expected to be repaid within the next 12 months.



(vii) Financial assets, held-to-maturity

The Group	
31 Mar 2013	31 Dec 2012
\$'000	\$'000
Current portion	1,000
Non-current portion	500
	1,500

Held-to maturity financial assets are analysed as follows:

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
	1,500	1,500

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

The Group		
31 Mar 2013	31 Dec 2012	
\$'000	\$'000	
Bonds with fixed interest of 2.22% p.a. and maturity date on 5 July 2013	1,002	1,007
Bonds with fixed interest of 4.30% p.a. and maturity date on 9 November 2016	522	517

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	
31 Mar 2013	31 Dec 2012
\$'000	\$'000

Beginning of financial period/year	2,756	708
Additions	-	4,500
Currency translation differences	13	(43)
Fair value (losses)/gains recognised in other comprehensive income	(46)	91
Disposal	(1,000)	(2,500)
End of financial period/year	1,723	2,756

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

Unlisted debt securities

- Bonds with fixed interest of 7.875% p.a. without fixed maturity	734	727
- Bonds with fixed interest of 5.125% p.a. without fixed maturity	989	2,029
	1,723	2,756

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



(ix) Intangible assets

The Group		The Company	
31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
\$'000	\$'000	\$'000	\$'000

Composition:

Goodwill arising on consolidation	1,688	1,688	-	-
Computer software licences	264	282	29	31
	<u>1,952</u>	<u>1,970</u>	<u>29</u>	<u>31</u>

(a) Goodwill arising on consolidation

Cost/net book value

Beginning and end of financial period/year	<u>1,688</u>	<u>1,688</u>	<u>-</u>	<u>-</u>
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This represents goodwill on consolidation which is the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

(b) Computer software licences

Cost

Beginning of financial period/year	353	-	39	-
Additions	-	353	-	39
End of financial period/year	<u>353</u>	<u>353</u>	<u>39</u>	<u>39</u>

Accumulated amortisation

Beginning of financial period/year	71	-	8	-
Amortisation charge	18	71	2	8
End of financial period/year	<u>89</u>	<u>71</u>	<u>10</u>	<u>8</u>
Net book value	<u>264</u>	<u>282</u>	<u>29</u>	<u>31</u>

Computer software licences relate to fees paid to third parties in relation to the entitlement to use the computer software licences and are amortised over 5 years.



(x) Trade and other payables

	The Group		The Company	
	31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	17,326	18,791	78	141
- Joint venture partner	4,851	3,445	-	-
	22,177	22,236	78	141
Non-trade payables				
- Subsidiaries	-	-	6,083	8,655
- Non-controlling shareholder of a subsidiary	450	450	-	-
- Joint venture partner	32	32	-	-
	482	482	6,083	8,655
Construction contracts				
- Advances received	1,464	2,091	-	-
Accrued operating expenses	11,133	11,623	2,648	2,762
Other payables	196	216	-	-
	<u>35,452</u>	<u>36,648</u>	<u>8,809</u>	<u>11,558</u>

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



(xi) Other reserves

The Group		The Company	
31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
\$'000	\$'000	\$'000	\$'000

(a) **Composition:**

Warrant reserve	-	19	-	19
Fair value reserve	16	88	-	-
Asset revaluation reserve	1,372	1,372	-	-
	<u>1,388</u>	<u>1,479</u>	<u>-</u>	<u>19</u>

(b) **Movements:**

Warrant reserve

Beginning of financial period/year	19	39	19	39
Warrants exercised	(12)	(20)	(12)	(20)
Warrants expired	(7)	-	(7)	-
End of financial period/year	<u>-</u>	<u>19</u>	<u>-</u>	<u>19</u>

Fair value reserve

Beginning of financial period	88	(11)	-	-
Financial asset – available-for-sale				
-Fair value (losses)/ gains	(46)	91	-	-
-Tax on fair value changes	-	(15)	-	-
	<u>(46)</u>	<u>76</u>	<u>-</u>	<u>-</u>
Reclassification to profit or loss	(26)	23	-	-
End of financial period/year	<u>16</u>	<u>88</u>	<u>-</u>	<u>-</u>

Asset revaluation reserve

Beginning of financial period/year	1,372	-	-	-
Revaluation gains	-	1,372	-	-
End of financial period/year	<u>1,372</u>	<u>1,372</u>	<u>-</u>	<u>-</u>

Other reserves are non-distributable.



Explanatory Notes:

(i) Current assets

Current assets increased by \$2.4 million, from \$89.5 million as at 31 December 2012 to \$91.9 million as at 31 March 2013. The increase was attributable to:

- (a) an increase in cash and cash equivalents of approximately \$1.2 million. This was due mainly to the cash generated from operations for the first quarter ended 31 March 2013 of approximately \$0.4 million, cash generated from investing activities of approximately \$0.8 million and cash generated from financing activities of approximately \$28,000; and
- (b) an increase in trade and other receivables of approximately \$1.3 million following higher revenue recognised for the first quarter ended 31 March 2013;

which were partially offset by:

- (c) a decrease in construction contract work-in-progress of approximately \$0.1 million due mainly to lower unbilled amounts expected to be collected from customers for contract work performed up till 31 March 2013 as compared to 31 December 2012.

(ii) Non-current assets

Non-current assets decreased by \$1.2 million, from \$48.0 million as at 31 December 2012 to \$46.8 million as at 31 March 2013. The decrease was due mainly to:

- (a) a decrease in the financial assets, available-for-sale of \$1.0 million resulting from the sale of a financial asset, available-for-sale during the first quarter ended 31 March 2013; and
- (b) a decrease in property, plant and equipment of \$0.2 million resulting from depreciation and disposal of property, plant and equipment, which was partially offset by the purchase of new property, plant and equipment during the first quarter ended 31 March 2013.

(iii) Current liabilities

Current liabilities decreased by \$1.3 million, from \$39.4 million as at 31 December 2012 to \$38.1 million as at 31 March 2013. The decrease was due mainly to:

- (a) a decrease in trade and other payables of approximately \$1.2 million due mainly to the settlement of some major trade and other payables during the first quarter ended 31 March 2013; and
- (b) a decrease in current income tax liabilities of approximately \$0.3 million due mainly to lower tax provision for lower profits generated in the first quarter ended 31 March 2013;

which were partially offset by:

- (c) the increase in finance lease liabilities of approximately \$0.2 million as a result of the purchase of new plant and equipment to support both newly-awarded and existing projects in the first quarter ended 31 March 2013.

(iv) Non-current liabilities

Non-current liabilities decreased by \$0.1 million, from \$1.8 million as at 31 December 2012 to \$1.7 million as at 31 March 2013. The decrease was due mainly to repayment of finance lease liabilities during the first quarter ended 31 March 2013.



(x) Shareholders' equity

Shareholders' equity, comprising share capital, other reserves, retained profits and non-controlling interests, increased by \$2.5 million, from \$96.4 million as at 31 December 2012 to \$98.9 million as at 31 March 2013. The increase was largely attributable to:

- (a) the profit generated from operations of approximately \$2.4 million for the first quarter ended 31 March 2013; and
- (b) the increase in share capital of approximately \$0.2 million resulting from the issuance of new shares arising from the exercise of warrants during the first quarter ended 31 March 2013;

which were partially offset by:

- (c) the decrease in fair value reserve of approximately \$0.1 million due mainly to the changes in the fair values and disposal of the financial assets, available-for-sale during the first quarter ended 31 March 2013.

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 Mar 2013		As at 31 Dec 2012	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
800	-	524	-

- (b) Amount repayable after one year

As at 31 Mar 2013		As at 31 Dec 2012	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
844	-	930	-

- (c) Details of any collateral

The above secured borrowings of the Group relate to finance lease liabilities secured by 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 for the first quarter ended 31 March:

	The Group	
	Current first quarter ended 31 Mar 2013	Previous first quarter ended 31 Mar 2012
	\$'000	\$'000
Cash flows from operating activities		
Net profit	2,374	3,053
Adjustments for:		
- Income tax expense	359	580
- Depreciation of property, plant and equipment	703	675
- Amortisation of intangible assets	18	-
- Gain on disposal of property, plant and equipment (net)	(25)	-
- Gain on disposal of a financial asset, available-for-sale	(6)	-
- Unrealised currency translation (gain)/loss	(13)	24
- Interest income	(93)	(87)
- Interest expense	18	27
Operating cash flow before working capital changes	3,335	4,272
Change in working capital		
- Trade and other receivables	(1,276)	1,192
- Construction contract work-in-progress	136	(1,853)
- Trade and other payables	(1,196)	(3,252)
Cash generated from operations	999	359
- Interest received	50	56
- Income tax paid	(659)	(1,479)
Net cash provided by/(used in) operating activities	390	(1,064)
Cash flows from investing activities		
- Additions to property, plant and equipment	(219)	(321)
- Disposal of property, plant and equipment	34	-
- Purchase of financial asset, available-for-sale	-	(4,500)
- Disposal of a financial asset, available-for-sale	980	-
- Interest received	43	31
Net cash generated from/(used in) investing activities	838	(4,790)



The Group	
Current first quarter ended 31 Mar 2013	Previous first quarter ended 31 Mar 2012
\$'000	\$'000

Cash flows from financing activities

- Repayment of finance lease liabilities	(184)	(221)
- Interest paid	(18)	(27)
- Proceeds from issuance of shares	242	64
- Bank deposits pledged	(12)	60
Net cash generated from/(used in) financing activities	28	(124)
Net increase/(decrease) in cash and cash equivalents	1,256	(5,978)
Cash and cash equivalents at beginning of financial period	48,964	87,448
Cash and cash equivalents at end of financial period	50,220	81,470

Explanatory Notes:

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

	The Group	
	31 Mar 2013	31 Mar 2012
	\$'000	\$'000
Cash at bank and on hand	19,154	36,442
Short-term bank deposits	36,106	50,044
Bank deposits pledged	55,260	86,486
	(5,040)	(5,016)
Cash and cash equivalents per consolidated statement of cash flows	50,220	81,470

Bank deposits of \$5,040,171 (31 March 2012: \$5,016,256) are pledged to banks for banking facilities of certain subsidiaries.



(ii) **Review of Cash Flows for first quarter ended 31 March 2013**

Net cash provided by operating activities

Our Group reported net cash of \$0.4 million provided by operating activities in the first quarter ended 31 March 2013, an increase of \$1.5 million from net cash used in operating activities of \$1.1 million in the first quarter ended 31 March 2012. The net cash provided by operating activities comprise:

- (a) a decrease in net working capital outflow of \$1.6 million; and
- (b) a decrease in income tax paid of \$0.8 million during the first quarter ended 31 March 2013;

which were partially offset by:

- (c) a decrease in cash generated from operating activities before working capital changes of \$0.9 million.

Net cash generated from investing activities

Net cash of \$0.8 million was generated from investing activities in the first quarter ended 31 March 2013, as compared with net cash used in investing activities of \$4.8 million in the first quarter ended 31 March 2012. The major inflow for the first quarter ended 31 March 2013 related to the proceeds received from the sale of a financial asset, available-for-sale of \$1.0 million, which was partially offset by purchase of new property, plant and equipment of \$0.2 million.

Net cash generated from financing activities

The net cash generated from financing activities was \$28,000 for the first quarter ended 31 March 2013, compared with net cash used in financing activities of \$0.1 million for the first quarter ended 31 March 2012. The major inflow for the first quarter ended 31 March 2013 related to cash proceeds from the issuance of new shares arising from the exercise of warrants of \$0.2 million, which was partially offset by repayment of finance lease liabilities and servicing of interest payments.

Overall, free cash and cash equivalents stood at \$50.2 million as at 31 March 2013, a decrease of \$31.3 million, from \$81.5 million as at 31 March 2012. This works out to cash of 16.3 cents per share as at 31 March 2013 (based on 308,430,594 shares issued) as compared to 26.7 cents per share as at 31 March 2012 (based on 305,560,585 shares issued).



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	Asset revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Group

As at 1 Jan 2013	36,578	19	88	1,372	58,261	96,318	55	96,373
Total comprehensive income for the period	-	-	(72)	-	2,375	2,303	(1)	2,302
Issue of shares pursuant to exercise of warrants	254	(12)	-	-	-	242	-	242
Expiry of outstanding warrants	-	(7)	-	-	7	-	-	-
As at 31 Mar 2013	36,832	-	16	1,372	60,643	98,863	54	98,917
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



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 2013	36,578	19	-	6,423	43,020	-	43,020
Total comprehensive income for the period	-	-	-	663	663	-	663
Issue of shares pursuant to exercise of warrants	254	(12)	-	-	242	-	242
Expiry of outstanding warrants	-	(7)	-	7	-	-	-
As at 31 Mar 2013	36,832	-	-	7,093	43,925	-	43,925
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



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 2013	307,220,210	36,578,119
Issue of new shares pursuant to exercise of warrants	1,210,384	242,077
Transfer from warrants reserve to share capital upon exercise of warrants	-	12,104
Balance as at 31 March 2013	308,430,594	36,832,300

The Company issued 61,822,852 warrants on 6 January 2010. 1,210,384 warrants were exercised by warrant holders at the exercise price of \$0.20 per share during the first quarter ended 31 March 2013. The remaining outstanding 683,666 warrants expired on 4 January 2013 and there were no outstanding warrants as at 31 March 2013.

316,000 warrants were exercised by warrant holders at the exercise price of \$0.20 per share during the first quarter ended 31 March 2012. There were 3,553,675 outstanding warrants as at 31 March 2012.

Except as mentioned above, there have been no changes in the issued share capital of the Company since 31 December 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 first quarter ended 31 March 2013.

Except as mentioned above, there were no outstanding convertibles issued or treasury shares held by the Company as at 31 March 2012 and 31 March 2013.



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 Mar 2013	31 Dec 2012
Total number of issued shares (excluding treasury shares)	308,430,594	307,220,210

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 2012.



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 2013.

- Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012)
- FRS 19 (Revised) – Employee Benefits (effective for annual periods beginning on or after 1 January 2013)
- FRS 113 (New) – Fair Value Measurements (effective for annual periods beginning on or after 1 January 2013)
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards – Government Loans (effective for annual periods beginning on or after 1 January 2013)
- Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013)
- FRS 27 (Revised) – Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 28 (Revised) – Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 32 – Financial Instruments: Offsetting of Financial Liabilities and Assets (effective for annual periods beginning on or after 1 January 2014)
- FRS 110 (New) – Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 111 (New) – Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)
- FRS 112 (New) – Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014)

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		
	Current first quarter ended 31 Mar 2013	Previous first quarter ended 31 Mar 2012	Increase/ (Decrease) %
Net profit attributable to equity holders of the Company (\$'000)	2,375	3,054	(22.2)
Weighted average number of ordinary shares outstanding for basic earnings per share	308,430,594	305,358,849	1.0
Basic earnings per share (cents per share)	0.77	1.00	(23.0)

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 potential dilutive ordinary shares. The Company had warrants as potential dilutive ordinary shares.

The weighted average number of shares on issue had been adjusted as if all dilutive warrants were exercised. The number of shares that could have been issued upon the exercise of all dilutive warrants less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial period) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

	The Group		
	Current first quarter ended 31 Mar 2013	Previous first quarter ended 31 Mar 2012	Increase/ (Decrease) %
Net profit attributable to equity holders of the Company (\$'000)	2,375	3,054	(22.2)
Weighted average number of ordinary shares outstanding for basic earnings per share	308,430,594	305,358,849	1.0
Adjustments for warrants	-	2,375,661	n.m.
	308,430,594	307,734,510	0.2
Diluted earnings per share (cents per share)	0.77	0.99	(22.2)



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 Mar 2013	As at 31 Dec 2012	As at 31 Mar 2013	As at 31 Dec 2012	The Group	The Company
Net tangible assets (\$'000)	96,911	94,348	43,896	42,989	2.7	2.1
Number of shares	308,430,594	307,220,210	308,430,594	307,220,210	0.4	0.4
NTA per share (cents)	31.42	30.71	14.23	13.99	2.3	1.7

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

Our Business

OKP Holdings Limited is a home-grown infrastructure and civil engineering company in the region. It specialises in the construction of urban and arterial roads, expressways, vehicular bridges, flyovers, airport infrastructure and oil & gas related infrastructure for petrochemical plants and oil storage terminals as well as the maintenance of roads and roads related facilities and building construction-related works. It expands its core business to include property development and investment. We tender for both public and private civil engineering and infrastructure construction projects.

We have two core business segments: Construction and Maintenance.



Income Statement Review (First Quarter of 2013 vs First Quarter of 2012)

	The Group					
	Current first quarter ended 31 Mar 2013		Previous first quarter ended 31 Mar 2012		Increase / (Decrease)	
	\$'000		\$'000		\$'000	%
Construction	26,819	83.7%	20,715	83.0%	6,104	29.5
Maintenance	5,219	16.3%	4,239	17.0%	980	23.1
Total Revenue	32,038	100.0%	24,954	100.0%	7,084	28.4

Revenue

Our Group registered a 28.4% or \$7.1 million increase in revenue to \$32.0 million in the first quarter ended 31 March 2013 as compared to \$24.9 million in the first quarter ended 31 March 2012. The increase was due mainly to a 29.5% increase in revenue from the construction segment to \$26.8 million, coupled with a 23.1% increase in revenue from the maintenance segment to \$5.2 million.

The growth in revenue from the construction segment was largely attributable to higher percentage of revenue recognised from a few key construction projects which were in full swing in the first quarter ended 31 March 2013.

The increase in revenue from the maintenance segment was due mainly to higher percentage of revenue recognised from a number of both existing and newly-awarded maintenance projects as they progressed to a more active phase in the first quarter ended 31 March 2013.

The construction segment continued to be the major contributor to our Group's revenue. On a segmental basis, our core construction segment and maintenance segment accounted for 83.7% (2012: 83.0%) and 16.3% (2012: 17.0%) of our Group's revenue respectively for the first quarter ended 31 March 2013.

Cost of works, gross profit and gross profit margin

Our cost of works increased by 38.0% or \$7.5 million from \$19.7 million for the first quarter ended 31 March 2012 to \$27.2 million for the first quarter ended 31 March 2013. The increase in cost of works was proportionately higher than the increase in revenue due mainly to the increase in sub-contracting costs as a result of sub-contracting construction building works to third party sub-contractors, and an increase in labour costs due to salary and levy adjustments during the first quarter ended 31 March 2013.

Consequently, despite recording a higher revenue, our gross profit for the first quarter ended 31 March 2013 decreased by 7.7% or \$0.4 million from \$5.2 million for the first quarter ended 31 March 2012 to \$4.8 million for the first quarter ended 31 March 2013.

Our gross profit margin declined from 21.0% for the first quarter ended 31 March 2012 to 15.1% for the first quarter ended 31 March 2013.



Other income

Other income decreased by \$0.4 million or 60.1% from \$0.7 million for the first quarter ended 31 March 2012 to \$0.3 million for the first quarter ended 31 March 2013. The decrease was largely attributable to the write-back of trade payables of \$0.5 million in the first quarter ended 31 March 2012 which did not recur in the first quarter ended 31 March 2013. The decrease was partially offset by interest income earned from a loan extended to an associated company of \$0.1 million during the first quarter ended 31 March 2013.

Administrative expenses

Administrative expenses increased by \$0.2 million or 8.0% from \$2.2 million for the first quarter ended 31 March 2012 to \$2.4 million for the first quarter ended 31 March 2013. The increase was largely attributable to an increase in depreciation charges as a result of the acquisition of new office furniture and fittings, increase in tender charges due to tenders for complex projects and increase in staff costs due to salary adjustments during the first quarter ended 31 March 2013. The increase was partially offset by lower directors' remuneration (including profit sharing) accrued as a result of the lower profit generated by the Group for the first quarter ended 31 March 2013.

Other expenses

Other expenses related to loss from foreign exchange resulting from the weakening of the US dollar against the Singapore dollar. No losses resulting from foreign exchange differences were incurred during the first quarter ended 31 March 2013.

Finance expenses

Finance expenses decreased marginally by \$9,000 due mainly to repayment of finance leases in the first quarter ended 31 March 2013.

Share of loss of an associated company

The share of loss of an associated company in the first quarter ended 31 March 2013 was due mainly to the operating expenses incurred for the joint venture development project.

Profit before income tax

Profit before income tax decreased by \$0.9 million or 24.8% from \$3.6 million in the first quarter ended 31 March 2012 to \$2.7 million in the first quarter ended 31 March 2013. The decrease was due mainly to the decrease in gross profit of \$0.4 million, decrease in other income of \$0.4 million and increase in administrative expenses of \$0.2 million which were partially offset by decrease in other expenses of \$0.1 million and the decrease in finance expenses of \$9,000, as explained above.



Income tax expense

Income tax expense decreased by \$0.2 million or 38.1% from \$0.6 million in the first quarter ended 31 March 2012 to \$0.4 million in the first quarter ended 31 March 2013 due mainly to lower profit before income tax, as explained above.

The effective tax rates for the first quarter ended 31 March 2013 and first quarter ended 31 March 2012 were 13.2% and 16.0% respectively.

The effective tax rate for the first quarter ended 31 March 2013 was lower than the statutory tax rate of 17.0% due to utilisation of Productivity and Innovation Credit and a tax rebate of 30.0% on the corporate tax payable, during the first quarter ended 31 March 2013.

Non-controlling interests

Non-controlling interests increased due to losses incurred by a subsidiary in the first quarter ended 31 March 2013.

Net profit

Overall, for the first quarter ended 31 March 2013, net profit dropped by \$0.7 million, or 22.2%, from \$3.1 million for the first quarter ended 31 March 2012 to \$2.4 million for the first quarter ended 31 March 2013, following the decrease in profit before income tax of \$0.9 million which was partially offset by the decline in income tax expense of \$0.2 million, as explained above.

Our net profit margin decreased from 12.2% for the first quarter ended 31 March 2012 to 7.4% for the first quarter ended 31 March 2013.

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 first quarter ended 31 March 2013 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the financial year ended 31 December 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

Economic and industry outlook

On 12 April 2013, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy contracted by 0.6% on a year-on-year basis in the first quarter of 2013. However, the construction sector grew by 7.0% on a year-on-year basis in the first quarter of 2013. This was primarily due to the recovery in private sector building activities. In the light of the overall positive climate, we believe that the outlook for the construction industry will remain healthy for the next twelve months. However, we expect bids to be competitive and continued pressure on our margins.

Company outlook and order book update

Since the start of 2013, we have secured a total of 2 new contracts totalling approximately \$16.9 million from the Public Utilities Board. The contracts include the dredging of Sungei Api Api worth \$6.7 million and the improvement to roadside drains at Joo Chiat areas worth \$10.2 million.

As at the date of this announcement, our order book based on secured contracts stands at approximately \$393.5 million (31 March 2012: \$323.8 million), with some projects completing in 2015.

With a construction heritage that is almost 47 years old, we will continue to focus on our civil engineering core competencies in the public infrastructure space. Government projects will continue to be a fundamental and important part of our business as we seek to consolidate our leadership in this sector.

Being prudent has always been a hallmark of OKP. Our management remains selective in our tender participations. Prudent measures will be continually taken to control and reduce costs so as to enhance our Group's core competencies and efficiency.

With the currently available resources, we are confident that we are able to position ourselves competitively in the construction industry.

We shall continue to explore and evaluate opportunities to grow our business through acquisitions, joint ventures and/or strategic alliances that could complement our construction and maintenance business. These can potentially provide access to new markets and prospective clients.

Going forward, we will strive to retain our market leadership in the public sector arena and extend our presence in other sectors and industries, such as oil and gas and building construction.



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the first quarter ended 31 March 2013.

The final dividend of 1.5 cents per ordinary share (one-tier tax exempt) for the financial year ended 31 December 2012 was approved at the Company's Eleventh Annual General Meeting on 30 April 2013. Payment of the dividend will be made on 27 May 2013.

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 first quarter ended 31 March 2013. The Company does not have a general mandate from shareholders for interested person transactions.



14. Use of proceeds as at 31 March 2013

Exercise of 61,139,186 warrants at \$0.20 for each share as at 4 January 2013 raising net proceeds of \$12.2 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	12.22	10.72	1.50

The amount of \$10.72 million had been utilised to fund the investment in and the loan to CS Amber Development Pte. Ltd., an associated company of the Group.

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 first quarter ended 31 March 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
30 April 2013