



**Half-Year Financial
Statement for the Period
Ended 30 June 2007**

27 July 2007

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Half-Year Financial Statement for the Period Ended 30 June 2007

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 half- year ended 30 June 2007	Previous half- year ended 30 June 2006	
	\$'000	\$'000	
Revenue	49,062	33,417	46.8
Cost of works	(39,349)	(30,608)	28.6
Gross profit	<u>9,713</u>	<u>2,809</u>	245.8
Other income including interest income	414	263	57.4
Administrative expenses	(3,809)	(2,246)	69.6
Other operating expenses	(59)	(44)	34.1
Finance costs	(63)	(54)	16.7
Profit before taxation	<u>6,196</u>	<u>728</u>	751.1
Taxation	(2,101)	(119)	1,665.5
Net profit for the period	<u>4,095</u> =====	<u>609</u> =====	572.4

Attributable to :-

Shareholders of the Company	4,132	604	584.1
Minority interests	(37)	5	(840.0)
	<u>4,095</u> =====	<u>609</u> =====	572.4

n.m. – not meaningful



(i) Additional disclosures

Profit before taxation was arrived at after:

	← The Group →		
	Current half- Year ended 30 June 2007	Previous half- year ended 30 June 2006	Increase/ (Decrease) %
	\$'000	\$'000	%
<u>After charging:-</u>			
Non-audit fee paid to the auditors of the Company	4	4	-
Depreciation of property, plant & equipment	128	100	28.0
Directors' remuneration			
- Directors of the Company	750	676	10.9
- Other Directors	132	132	-
Directors' fee	60	60	-
Interest paid and payable			
- Hire purchase creditors	63	49	28.6
- Banks	-	5	n.m.
Loss on disposal of plant and equipment	1	-	n.m.
Loss on foreign exchange	58	44	31.8
Staff costs	534	662	(19.3)
Allowance for doubtful trade receivables	208	-	n.m.
Preliminary expenses written off	1	-	n.m.
<u>After crediting:-</u>			
Interest income from bank deposits	181	95	90.5
Gain on disposal of plant and equipment	38	9	322.2
Gain on foreign exchange	1	24	(95.8)
<u>Included in the cost of works are the following:-</u>			
Depreciation of plant and equipment	627	711	(11.8)
Staff costs	5,133	4,031	27.3

(ii) Extraordinary/Exceptional items

Nil

(iii) Adjustments for under or over-provision of tax in respect of prior years

There were no material adjustments for under or over-provision of tax in respect of prior years.



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

	← The Group →		← The Company →	
	30 Jun 2007 \$'000	31 Dec 2006 \$'000	30 Jun 2007 \$'000	31 Dec 2006 \$'000
Non-Current Assets				
Properties, plant & equipment	9,974	7,848	14	13
Interests in subsidiary companies	-	-	14,586	14,200
Investment property	800	800	-	-
Intangible assets	1,688	1,688	-	-
Deferred tax assets	68	68	-	-
	12,530	10,404	14,600	14,213
Current Assets				
Construction contracts work-in-progress	1,388	1,236	-	-
Trade and other receivables	30,317	21,512	34	28
Advances to subsidiary companies	-	-	455	455
Amounts due from subsidiary companies (trade)	-	-	2,179	3,864
Amounts due from subsidiary companies (non-trade)	-	-	1,069	932
Amounts due from a related party (non-trade)	50	148	-	126
Cash and cash equivalents	16,957	14,656	2,954	982
	48,712	37,552	6,691	6,387
Current Liabilities				
Trade and other payables	26,285	20,912	308	947
Amount due to a subsidiary (non-trade)	-	-	18	18
Advance from subsidiary companies	-	-	2,530	1,300
Current portion of obligations under hire purchase creditors	1,083	818	2	8
Amount due to related parties (non-trade)	1,096	256	-	-
Provision for income tax	2,939	1,485	20	12
	31,403	23,471	2,878	2,285
Net Current Assets	17,309	14,081	3,813	4,102
Non-Current Liabilities				
Obligations under hire purchase creditors	(2,254)	(1,487)	-	-
Deferred tax liabilities	(317)	(317)	-	-
	(2,571)	(1,804)	-	-
Net assets	27,268	22,681	18,413	18,315



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

	← The Group →		← The Company →	
	30 Jun 2007 \$'000	31 Dec 2006 \$'000	30 Jun 2007 \$'000	31 Dec 2006 \$'000
Capital and Reserves				
Share capital	17,243	14,955	17,243	14,955
Revenue reserves	9,613	7,728	1,170	3,360
	<hr/>		<hr/>	
Total shareholders' equity	26,856	22,683	18,413	18,315
Minority interests	412	(2)	-	-
	<hr/>		<hr/>	
	27,268	22,681	18,413	18,315
	<hr/> <hr/>		<hr/> <hr/>	
Net tangible assets	25,580	20,993	18,413	18,315

Explanatory Notes:

(i) Non-current assets

The increase in non-current assets was due mainly to the addition of new plant & equipment to support existing projects.

(ii) Current assets

Current assets increased by \$11.2 million, from \$37.6 million to \$48.7 million. The increase was largely attributable to higher cash & cash equivalents and higher trade receivables corresponding to the increased business revenues.

(iii) Current Liabilities

Current liabilities increased by \$7.9 million, from \$23.5 million to \$31.4 million. The increase was due mainly to the increase in trade & other payables, tax provision and non-trade amount due to related parties.

(iv) Non-current liabilities

The increase in non-current liabilities was due mainly to increase in hire-purchase creditors as a result of new plant and equipment purchased during the first half of 2007.

(v) Shareholders' equity

Shareholders' equity comprised share capital, revenue reserves and minority interest, and increased by \$4.6 million, from \$22.7 million to \$27.3 million. The increase was largely attributable to the strong results of profit generated from operations for the first half of 2007.



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 June 2007		As at 31 Dec 2006	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,083	-	818	-

(b) Amount repayable after one year

As at 30 June 2007		As at 31 Dec 2006	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
2,254	-	1,487	-

(c) Details of any collateral

The above secured borrowings of the Group relate to hire purchase liabilities secured by way of corporate guarantee issued by the Company.



1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	← The Group →	
Note	Current half-year ended 30 Jun 2007	Previous half-year ended 30 Jun 2006
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation and minority interests	6,196	728
Adjustments for:		
Depreciation of properties, plant and equipment	755	811
Gain on disposal of plant and equipment	(38)	(9)
Loss on disposal of plant and equipment	1	-
Interest income from bank deposits	(181)	(95)
Hire-purchase interest	63	49
Bank loan interest	-	5
Loss on foreign exchange	58	44
Gain on foreign exchange	(1)	(24)
Preliminary expenses written off	1	-
Allowance for doubtful trade receivables	208	-
	7,062	1,509
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
Change in operating assets and liabilities:		
Construction contracts work-in-progress	(152)	1,462
Trade and other receivables	(9,013)	(7,755)
Amount due from a related party (non-trade)	98	(270)
Trade and other payables	5,374	4,239
Amount due to a related party (non-trade)	840	-
	(2,853)	(2,324)
	4,209	(815)
Cash generated from / (used in) operations		
Hire-purchase interest paid	(63)	(49)
Bank loans interest paid	-	(5)
Interest income from bank deposits received	181	95
Income tax paid	(647)	(170)
	(529)	(129)
	3,680	(944)
NET CASH INFLOW FROM / (OUTFLOW USED IN) OPERATING ACTIVITIES		
Cash flows from investing activities		
Purchase of plant and equipment	(1,362)	(617)
Proceeds from disposal of plant and equipment	40	92
	(1,322)	(525)
NET CASH OUTFLOW USED IN INVESTING ACTIVITIES		



← The Group →

Note	Current half- year ended 30 Jun 2007	Previous half- year ended 30 Jun 2006
	\$'000	\$'000
Cash flows from financing activities		
Payment to hire-purchase creditors	(548)	(391)
Payment of dividend to shareholders	(2,247)	-
Issuance of shares to minority	451	-
Proceeds from share placement	2,288	-
Fixed deposits pledged with banks	(86)	(229)
NET CASH OUTFLOW USED IN FINANCING ACTIVITIES	(142)	(620)
Net increase / (decrease) in cash and cash equivalents held	i 2,216	(2,089)
Cash and cash equivalents at the beginning of the financial period	9,131	7,725
Cash and cash equivalents at the end of the financial period	ii 11,347	5,636

Explanatory Notes:

- (i) Net cash flow from operating activities registered a significant improvement of \$4.6 million, turning around from net cash used of \$0.9 million for the first half of 2006 to net cash generated of \$3.7 million for the first half of 2007, on the back of stronger operational performance in the first half of 2007.

Net cash outflow from investing activities increased by \$0.8 million, from \$0.5 million for the first half of 2006 to \$1.3 million for the first half of 2007. The increase was mainly due to purchase of new plant and equipment in the first half of 2007.

Net cash outflow from financing activities was \$0.1 million. This was mainly due to cash proceeds from the placement and issuance of shares to minorities, in aggregate of, \$2.7 million, which was entirely offset by repayment of hire-purchase creditors and dividend payments to shareholders, in aggregate of, \$2.8 million. Overall, there was a net cash inflow of \$2.2 million for the half-year ended 30 June 2007.

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

	The Group	
	30 June 2007	30 June 2006
	\$'000	\$'000
Cash at bank and in hand	4,206	3,552
Fixed deposits with banks	12,751	7,369
	16,957	10,921
Fixed deposits pledged to banks	(5,610)	(5,285)
	11,347	5,636
Cash and cash equivalents in consolidated statement of cash flows	11,347	5,636



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

	Share Capital	Share Premium	Revenue Reserves	Minority Interests	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>The Group</u>					
As at 1 Jan 2007	14,955	-	7,728	(2)	22,681
Issuance and allotment of new ordinary shares	2,288	-	-	-	2,288
Incorporation of subsidiary companies	-	-	-	451	451
Final dividend paid of 1.5 cents per share in respect of financial year ended 31 December 2006	-	-	(2,247)	-	(2,247)
Net profit for the period	-	-	4,132	(37)	4,095
As at 30 June 2007	17,243	-	9,613	412	27,268
As at 1 Jan 2006	13,626	1,329	3,580	(4)	18,531
Net profit for the period	-	-	604	5	609
Transfer of share premium reserve to share capital	1,329	(1,329)	-	-	-
As at 30 June 2006	14,955	-	4,184	1	19,140
<u>The Company</u>					
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at 1 Jan 2007	14,955	-	3,360	-	18,315
Issuance and allotment of new ordinary shares	2,288	-	-	-	2,288
Final dividend paid of 1.5 cents per share in respect of financial year ended 31 December 2006	-	-	(2,247)	-	(2,247)
Net profit for the period	-	-	57	-	57
As at 30 June 2007	17,243	-	1,170	-	18,413
As at 1 Jan 2006	13,626	1,329	1,339	-	16,294
Net profit for the period	-	-	227	-	227
Transfer of share premium reserve to share capital	1,329	(1,329)	-	-	-
As at 30 June 2006	14,955	-	1,566	-	16,521



- 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 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**

<u>Share Capital</u>	Number of shares	\$
Ordinary shares issued and fully paid		
Balance as at 1 January 2007	136,260,940	14,955,415
Issuance of new shares pursuant to Placement Agreement	13,600,000	2,287,656
Balance as at 30 June 2007	149,860,940	17,243,071

On 7 February 2007, the Company issued and allotted 13.6 million new ordinary shares for cash at \$0.16821 per share pursuant to the Placement Agreement dated 24 January 2007. Thus, the issued and paid-up capital of the Company increased by \$2,287,656 to \$17,243,071 as a result of the placement exercise.

Except as mentioned above, there have been no changes to the issued share capital of the Company since 31 December 2006.

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**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2006.



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**

During the financial period, several new Financial Reporting Standards ("FRS") and revisions to FRS became effective. The effect of the adoption of these new and revised FRS on the financial statements of the Group and of the Company is not significant.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

The Group			
	Current half year-ended 30 June 2007	Previous half year-ended 30 June 2006	Increase / (Decrease) %
Net profit for the period (\$'000)	4,132	604	584.1
Number of shares	149,860,940	136,260,940	10.0
EPS (cents)	2.76	0.44	527.3

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital 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) %	
	Current half-year ended 30 Jun 2007	Previous financial year ended 31 Dec 2006	Current half-year ended 30 Jun 2007	Previous financial year ended 31 Dec 2006	The Group	The Company
Net tangible assets (\$'000)	25,580	20,993	18,413	18,315	21.9	0.5
Number of shares	149,860,940	136,260,940	149,860,940	136,260,940	10.0	10.0
NTA per share (cents)	17.07	15.41	12.29	13.44	10.8	(8.6)



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, specialising in the construction of urban and arterial roads, expressways, vehicular bridges, flyovers, airport infrastructure and oil and gas related infrastructure for petrochemical plants and oil storage terminals as well as the maintenance of roads and roads related facilities and building construction-related works. We have two core business segments: Civil & Building Construction and Road Maintenance.

Income Statement Review

	The Group			
	Current half-year ended 30 June 2007	Previous half-year ended 30 June 2006	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Civil & Building Construction	41,681	24,214	17,467	72.1
Road Maintenance	7,381	9,203	(1,822)	(19.8)
Total Revenue	49,062	33,417	15,645	46.8

Revenue

Our Group registered strong and healthy growth in revenue in the first half of 2007. Our group's revenue increased by 46.8% to \$49.0 million in the first half of 2007 as compared to \$33.4 million in the first half of 2006. The growth was due mainly to a 72.1% increase in revenue from the civil & building construction segment coupled with recurring revenue from the road maintenance segment.

Gross profit

Our gross profit rose significantly by 245.8% from \$2.8 million in the first half of 2006 to \$9.7 million in the first half of 2007. The significant growth in our gross profit margin was largely attributable to better profit margins obtained from some existing civil engineering projects and continued efforts in managing costs and improving efficiency.



Other income

The increase in other income of \$0.2 million or 57.4% from \$0.2 million for the first half of 2006 to \$0.4 million for the first half of 2007 was largely attributable to higher interest income earned on higher cash balance, profit from disposal of plant and equipment and increase in sale of used construction material at site during the first half of 2007.

Administrative expenses

The increase in administrative expenses of \$1.6 million or 69.6% was largely attributable to an increase in directors' remuneration, an allowance for doubtful trade receivables and professional fees incurred in the first half of 2007.

Other operating expenses

The increase in other operating expenses was due mainly to the loss on disposal of plant and equipment and foreign exchange losses.

Finance costs

The increase in finance costs was due mainly to an increase in hire-purchase interest expense arising from additional plant and equipment acquired during the first half of 2007 to support the existing projects.

Profit before taxation

Profit before taxation grew by \$5.5 million or 751.1% due mainly to improvement in our gross profit margins as explained above and partly offset by an increase in administrative expenses, other operating expenses and finance cost as explained above.

Taxation

Taxation for the first half of 2007 was \$2.0 million higher because of higher profit before taxation as explained above.

Net profit for the period

Overall, the first half of 2007 net profit after taxation of \$4.1 million grew by 572.4% over the first half of 2006 profit after taxation of \$0.6 million following the increase in profit before taxation as explained above.

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

No forecast was made in the previous announcement.



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

Our Group has forged a presence in the oil and gas sector since February 2006 with the award of our first -- and, to date, largest -- project worth approximately \$50 million. This relates to the construction of one of the world's largest independent oil storage terminals. We believe that the outlook for the domestic oil and gas sector will remain strong for the next five years.

Following the award of the above \$50 million contract, we have been invited to tender for, and have secured, several projects to carry out civil engineering works in this sector, including a site clearance project for the New Polymer Storage by Foster Wheeler Asia Pacific Pte Ltd and WorleyParsons Pte Ltd ("FWP"). In July 2007, we secured our second largest contract, a \$40 million deal for a project titled Civil Works 2 – New Polymer Storage, from the FWP joint venture group in relation to a petrochemical project on Jurong Island. We believe that we are well-positioned to benefit from the current building boom there and will continue to build up our capabilities and track record with a mind to securing more deals in this sector.

In our effort to grow our business and to ride on the expanding oil and gas industry, we have also been actively exploring investment opportunities and strategic business alliances, both locally and overseas. In this respect, we have formed a joint venture company, OKP (Oil & Gas) Infrastructure Pte Ltd ("OKPOG"), with one of our existing customers, Rotary Engineering Limited, to undertake civil engineering projects in respect of oil, petrochemical and gas-related businesses in Singapore. To date, OKPOG has secured 2 projects with a combined contract value of approximately \$6.0 million. These contracts are to carry out civil engineering works for a biodiesel plant and an isotherm power plant respectively on Jurong Island. We are optimistic that this joint venture will continue to generate new business opportunities for our Group and grow our presence further in the oil and gas sector here.

Outside the oil and gas sector, we continue to leverage on our strength and expertise in tendering for government and other private projects. To date, we have secured 3 new contracts from the Public Utilities Board and one from the Jurong Town Corporation, with a combined contract value of approximately \$30.4 million. The contracts involve works relating to drainage improvement in the Western and Eastern Watersheds of Singapore (\$2.9 million), 2 drainage-improvement projects at private housing estates (\$22.6 million) and final premix surfacing, reinstatement and ancillary works at Tuas View (\$4.9 million).

As at the date of this announcement, our Group's order book stands at \$209.0 million, including some on-going projects that we expect will contribute to our Group's revenue up to 2009.



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? No.

(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 half year ended 30 June 2007. The first and final dividend of 1.5 cent (one tier tax-exempt) for the financial year ended 31 December 2006 was approved at the Company's Annual General Meeting on 27 April 2007. Payment of the dividend was made on 28 May 2007.

13. Interested persons transactions disclosure

Interested Party	Nature of Transactions	Relationship	For current half year ended 30 June 2007 \$'000
Niru & Co	Provision of legal services	Mr Nirumalan s/o V Kanapathi Pillay, our independent director, is the Managing Partner of Niru & Co	2

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
27 July 2007



**CONFIRMATION BY THE BOARD ON FINANCIAL RESULTS PURSUANT TO RULE 705(4)
OF THE LISTING MANUAL**

We, Or Kim Peow and Or Toh Wat, being directors of OKP Holdings Limited ("the Company"), do hereby confirm for and on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the half year ended 30 June 2007 to be false or misleading.

On behalf of the Board of Directors

Or Kim Peow
Group Chairman

Or Toh Wat
Group Managing Director

Singapore
27 July 2007