



**Second Quarter and
Half-Year Financial
Statements for the Period
Ended 30 June 2008**

28 July 2008

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Second Quarter and Half-Year Financial Statements for the Period Ended 30 June 2008
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)
	2008	2007		2008	2007	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	22,382	26,297	(14.9)	50,935	49,062	3.8
Cost of works	(18,630)	(19,977)	(6.7)	(42,399)	(39,349)	7.8
Gross profit	3,752	6,320	(40.6)	8,536	9,713	(12.1)
Other income	211	236	(10.6)	417	414	0.7
Expenses						
- Administrative	(1,511)	(2,863)	(47.2)	(3,362)	(4,169)	(19.4)
- Finance	(48)	(33)	45.5	(89)	(63)	41.3
Profit before income tax	2,404	3,660	(34.3)	5,502	5,895	(6.7)
Income tax expense	(467)	(1,198)	(61.0)	(1,104)	(1,800)	(38.7)
Net profit	1,937	2,462	(21.3)	4,398	4,095	7.4
Attributable to:-						
Equity holders of the Company	1,897	2,540	(25.3)	4,304	4,132	4.2
Minority interests	40	(78)	151.3	94	(37)	354.1
	1,937	2,462	(21.3)	4,398	4,095	7.4



(i) Additional disclosures

Profit before income tax was arrived at after:

	The Group			The Group		
	Second Quarter ended 30 June		Increase / (Decrease)	Half-Year ended 30 June		Increase / (Decrease)
	2008	2007		2008	2007	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging:-</u>						
Non-audit fee paid to the auditors of the Company	4	3	33.3	9	4	125.0
Depreciation of property, plant & equipment	74	61	21.3	139	128	8.6
Directors' remuneration						
- Directors of the Company	387	389	(0.5)	766	750	2.1
- Other Directors	68	68	-	136	132	3.0
Directors' fee	38	30	26.7	75	60	25.0
Interest paid and payable						
- Finance lease liabilities	48	33	45.5	89	63	41.3
Loss/(Gain) on foreign exchange (net)	53	(20)	365.0	169	59	186.4
Loss on disposal of property, plant & equipment	21	1	2,000.0	21	1	2,000.0
Allowance for impairment of trade receivables	-	208	n.m.	-	208	n.m.
Staff costs	329	288	14.2	708	534	32.6
Preliminary expenses written off	-	1	n.m.	-	1	n.m.
<u>After crediting:-</u>						
Interest income from bank deposits	61	87	(29.9)	146	181	(19.3)
Gain on disposal of property, plant & equipment	27	38	(28.9)	41	38	7.9
<u>Included in the cost of works are the following:-</u>						
Depreciation of property, plant & equipment	500	352	42.0	918	627	46.4
Staff costs	3,584	2,740	30.8	7,123	5,133	38.8

n.m. – not meaningful

(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

	Note	The Group		The Company	
		30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents		30,471	24,862	4,599	2,700
Trade and other receivables	i	25,007	36,046	1,955	7,441
Construction contracts work-in progress		2,945	1,805	-	-
Other current assets		672	506	8	27
		59,095	63,219	6,562	10,168
Non-current assets					
Investments in subsidiaries		-	-	14,476	14,476
Investment property		1,400	1,400	-	-
Property, plant and equipment		11,189	10,623	12	13
Intangible assets		1,688	1,688	-	-
		14,277	13,711	14,488	14,489
Total assets		73,372	76,930	21,050	24,657
LIABILITIES					
Current liabilities					
Trade and other payables	ii	30,158	35,098	3,093	3,660
Current portion of finance lease liabilities		1,613	1,343	-	-
Current income tax liabilities		2,984	3,664	176	382
		34,755	40,105	3,269	4,042
Non-current liabilities					
Finance lease liabilities		2,878	2,451	-	-
Deferred income tax liabilities		166	202	-	-
		3,044	2,653	-	-
Total liabilities		37,799	42,758	3,269	4,042
NET ASSETS		35,573	34,172	17,781	20,615
EQUITY					
Capital and reserve attributable to equity holders of the Company					
Share capital		17,243	17,243	17,243	17,243
Retained earnings		17,709	16,402	538	3,372
Minority interests		34,952	33,645	17,781	20,615
		621	527	-	-
		35,573	34,172	17,781	20,615
Net tangible assets		33,264	31,957	17,781	20,615



Notes to Balance Sheets:

(i) Trade and other receivables comprise:

	The Group		The Company	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	8,958	3,414	-	-
- Minority shareholder of a subsidiary	1,095	474	-	-
- Subsidiaries	-	-	1,966	7,500
	10,053	3,888	1,966	7,500
Less: Allowance for impairment of receivables	(461)	(461)	(544)	(544)
Trade receivables - net	9,592	3,427	1,422	6,956
Construction contracts				
- Due from customers	13,455	30,678	-	-
- Retentions	1,499	1,373	-	-
	14,954	32,051	-	-
Non-trade receivables				
- Minority shareholder of a subsidiary	262	262	-	-
- Subsidiaries	-	-	1,486	1,564
	262	262	1,486	1,564
Less: Allowance for impairment of receivables	-	-	(954)	(1,080)
Non-trade receivables - net	262	262	532	484
Other receivables	199	306	1	1
	25,007	36,046	1,955	7,441

(ii) Trade and other payables comprise:

	The Group		The Company	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	20,994	23,423	38	251
- Minority shareholder of a subsidiary	167	-	-	-
	21,161	23,423	38	251
Non-trade payables				
- Subsidiaries	-	-	1,318	1,318
- Minority shareholder of a subsidiary	256	380	-	-
- Related party	323	-	-	-
	579	380	1,318	1,318
Accrued operating expenses	8,319	11,219	1,737	2,091
Other payables	99	76	-	-
	30,158	35,098	3,093	3,660



Explanatory Notes:

(i) Current assets

Current assets decreased by \$4.1 million, from \$63.2 million to \$59.1 million. The decrease was largely attributable to a decrease in trade and other receivables resulting from collections from a few major customers at the end of the first half-year ended 30 June 2008.

(ii) Non-current assets

The marginal increase of \$0.6 million in non-current assets was due mainly to the addition of new property, plant & equipment, partially offset by depreciation and disposal of property, plant & equipment during the first half-year ended 30 June 2008.

(iii) Current liabilities

Current liabilities decreased by \$5.3 million, from \$40.1 million to \$34.8 million. The decrease was due mainly to the settlement of some major trade & other payables and payment of tax liabilities from surplus receipts from the construction billings.

(iv) Non-current liabilities

The increase in non-current liabilities was due mainly to an increase in finance lease liabilities as a result of new property, plant & equipment purchased during the first half-year ended 30 June 2008.

(v) Shareholders' equity

Shareholders' equity comprised of share capital, revenue reserves and minority interest, and increased by \$1.4 million, from \$34.2 million to \$35.6 million. The increase was largely attributable to the increase in profit generated from operations for the first half-year ended 30 June 2008.



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 2008		As at 31 Dec 2007	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,613	-	1,343	-

(b) Amount repayable after one year

As at 30 Jun 2008		As at 31 Dec 2007	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
2,878	-	2,451	-

(c) Details of any collateral

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



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

Note	The Group		The Group	
	Second Quarter ended 30 June		Half-Year ended 30 June	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Net profit	1,937	2,462	4,398	4,095
Adjustments for:				
- Income tax expense	467	1,198	1,104	1,800
- Depreciation of properties, plant and equipment	574	413	1,057	755
- Gain on disposal of plant and equipment (net)	(6)	(37)	(20)	(37)
- Interest income	(61)	(87)	(146)	(181)
- Interest expense	48	33	89	63
Operating cash flow before working capital changes	2,959	3,982	6,482	6,495
Change in working capital				
- Trade and other receivables	(388)	(6,630)	11,057	(8,871)
- Construction contracts work-in-progress	(1,276)	(652)	(1,140)	(152)
- Other current assets	(132)	156	(166)	78
- Trade and other payables	(1,539)	5,165	(4,940)	6,515
Cash (used in)/generated from operations	(376)	2,021	11,293	4,065
- Interest income	61	87	146	181
- Income tax paid	(1,082)	(386)	(1,821)	(647)
Net cash (used in)/ provided by operating activities	(1,397)	1,722	9,618	3,599
Cash flows from investing activities				
- Purchase of property, plant and equipment	(159)	(774)	(229)	(1,304)
- Proceeds from disposal of property, plant and equipment	34	40	49	40
Net cash used in investing activities	(125)	(734)	(180)	(1,264)
Cash flows from financing activities				
- Repayment of finance lease liabilities	(378)	(262)	(725)	(548)
- Interest expense	(48)	(33)	(89)	(63)
- Proceeds from issuance of shares	-	-	-	2,288
- Proceeds from issue of shares of subsidiaries to minority shareholders	-	1	-	451
- Dividend paid to shareholders	(2,997)	(2,247)	(2,997)	(2,247)
Net cash used in financing activities	(3,423)	(2,541)	(3,811)	(119)



Note	The Group		The Group		
	Second Quarter ended 30 June		Half-Year ended 30 June		
	2008	2007	2008	2007	
	\$'000	\$'000	\$'000	\$'000	
Net (decrease)/ increase in cash and cash equivalents	i	(4,945)	(1,553)	5,627	2,216
Cash and cash equivalents at the beginning of the financial period		29,979	12,900	19,407	9,131
Cash and cash equivalents at the end of the financial period	ii	25,034	11,347	25,034	11,347

Explanatory Notes:

- (i) Our Group continued to enjoy positive cash flow and working capital for the half-year ended 30 June 2008. We generated net cash of \$9.6 million from operating activities in the first half-year ended 30 June 2008, a significant increase of \$6.0 million from \$3.6 million in the first half-year ended 2008.

Net cash of \$0.2 million was used for investing activities related to the purchase of new property, plant & equipment to support existing projects.

Net cash of \$3.8 million was used for financing activities in the first half-year ended 30 June 2008, including repayment of finance lease liabilities, interest payments and dividend payments to shareholders in the first half-year ended 30 June 2008.

Overall, cash and cash equivalents stood at \$25.0 million as at 30 June 2008, an increase of \$13.7 million from \$11.3 million as at 30 June 2007. We are in healthy financial position and will retain surplus cash reserves for future expansion.

- (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 Jun 2008	30 Jun 2007
	\$'000	\$'000
Cash at bank and on hand	6,669	4,206
Fixed deposits with banks	23,802	12,751
	<hr/>	<hr/>
	30,471	16,957
Fixed deposits pledged to banks	(5,437)	(5,610)
	<hr/>	<hr/>
Cash and cash equivalents in consolidated statement of cash flows	25,034	11,347
	<hr/>	<hr/>



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	Retained earnings	Total	Minority interest	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000

The Group

As at 1 Jan 2008	17,243	16,401	33,644	527	34,171
Total recognised income					
- Net profit	-	2,408	2,408	54	2,462
As at 31 Mar 2008	17,243	18,809	36,052	581	36,633
Total recognised income					
- Net profit	-	1,897	1,897	40	1,937
Dividend relating to 2007 paid	-	(2,997)	(2,997)	-	(2,997)
As at 30 Jun 2008	17,243	17,709	34,952	621	35,573
As at 1 Jan 2007	14,955	7,728	22,683	(2)	22,681
Total recognised income					
- Net profit	-	1,592	1,592	42	1,634
Issue of shares	2,288	-	2,288	-	2,288
Incorporation of new subsidiaries	-	-	-	450	450
As at 31 Mar 2007	17,243	9,320	26,563	490	27,053
Total recognised income					
- Net profit	-	2,540	2,540	(78)	2,462
Dividend relating to 2006 paid	-	(2,247)	(2,247)	-	(2,247)
As at 30 Jun 2007	17,243	9,613	26,856	412	27,268



Attributable to Equity holders of the Company				
Share capital	Retained earnings	Total	Minority interest	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000

The Company

As at 1 Jan 2008	17,243	3,372	20,615	-	20,615
Total recognised income					
- Net profit	-	137	137	-	137
As at 31 Mar 2008	17,243	3,509	20,752	-	20,752
Total recognised income					
- Net profit	-	26	26	-	26
Dividend relating to 2007 paid	-	(2,997)	(2,997)	-	(2,997)
As at 30 Jun 2008	17,243	538	17,781	-	17,781
As at 1 Jan 2007	14,955	3,360	18,315	-	18,315
Total recognised income					
- Net profit	-	16	16	-	16
Issue of shares	2,288	-	2,288	-	2,288
As at 31 Mar 2007	17,243	3,376	20,619	-	20,619
Total recognised income					
- Net profit	-	41	41	-	41
Dividend relating to 2006 paid	-	(2,247)	(2,247)	-	(2,247)
As at 30 Jun 2007	17,243	1,170	18,413	-	18,413



- 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**

There have been no changes in the issued share capital of the Company since 31 December 2007.

There are no outstanding convertibles issued or treasury shares held by the Company as at 30 June 2008.

- 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 2008	31 Dec 2007
Total number of issued shares (excluding treasury shares)	149,860,940	149,860,940

- 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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2007.

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

There were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period.

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			The Group		
	Second Quarter ended 30 June		Increase / (Decrease)	Half-Year ended 30 June		Increase / (Decrease)
	2008	2007		2008	2007	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period (\$'000)	1,897	2,540	(25.3)	4,304	4,132	4.2
Weighted average number of ordinary shares in issue	149,860,940	149,860,940	-	149,860,940	147,005,692	-
EPS based on weighted average number of ordinary shares in issue (cents)	1.27	1.69	(24.9)	2.87	2.81	2.14
EPS based on fully diluted basis (cents)	n.a	n.a	-	n.a	n.a	-

n.a. – not applicable



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

	The Group		The Company		Increase / (Decrease) %	
	Second Quarter ended 30 Jun 2008	Previous financial year ended 31 Dec 2007	Current Half-Year ended 30 Jun 2008	Previous financial year ended 31 Dec 2007	The Group	The Company
Net tangible assets (\$'000)	33,264	31,957	17,781	20,615	4.1	(13.8)
Number of shares	149,860,940	149,860,940	149,860,940	149,860,940	-	-
NTA per Share (cents)	22.20	21.32	11.86	13.76	4.1	(13.8)

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 & 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 (First Half-Year ended 30 Jun 2008 vs First Half-Year ended 30 Jun 2007)

	The Group			
	Current first half-year ended 30 Jun 2008	Previous first half-year ended 30 Jun 2007	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	40,502	41,681	(1,179)	(2.8)
Maintenance	10,433	7,381	3,052	41.3
Total Revenue	50,935	49,062	1,873	3.8

Revenue

For the first half-year ended 30 June 2008, our Group's revenue increased marginally by 3.8% or \$1.9 million, from \$49.1 million in the first half of 2007 to \$50.9 million in the first half of 2008. The increase in revenue was contributed by a strong revenue growth of 41.3% from the maintenance segment, offset by the decrease in revenue from the construction segment in the second quarter of 2008. The decrease was due to lower revenue recognition from a few key construction projects which were substantially completed in the second quarter of 2008.

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 79.5% and 20.5% of our Group's revenue respectively for the half-year ended 30 June 2008.

Gross profit

Our gross profit margin dropped from 19.8% in the first half-year ended 30 June 2007 to 16.8% in the first half-year ended 2008. The drop in our gross profit margin in the first half-year ended 2008 was largely attributable to the completion of a few key construction projects which had commanded better gross profit margins in the second quarter of 2008.

Other income

Other income remained fairly constant at approximately \$0.4 million for the first half-year ended 30 June 2007 and 30 June 2008. Other income comprised mainly of interest income earned on cash & cash equivalents, profit from disposal of property, plant & equipment and rental income from an investment property.



Administrative expenses

The decrease in administrative expenses of \$0.8 million or 19.4% was largely attributable to a decline in professional fees and the absence of overseas business tax and allowance for impairment of receivables in the second quarter of 2008. The drop was offset by higher staff costs arising from an increase in headcount and salary increments.

Finance costs

The increase in finance costs was due mainly to an increase in finance lease interest expense arising from additional plant and equipment acquired during the first half-year ended 30 June 2008.

Profit before income tax

Profit before income tax decreased by \$0.4 million or 6.7% to \$5.5 million due mainly to the decrease in our gross profit margins and an increase in finance cost as explained above. It was also partially offset by a decrease in administrative expenses as explained above.

Income tax expense

There was a decrease in income tax expense by \$0.7 million from \$1.8 million for the first half-year ended 30 June 2007 to \$1.1 million for the first half-year ended 30 June 2008. This was the result of lower profit before income tax as explained above.

Minority interests

Minority interests increased due to higher contributions from our subsidiary in the first half-year ended 30 June 2008.

Net profit

Overall, for the first half-year ended 30 June 2008, net profit increased marginally by 7.4% to \$4.4 million as compared to the first half-year ended 30 June 2007.



Income Statement Review (Second Quarter ended 30 Jun 2008 vs Second Quarter ended 30 Jun 2007)

	The Group			
	Current second quarter ended 30 Jun 2008	Previous second quarter ended 30 Jun 2007	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	16,304	22,416	(6,112)	(27.3)
Maintenance	6,078	3,881	2,197	56.6
Total Revenue	22,382	26,297	(3,915)	(14.9)

Revenue

The construction segment contributed \$16.3 million to our Group's revenue in the second quarter of 2008, compared to \$22.4 million in the second quarter of 2007. The lower percentage of revenue recognition for the construction segment was due to the completion of a few key construction projects in the second quarter of 2008. Offsetting the lower percentage of revenue recognition for the construction segment, however, was the strong performance of the maintenance segment. Revenue from the maintenance segment increased by 56.6% from \$3.9 million in the second quarter of 2007 to \$6.1 million in the second quarter of 2008, due mainly to the contribution from the newly-awarded maintenance projects in the first quarter of 2008.

Gross profit

Our lower gross profit margin was due to the completion of a few projects which had commanded better profit margins in the second quarter of 2008.

Other income

Other income remained fairly constant at approximately \$0.2 million in the second quarter of 2007 and 2008. Other income comprises mainly of interest income earned on cash & cash equivalents, profit from disposal of property, plant & equipment and rental income from an investment property.

Administrative expenses

The decrease in administrative expenses was largely attributable to the decrease in professional fees and the absence of overseas business tax and allowance for impairment of receivables in the second quarter of 2008.



Finance costs

The increase in finance costs was due mainly to an increase in finance lease interest expense arising from additional plant and equipment acquired during the second quarter of 2008.

Profit before income tax

Profit before income tax decreased by \$1.3 million or 34.3% to \$2.4 million due mainly to the decrease in our gross profit margins and increase in finance costs and partially offset by a decrease in administrative expenses as explained above.

Income tax expense

The decrease in income tax expense by \$0.7 million from \$1.2 million to \$0.5 million, quarter on quarter, was the result of lower profit before income tax as explained above.

Minority interests

Minority interests increased due to higher contributions from our subsidiary in the second quarter of 2008.

Net profit

Overall, the second quarter of 2008 saw a net profit of \$1.9 million, down by 21.3% from the \$2.5 million registered in the second quarter of 2007, following the drop in profit before income tax 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 or prospect statement 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

According to a Ministry of Trade and Industry report (10 June 2008), Singapore's real Gross Domestic Product ("GDP") rose by an estimated 1.9% on a year-on-year basis in the second quarter of 2008, but was down from 6.9% in the first quarter of 2008. Despite the dip in GDP, the construction sector was estimated to have grown by a robust 15.2% in the second quarter of 2008, following a 16.9% expansion in the previous quarter. Indeed, according to the Building and Construction Authority ("BCA"), construction demand is projected to reach between \$23 billion and \$27 billion in 2008. Against this backdrop, we believe the outlook for the construction industry will remain favourable.

A detailed BCA review showed that construction demand doubled year-on-year to \$7.7 billion in the first quarter of 2008. The increase was contributed by strong expansion in the public sector which saw higher values of residential, institutional and civil engineering contracts inked during the first quarter of 2008. On a quarterly basis, public sector construction demand increased from \$1.9 billion in the fourth quarter of 2007 to \$3.3 billion in the first quarter of 2008.

Since the start of 2008, we have secured a total of 8 new contracts totalling approximately \$100.9 million from public sector agencies. Our current order book stands at approximately \$303.5 million for projects up to FY2010. The contracts we have secured include the widening of Eunos Link and Jalan Eunos from Airport Road to Sims Avenue (\$28.5 million), upgrading and improvement of CTE (\$16.9 million), 2 road maintenance projects for East Sector and Central Sector (\$26.0 million) and a term contract for construction of linkways, pedestrian overhead bridges and bus shelters (\$7.1 million), improvement to Roadside Drains at Western Sector (\$13.9 million), ad hoc traffic scheme improvement works in central area (\$5.0 million) and proposed covered pedestrian overhead bridge across TPE (\$3.5 million).

One of our subsidiaries, Or Kim Peow Contractors (Pte) Ltd ("OKPC") was recently upgraded to an A1 grade civil engineering contractor under the Contractors Registration System regulated by the BCA. Such a move allows OKPC to tender for public sector construction projects of unlimited value, and positions us well to bid for more and bigger contracts.

Besides the government sector, we will continue to extend our civil engineering capabilities into the oil & gas sector, and will continue to build up our capabilities and track record to secure more projects in the oil & gas sector.

With a history of more than 40 years in the industry and a solid track record, we will continue to leverage and build on our strengths and expertise to tender for both public and private projects. We remain selective in our participation, ensuring that we go for projects that give us the highest returns.

In addition, we will continue to step up efforts to diversify and explore suitable opportunities in the region to strengthen our competitive edge and reduce our reliance on any single source of revenue.



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 second quarter and half-year ended 30 June 2008. The first and final dividend of 2.0 cent (one tier tax-exempt) for the financial year ended 31 December 2007 was approved at the Company's Annual General Meeting on 21 April 2008. Payment of the dividend was made on 28 May 2008.

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 second quarter and half-year ended 30 June 2008.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
28 July 2008



**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 second quarter and half-year ended 30 June 2008 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Or Kim Peow
Group Chairman

Or Toh Wat
Group Managing Director

Singapore
28 July 2008