



**Second Quarter and
Half-Year Financial
Statement for the Period
Ended 30 June 2010**

29 July 2010

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Second Quarter and Half-Year Financial Statement for the Period Ended 30 June 2010
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)
	2010	2009		2010	2009	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	39,753	31,875	24.7	73,657	61,496	19.8
Cost of works	(33,174)	(27,135)	22.3	(61,272)	(51,881)	18.1
Gross profit	6,579	4,740	38.8	12,385	9,615	28.8
Other income	52	1,065	(95.1)	120	1,259	(90.5)
Expenses						
- Administrative	(1,397)	(1,386)	0.8	(3,000)	(2,688)	11.6
- Finance	(38)	(51)	(25.5)	(76)	(102)	(25.5)
Profit before income tax	5,196	4,368	19.0	9,429	8,084	16.6
Income tax expense	(907)	(744)	21.9	(1,638)	(1,280)	28.0
Total comprehensive income, representing net profit for the period	4,289	3,624	18.3	7,791	6,804	14.5
Gross profit margin	16.5%	14.9%		16.8%	15.6%	
Net profit margin	10.8%	11.4%		10.6%	11.1%	
Total comprehensive income, representing net profit, attributable to:						
Equity holders of the Company	4,288	3,625	18.3	7,791	6,808	14.4
Minority interests	1	(1)	200.0	-	(4)	n.m.
	4,289	3,624	18.3	7,791	6,804	14.5

n.m – not meaningful



(i) Additional disclosures

Profit before income tax was arrived at:

	The Group			The Group		
	Second Quarter ended 30 June		Increase/ (Decrease)	Half-Year ended 30 June		Increase/ (Decrease)
	2010	2009		2010	2009	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging:-</u>						
Non-audit fee paid to the auditors of the Company	5	7	(28.6)	9	14	(35.7)
Depreciation of property, plant and equipment	52	63	(17.5)	104	127	(18.1)
Directors' remuneration						
- Directors of the Company	478	450	6.2	935	886	5.5
- Other Directors	86	82	4.9	214	164	30.5
Directors' fee	52	38	36.8	90	75	20.0
Interest paid and payable						
- Finance lease liabilities	38	51	(25.5)	76	102	(25.5)
Loss/(gain) on foreign exchange (net)	1	87	(98.9)	9	(17)	(152.9)
Loss on disposal of property, plant and equipment	10	-	n.m.	10	22	(54.5)
Employees compensation	334	306	9.2	763	638	19.6
<u>After crediting:-</u>						
Interest income						
- Bank deposits	27	8	237.5	52	30	73.3
- Financial asset, held-to-maturity	1	-	n.m.	1	-	n.m.
Gain on disposal of property, plant and equipment	-	-	-	11	43	(74.4)
Reversal of allowance for impairment of trade receivables	-	1,088	n.m.	-	1,088	n.m.
Rental income from an investment property	10	10	-	20	23	(13.0)
Government grant- Job credit scheme	31	104	(70.2)	93	206	(54.9)
<u>Included in the cost of works are the following:-</u>						
Depreciation of property, plant and equipment	567	499	13.6	1,105	961	15.0
Employees compensation	4,311	4,019	7.3	8,692	7,677	13.2

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 periods.



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

Statements of Financial Position

Note	The Group		The Company		
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009	
	\$'000	\$'000	\$'000	\$'000	
ASSETS					
Current assets					
	87,391	77,691	13,850	10,482	
Cash and cash equivalents					
Trade and other receivables	i	30,721	26,201	5,014	11,957
Construction contracts work-in-progress		1,702	1,902	-	-
		119,814	105,794	18,864	22,439
Non-current assets					
Investments in subsidiaries	ii	-	-	15,174	14,576
Investment in a joint venture	iii	50	50	-	-
Investment property		1,200	1,200	-	-
Financial asset, held-to-maturity	iv	1,000	-	-	-
Property, plant and equipment		12,971	13,645	2,458	2,289
Intangible asset		1,688	1,688	-	-
		16,909	16,583	17,632	16,865
Total assets		136,723	122,377	36,496	39,304
LIABILITIES					
Current liabilities					
Trade and other payables	v	69,200	57,089	4,443	5,861
Finance lease liabilities		1,064	1,196	-	-
Current income tax liabilities		2,729	2,909	52	73
		72,993	61,194	4,495	5,934
Non-current liabilities					
Finance lease liabilities		1,279	1,505	-	-
Deferred income tax liabilities		222	164	-	-
		1,501	1,669	-	-
Total liabilities		74,494	62,863	4,495	5,934
NET ASSETS		62,229	59,514	32,001	33,370
EQUITY					
Capital and reserve attributable to equity holders of the Company					
Share capital		27,625	23,993	27,625	23,993
Warrants reserve		445	618	445	618
Retained profits		34,161	34,307	3,931	8,759
		62,231	58,918	32,001	33,370
Minority interests		(2)	596	-	-
Total equity		62,229	59,514	32,001	33,370
Net tangible assets		60,543	57,230	32,001	33,370



Notes to Statements of Financial Position:

(i) Trade and other receivables comprise:

	The Group		The Company	
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	2,513	7,355	-	-
- Minority shareholder of a subsidiary	-	234	-	-
- Subsidiaries	-	-	4,749	11,949
	2,513	7,589	4,749	11,949
Less: Allowance for impairment of receivables	-	(53)	(531)	(531)
Trade receivables – net	2,513	7,536	4,218	11,418
Construction contracts				
- Due from customers	23,429	14,721	-	-
- Retentions	2,767	1,643	-	-
	26,196	16,364	-	-
Non-trade receivables				
- Minority shareholder of a subsidiary	6	6	-	-
- Subsidiaries	-	-	1,879	1,577
	6	6	1,879	1,577
Less: Allowance for impairment of receivables	-	-	(1,097)	(1,094)
Non-trade receivables - net	6	6	782	483
Deposits	589	282	-	37
Prepayments	637	805	13	18
Other receivables	780	1,208	1	1
	30,721	26,201	5,014	11,957



(ii) Investments in subsidiaries comprise:

The Company	
30 Jun 2010	31 Dec 2009
\$'000	\$'000
<i>Equity investments at cost</i>	
Beginning of financial period/year	14,850
Additional investment in a subsidiary	598
End of financial period/year	15,448
Less: Allowance for impairment	(274)
	15,174
	14,750
	100
	14,850
	(274)
	14,576

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			30 Jun 2010	31 Dec 2009
<u>Held by the Company</u>				
Or Kim Peow Contractors (Pte) Ltd	Business of road and building construction and maintenance	Singapore	100%	100%
Eng Lam Contractors Co (Pte) Ltd	Business of road construction and maintenance	Singapore	100%	100%
OKP Technical Management Pte Ltd	Provision of technical management and consultancy services	Singapore	100%	100%
OKP Investments (China) Pte Ltd	Investment holding	Singapore	100%	100%
United Pavement Specialists Pte Ltd	Provision of rental services and investment holding	Singapore	55%	55%
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%	55%
OKP (CNMI) Corporation	Business of general construction	Saipan, Commonwealth of the Northern Mariana Islands	96%	96%
<u>Held by a subsidiary</u>				
United Pavement Specialists (CNMI) Corporation	Business of general construction, subcontractor	Saipan, Commonwealth of the Northern Mariana Islands	99%	99%



(iii) Investment in a joint venture comprises:

The Group	
30 Jun 2010	31 Dec 2009
\$'000	\$'000

Equity investment at cost	50	50
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On 1 December 2009, OKP Technical Management Pte Ltd (“OKPTM”), a wholly-owned subsidiary, entered into a joint venture agreement with CIF Singapore Pte Ltd (“CIF”), a company incorporated in Singapore and a subsidiary of China Sonangol International Limited, to form a 50:50 joint venture company.

On the same date, the joint venture company, CIF-OKP Construction and Development Pte Ltd (“CIF-OKP”) was incorporated in Singapore with a share capital of \$100,000 consisting of 100 ordinary shares. The principal activities of CIF-OKP are the design, construction and execution of urban developments (including road infrastructure developments) in countries outside of Singapore such as the Republic of Angola, the Republic of Zimbabwe and such other country or countries as may be mutually agreed between OKPTM and CIF. As at 30 June 2010, CIF-OKP remained inactive.

(iv) Financial asset, held-to-maturity – non-current comprises:

The Group		The Company	
30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
\$'000	\$'000	\$'000	\$'000

Unlisted debt securities

- Bonds with fixed interest of 2.22% and maturity date of 5 July 2013 - Singapore

1,000	-	-	-
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(v) Trade and other payables comprise:

	The Group		The Company	
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	52,972	38,156	50	193
Non-trade payables				
- Subsidiaries	-	-	4,041	3,038
- Minority shareholder of a subsidiary	647	647	-	-
	647	647	4,041	3,038
Construction contracts				
- Advance received	994	2,982	-	-
Accrued operating expenses	13,474	15,189	352	2,625
Other payables	1,113	115	-	5
	<u>69,200</u>	<u>57,089</u>	<u>4,443</u>	<u>5,861</u>

Explanatory Notes:

(i) Current assets

Current assets increased by \$14.0 million, from \$105.8 million as at 31 December 2009 to \$119.8 million as at 30 June 2010. The increase was attributable to:

- (a) an increase in cash and cash equivalents of approximately \$9.7 million due mainly to the inflow of proceeds from the issuance of new shares arising from exercise of warrants coupled with cash generated from operations for the half-year ended 30 June 2010;
- (b) an increase in trade and other receivables of approximately \$4.5 million due mainly to higher accrued receivables and retention monies on construction contracts following higher revenue recognised for the half-year ended 30 June 2010; and
- (c) partially offset by the decrease in construction contracts work-in-progress of approximately \$0.2 million due mainly to lower unbilled amounts expected to be collected from customers for contract work performed up till 30 June 2010 as compared to 31 December 2009.

(ii) Non-current assets

Non-current assets increased by \$0.3 million, from \$16.6 million as at 31 December 2009 to \$16.9 million as at 30 June 2010. The increase was attributable to:

- (a) the purchase of a financial asset, held-to-maturity for \$1.0 million during the second quarter ended 30 June 2010; and
- (b) partially offset by the decrease in property, plant and equipment of \$0.7 million resulting from depreciation and disposal of property, plant and equipment during the half-year ended 30 June 2010.



(iii) Current liabilities

Current liabilities increased by \$11.8 million, from \$61.2 million as at 31 December 2009 to \$73.0 million as at 30 June 2010. The increase was due mainly to:

- (a) an increase in trade payables and accrued operating expenses of approximately \$13.1 million arising from the increase in work done by sub-contractors on the various projects as the construction of the projects progressed;
- (b) an increase in other payables of approximately \$1.0 million arising from the amount due to a financial institution for the purchase of financial asset, held-to-maturity as at 30 June 2010;

partially offset by:

- (c) the decrease in advance received from a customer for an on-going project of approximately \$2.0 million. Such advance received from a customer will be progressively transferred and recognised as revenue and will be reduced accordingly as the project progresses; and
- (d) the decrease in current income tax liabilities of approximately \$0.2 million due to tax payment partially offset by income tax provision for the current period.

(iv) Non-current liabilities

The decrease in non-current liabilities was due mainly to repayment of finance lease liabilities during the half-year ended 30 June 2010.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, warrants reserve, retained profits and minority interests, increased by \$2.7 million, from \$59.5 million as at 31 December 2009 to \$62.2 million as at 30 June 2010. The increase was largely attributable to:

- (a) the profit generated from operations of approximately \$7.8 million for the half-year ended 30 June 2010;
- (b) the increase in share capital of approximately \$3.6 million which was partially offset by the decrease in warrants reserve of approximately \$0.2 million, resulting from the issuance of new shares arising from the exercise of warrants during the half-year ended 30 June 2010;

partially offset by:

- (c) the dividend payments to shareholders of approximately \$7.9 million during the second quarter ended 30 June 2010; and
- (d) the decrease in minority interests arising from the acquisition of the minority interest in OKP (Oil & Gas) Infrastructure Pte Ltd for a cash consideration of \$0.6 million during the second quarter ended 30 June 2010.



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 2010		As at 31 Dec 2009	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,064	-	1,196	-

(b) Amount repayable after one year

As at 30 Jun 2010		As at 31 Dec 2009	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,279	-	1,505	-

(c) Details of any collateral

The above secured borrowings of the Group relate to finance lease liabilities secured by way of corporate guarantees issued by the Company and charges over the property, plant and equipment under the finance leases.



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

Statements of Cash Flows

Note	The Group		The Group	
	Second Quarter ended 30 June		Half-year ended 30 June	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Net profit	4,289	3,624	7,791	6,804
Adjustments for:				
- Income tax expense	907	744	1,638	1,280
- Depreciation of property, plant and equipment	619	562	1,209	1,088
- Gain on disposal of property, plant and equipment (net)	10	-	(1)	(21)
- Interest income	(28)	(8)	(53)	(30)
- Interest expense	38	51	76	102
Operating cash flow before working capital changes	5,835	4,973	10,660	9,223
Change in working capital				
- Trade and other receivables	(3,383)	(9,466)	(4,526)	(6,718)
- Construction contracts work-in-progress	(223)	(395)	200	237
- Trade and other payables	8,656	12,133	11,111	17,832
Cash generated from operations	10,885	7,245	17,445	20,574
- Interest income	28	8	53	30
- Income tax paid	(1,055)	(1,017)	(1,760)	(1,744)
Net cash provided by operating activities	9,858	6,236	15,738	18,860
Cash flows from investing activities				
- Purchase of property, plant and equipment	(264)	(2,689)	(313)	(3,003)
- Proceeds from disposal of property, plant and equipment	20	-	39	78
- Acquisition of minority interest in a subsidiary	(598)	-	(598)	-
Net cash used in investing activities	(842)	(2,689)	(872)	(2,925)
Cash flows from financing activities				
- Repayment of finance lease liabilities	(312)	(423)	(617)	(884)
- Interest expense	(38)	(51)	(76)	(102)
- Proceeds from issuance of shares	1,101	6,750	3,459	6,750
- Dividend paid to shareholders	(7,937)	(2,997)	(7,937)	(2,997)



Statements of Cash Flows (Cont'd)

Note	The Group		The Group	
	Second Quarter ended 30 June		Half-year ended 30 June	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Net cash (used in) / provided by financing activities	(7,186)	3,279	(5,171)	2,767
Net increase in cash and cash equivalents	1,830	6,826	9,695	18,702
Cash and cash equivalents at the beginning of the financial period	80,067	41,805	72,202	29,929
Cash and cash equivalents at the end of the financial period	81,897	48,631	81,897	48,631

Explanatory Notes:

- (i) Our Group generated net cash of \$15.7 million from operating activities in the half-year ended 30 June 2010 as compared to \$18.9 million in the half-year ended 30 June 2009. The decrease was due mainly to a lower net working capital inflow which was partially offset by higher operating profit before working capital changes generated in the half-year ended 30 June 2010.

Net cash of \$0.9 million used in investing activities was due to the purchase of new property, plant and equipment and acquisition of minority interest in a subsidiary which was partially offset by proceeds received from the disposal of property, plant and equipment in the half-year ended 30 June 2010.

Net cash of \$5.2 million used in financing activities in the half-year ended 30 June 2010, included repayment of finance lease liabilities, interest payments and dividend payments to shareholders amounting to \$8.6 million which was partially offset by cash proceeds from the issuance of new shares arising from exercise of warrants.

Overall, cash and cash equivalents stood at \$81.9 million as at 30 June 2010, an increase of \$33.3 million, from \$48.6 million as at 30 June 2009. This works out to cash of 31.0 cents per share (based on 264,585,484 shares issued) as at 30 June 2010 as compared to 29.5 cents per share (based on 164,860,940 shares issued) as at 30 June 2009.

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

	The Group	
	30 Jun 2010	30 Jun 2009
	\$'000	\$'000
Cash at bank and on hand	10,679	14,058
Short-term bank deposits	76,712	40,076
	87,391	54,134
Short-term bank deposits pledged to banks	(5,494)	(5,503)
Cash and cash equivalents per consolidated statement of cash flows	81,897	48,631

Bank deposits of \$5,494,271 (2009: \$5,502,746) are pledged to banks for banking facilities of certain subsidiaries.



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	Retained profits	Total	Minority interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Group

As at 1 Jan 2010	23,993	618	34,307	58,918	596	59,514
Issue of new shares	2,358	-	-	2,358	-	2,358
Transfer from warrants reserve to share capital upon exercise of warrants	118	(118)	-	-	-	-
Total comprehensive income for the period	-	-	3,503	3,503	(1)	3,502
As at 31 Mar 2010	26,469	500	37,810	64,779	595	65,374
Issue of new shares	1,101	-	-	1,101	-	1,101
Transfer from warrants reserve to share capital upon exercise of warrants	55	(55)	-	-	-	-
Dividend relating to 2009 paid	-	-	(7,937)	(7,937)	-	(7,937)
Acquisition of minority interest in a subsidiary	-	-	-	-	(598)	(598)
Total comprehensive income for the period	-	-	4,288	4,288	1	4,289
As at 30 Jun 2010	27,625	445	34,161	62,231	(2)	62,229
As at 1 Jan 2009	17,243	-	22,862	40,105	601	40,706
Total comprehensive income for the period	-	-	3,183	3,183	(3)	3,180
As at 31 Mar 2009	17,243	-	26,045	43,288	598	43,886
Issue of new shares	6,750	-	-	6,750	-	6,750
Dividend relating to 2008 paid	-	-	(2,997)	(2,997)	-	(2,997)
Total comprehensive income for the period	-	-	3,625	3,625	(1)	3,624
As at 30 Jun 2009	23,993	-	26,673	50,666	597	51,263



Attributable to equity holders of the Company					
Share capital	Warrants reserve	Retained profits	Total	Minority interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Company

As at 1 Jan 2010	23,993	618	8,759	33,370	-	33,370
Issue of new shares	2,358	-	-	2,358	-	2,358
Transfer from warrants reserves to share capital upon exercise of warrants	118	(118)	-	-	-	-
Total comprehensive income for the period	-	-	19	19	-	19
As at 31 Mar 2010	26,469	500	8,778	35,747	-	35,747
Issue of new shares	1,101	-	-	1,101	-	1,101
Transfer from warrants reserves to share capital upon exercise of warrants	55	(55)	-	-	-	-
Dividend relating to 2009 paid	-	-	(7,937)	(7,937)	-	(7,937)
Total comprehensive income for the period	-	-	3,090	3,090	-	3,090
As at 30 Jun 2010	27,625	445	3,931	32,001	-	32,001
As at 1 Jan 2009	17,243	-	3,721	20,964	-	20,964
Total comprehensive income for the period	-	-	59	59	-	59
As at 31 Mar 2009	17,243	-	3,780	21,023	-	21,023
Issue of new shares	6,750	-	-	6,750	-	6,750
Dividend relating to 2008 paid	-	-	(2,997)	(2,997)	-	(2,997)
Total comprehensive income for the period	-	-	1	1	-	1
As at 30 Jun 2009	23,993	-	784	24,777	-	24,777



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 2010	247,291,408	23,993,071
Issue of new shares pursuant to exercise of warrants	11,789,625	2,357,925
Transfer from warrants reserve to share capital upon exercise of warrants	-	117,896
Balance as at 31 March 2010	259,081,033	26,468,892
Issue of new shares pursuant to exercise of warrants	5,504,451	1,100,890
Transfer from warrants reserve to share capital upon exercise of warrants	-	55,045
Balance as at 30 June 2010	264,585,484	27,624,827

The Company issued 61,822,852 warrants on 6 January 2010, of which 5,504,451 had been exercised by warrant holders at the exercise price of \$0.20 per share during the second quarter ended 30 June 2010. There were 44,528,776 outstanding warrants as at 30 June 2010.

Except as mentioned above, there have been no changes in the issued share capital of the Company since 31 March 2010.

Under the Share Buy Back Mandate which was approved by the Shareholders on 21 April 2010, no shares were bought back by the Company during the second quarter ended 30 June 2010.

Except as mentioned above, there were no outstanding convertibles issued or treasury shares held by the Company as at 30 June 2009 and 30 June 2010.



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 2010	31 Dec 2009
Total number of issued shares (excluding treasury shares)	264,585,484	247,291,408

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 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In the current year, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2010. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

FRS 27 (Revised)	Consolidated and Separate Financial Statements
FRS 103 (Revised)	Business Combinations

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



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

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year:

	The Group			The Group		
	Second Quarter ended 30 Jun		Increase / (Decrease)	Half Year ended 30 Jun		Increase / (Decrease)
	2010	2009		2010	2009	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit attributable to equity holders of the Company(\$'000)	4,288	3,625	18.3	7,791	6,808	14.4
Weighted average number of ordinary shares outstanding for basic earnings per share	256,513,164	229,142,237	11.9	256,513,164	229,142,237	11.9
Basic earnings per share (cents)	1.67	1.58	5.7	3.04	2.97	2.4



Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential shares. The Company has one category of dilutive potential ordinary shares: warrants.

	The Group			The Group		
	Second Quarter ended 30 Jun		Increase / (Decrease)	Half Year ended 30 Jun		Increase / (Decrease)
	2010	2009		2010	2009	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit attributable to equity holders of the Company(\$'000)	4,288	3,625	18.3	7,791	6,808	14.4
Weighted average number of ordinary shares outstanding for basic earnings per share	256,513,164	229,142,237	11.9	256,513,164	229,142,237	11.9
Adjustment for - warrants	26,090,360	-	n.a.	26,090,360	-	n.a.
	282,603,524	229,142,237	23.3	282,603,524	229,142,237	23.3
Diluted earnings per share (cents)	1.52	1.58	(3.8)	2.76	2.97	(7.1)

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) %	
	As at 30 Jun 2010	As at 31 Dec 2009	As at 30 Jun 2010	As at 31 Dec 2009	The Group	The Company
Net tangible assets (\$'000)	60,543	57,230	32,001	33,370	5.8	(4.1)
Number of shares	264,585,484	247,291,408	264,585,484	247,291,408	7.0	7.0
NTA per share (cents)	22.88	23.14	12.09	13.49	(1.1)	(10.4)

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

Our Business

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

We have two core business segments: Construction and Maintenance.



Income Statement Review (Half-Year ended 30 Jun 2010 vs Half-Year ended 30 Jun 2009)

	The Group			
	Current half-year ended 30 Jun 2010	Previous half-year ended 30 Jun 2009	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	62,156	43,763	18,393	42.0
Maintenance	11,501	17,733	(6,232)	(35.1)
Total Revenue	73,657	61,496	12,161	19.8

Revenue

For the half-year ended 30 June 2010, our Group's revenue increased by 19.8% or \$12.2 million, from \$61.5 million in the half-year ended 30 June 2009 to \$73.7 million in the half-year ended 30 June 2010. The increase in revenue was contributed by a strong revenue growth of 42.0% from the construction segment, partially offset by a 35.1% decrease in revenue from the maintenance segment.

The strong growth in revenue from the construction segment was largely attributable to higher percentage of revenue recognised from a few major construction projects which were in full swing in the half-year ended 30 June 2010.

The drop in revenue from the maintenance segment was due mainly to the substantial completion of existing maintenance projects in the half-year ended 30 June 2010 coupled with a lower percentage of revenue recognised from a few maintenance projects which were secured in the second quarter ended 30 June 2010.

Construction segment continues to be the major contributor to our Group's revenue. On a segmental basis, our core construction segment and maintenance segment accounted for 84.4% (2009:71.2%) and 15.6% (2009:28.8%) of our Group's revenue respectively for the half-year ended 30 June 2010.

Gross profit and gross profit margin

Our gross profit increased by \$2.8 million or 28.8% from \$9.6 million in the half-year ended 30 June 2009 to \$12.4 million in the half-year ended 30 June 2010 following the increase in the revenue recognised.

Our gross profit margin improved from 15.6% in the half-year ended 30 June 2009 to 16.8% in the half-year ended 30 June 2010. The increase in our gross profit margin was largely attributable to a few key construction projects which had commanded better gross profit margins in the half-year ended 30 June 2010.



Other income

The decrease in other income of \$1.1 million or 90.5% was largely attributable to the reversal of allowance for impairment of trade receivables of \$1.1 million in the second quarter ended 30 June 2009 which did not recur in the second quarter ended 30 June 2010.

Administrative expenses

The increase in administrative expenses of \$0.3 million or 11.6% was largely attributable to the increase in professional fees incurred for the rights issue exercise, and higher directors' remuneration and staff costs for the half-year ended 30 June 2010.

Finance expenses

Finance expenses decreased marginally by \$0.03 million due mainly to repayment of finance leases during the half-year ended 30 June 2010.

Profit before income tax

Profit before income tax increased by \$1.3 million or 16.6% from \$8.1 million for the half-year ended 30 June 2009 to \$9.4 million for the half-year ended 30 June 2010. The increase was due mainly to an increase in gross profit of \$2.8 million and partially offset by decrease in other income of \$1.1 million and an increase in administrative expenses of \$0.3 million, as explained above.

Income tax expense

Income tax expense increased by \$0.3 million or 28.0% from \$1.3 million for the half-year ended 30 June 2009 to \$1.6 million for the half-year ended 30 June 2010. The higher income tax expense was in line with higher profit before income tax, as explained above.

Minority interests

There were no minority interests for the half-year ended 30 June 2010 as the Group acquired the minority interest in a subsidiary during the second quarter ended 30 June 2010.

Net profit

Overall, for the half-year ended 30 June 2010, net profit increased by \$1.0 million or 14.5% from \$6.8 million for the half-year ended 30 June 2009 to \$7.8 million for the half-year ended 30 June 2010 following the increase in profit before income tax of \$1.3 million which was partially offset by an increase in income tax expense of \$0.4 million, as explained above.

Our net profit margin remained fairly constant at 10.6% and 11.1% for the half-year ended 30 June 2010 and 2009 respectively.



Income Statement Review (Second Quarter ended 30 Jun 2010 vs Second Quarter ended 30 Jun 2009)

	The Group			
	Current second quarter ended 30 Jun 2010	Previous second quarter ended 30 Jun 2009	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	34,725	22,842	11,883	52.0
Maintenance	5,028	9,033	(4,005)	(44.3)
Total Revenue	39,753	31,875	7,878	24.7

Revenue

Our Group registered an increase in revenue in the second quarter ended 30 June 2010 of 24.7% to \$39.8 million as compared to \$31.9 million in the second quarter ended 30 June 2009.

The increase was due mainly to a strong 52.0% growth from the construction segment. The higher percentage of revenue recognition for the construction segment came from a few key construction projects which were in full swing in the second quarter ended 30 June 2010.

The maintenance segment saw a lower percentage of revenue recognition due to the substantial completion of existing maintenance projects and lower contribution from the newly-awarded maintenance projects in the second quarter ended 30 June 2010.

Gross profit and gross profit margin

In line with the increase in our revenue, our gross profit increased by \$1.8 million or 38.8% from \$4.8 million for the second quarter ended 30 June 2009 to \$6.6 million for the second quarter ended 30 June 2010.

Our gross profit margin increased from 14.9% in the second quarter ended 30 June 2009 to 16.5% in the second quarter ended 30 June 2010. The increase in our gross profit margin was largely attributable to a few key construction projects which had commanded better gross profit margins in second quarter ended 30 June 2010.

Other income

Other income decreased by \$1.0 million or 95.1% to \$0.05 million in the second quarter ended 30 June 2010. The decrease was due mainly to the reversal of allowance for impairment of trade receivables in the second quarter ended 30 June 2009 which did not recur in the second quarter ended 30 June 2010.



Administrative expenses

Administrative expenses remained fairly constant at \$1.4 million in the second quarter ended 30 June 2009 and 2010, respectively.

Finance costs

Finance costs decreased marginally by \$0.01 million due to repayment of finance leases in the second quarter ended 30 June 2010.

Profit before income tax

Profit before income tax increased by \$0.8 million or 19.0% from \$4.4 million in the second quarter ended 30 June 2009 to \$5.2 million in the second quarter ended 30 June 2010. The increase was due mainly to an increase in gross profit of \$1.8 million and partially offset by a decrease in other income of \$1.0 million, as explained above.

Income tax expense

The \$0.2 million increase in income tax expense from \$0.7 million for the second quarter ended 30 June 2009 to \$0.9 million for the second quarter ended 30 June 2010 was in line with the higher profit before income tax as explained above.

Minority interests

The Group acquired the minority interest in a subsidiary during the second quarter ended 30 June 2010.

Net profit

Overall, for the second quarter ended 30 June 2010, net profit increased by \$0.7 million or 18.3% to \$4.3 million as compared to the second quarter ended 30 June 2009 following the increase in profit before income tax of \$0.8 million which was partially offset by an increase in income tax expense of \$0.2 million, as explained above.

Our net profit margin remained fairly constant at 10.8% and 11.4% for the second quarter ended 30 June 2009 and 2010, respectively.

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

No forecast or prospect statement was previously disclosed to shareholders.



10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

On 14 July 2010, the Ministry of Trade and Industry announced that it expected the Singapore economy to grow by 13.0% to 15.0% in 2010, up from the earlier forecast of 7.0% to 9.0%. Advance estimates indicate that Singapore's Gross Domestic Product has continued to expand strongly. The construction sector is estimated to have grown by 13.5% year-on-year in the second quarter of 2010, compared to 10.2% growth in the first quarter of 2010, reflecting continued growth in public sector construction activities. We believe the outlook for the construction industry will remain positive for the next twelve months due to the strong pipeline of committed large public infrastructure projects such as the extension of MRT lines including the Downtown Line, the North-South Line, Eastern Region Line, Thomson Line, Tuas Extension to East West Line, and major road works.

Since the start of 2010, we have secured four public sector projects totalling approximately \$45.5 million. The projects involve the construction and maintenance works at Tuas South Avenue 12 and Tuas South Avenue 14 worth \$5.2 million from the Jurong Town Corporation, ad hoc repairs and upgrading of roads, road related facilities and road structures in Central Sector worth \$19.4 million and ad hoc repairs and upgrading of roads, road related facilities and road structures in North-West Sector worth \$14.9 million from the Land Transport Authority, with the latter two lasting for a period of 39 months and proposed desilting of Bukit Timah Phase II Diversion Canal worth \$6.0 million from the Public Utilities Board. As at the date of this announcement, our order book based on secured contracts stood at approximately \$312.0 million, with some projects completing in 2013.

Going forward, we shall continue to focus on our traditional core business of construction and maintenance activities. In this respect, our steady track record, expertise and strengths as a niche transport infrastructure company in the construction industry will certainly hold us in good stead.

At the same time, we will leverage on our track record and financial strength to participate in tenders for larger and more complex civil engineering projects in order to generate higher profitability. This will also help to raise our company's profile in the construction industry. In addition, we are also looking to extend our civil engineering capabilities in the oil and gas sector.

Our approach is always to be cautious and prudent in all our business activities -- bidding for projects that yield reasonable returns, adopting stringent cost control measures and improving our project management processes -- so that we can stay competitive.



11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per share	\$0.01
Tax rate	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Payment of the said dividend will be made on 7 September 2010.

(d) Books closure date

The Share Transfer Book and Register of Members of the Company will be closed on 17 August 2010 for the preparation of dividend payment. Duly stamped and completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 pm on 16 August 2010 will be registered to determine shareholders' entitlement to the interim dividend.

Shareholders whose securities account with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on 16 August 2010 will be entitled to the interim dividend.

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

Not applicable.



13. Use of proceeds

- (i) Placement of 13.6 million new ordinary shares at \$0.16821 for each share completed in February 2007 raising net proceeds of \$2.20 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To fund expansion of the Group's oil, petrochemical and gas related business in Singapore	2.20	1.15	1.05

The unutilised proceeds are deposited with a bank pending deployment.

- (ii) Placement of 15.0 million new ordinary shares at \$0.45 for each share completed in May 2009 raising net proceeds of \$6.75 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as working capital for the Company's overseas business expansion	6.75	-	6.75

The unutilised proceeds are deposited with a bank pending deployment.

- (iii) Issuance of 61,822,852 warrants at \$0.01 for each warrant completed in January 2010 raising net proceeds of \$0.62 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	0.62	-	0.62

The unutilised proceeds are deposited with a bank pending deployment.

- (iv) Exercise of 17,294,076 warrants at \$0.20 for each share as at 30 June 2010 raising net proceeds of \$3.46 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	3.46	-	3.46

The unutilised proceeds are deposited with a bank pending deployment.



14. 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 ended 30 June 2010.

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 results for the second quarter and half-year ended 30 June 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
29 July 2010