



**First Quarter
Financial Statement
for the Period Ended
31 March 2011**

9 May 2011

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First Quarter Financial Statement for the Period Ended 31 March 2011
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		
	Current first quarter ended 31 Mar 2011	Previous first quarter ended 31 Mar 2010	Increase/ (Decrease)
	\$'000	\$'000	%
Revenue	32,844	33,904	(3.1)
Cost of works	(24,080)	(28,098)	(14.3)
Gross profit	8,764	5,806	50.9
Other income	138	76	81.6
Expenses			
- Administrative	(2,430)	(1,602)	51.7
- Other	(41)	(8)	412.5
- Finance	(36)	(38)	(5.3)
Profit before income tax	6,395	4,234	51.0
Income tax expense	(1,163)	(732)	58.9
Net profit	5,232	3,502	49.4
Gross profit margin	26.7%	17.1%	
Net profit margin	15.9%	10.3%	
Net profit attributable to:			
Equity holders of the Company	5,235	3,503	49.4
Non-controlling interests	(3)	(1)	200.0
	5,232	3,502	49.4



(i) Consolidated statement of comprehensive income for the first quarter ended 31 March 2011

	The Group		
	Current first quarter ended 31 Mar 2011	Previous first quarter ended 31 Mar 2010	Increase/ (Decrease)
	\$'000	\$'000	%
Net profit	5,232	3,502	49.4
Other comprehensive income: Financial asset, available-for-sale - Fair value gain, net of tax	4	-	n.m.
Total comprehensive income	5,236	3,502	49.5
Total comprehensive income attributable to:			
Equity holders of the Company	5,239	3,503	49.6
Non-controlling interests	(3)	(1)	200.0
	5,236	3,502	49.5

n.m. – not meaningful



(ii) Additional disclosures

Profit before income tax was arrived at:

	The Group		
	Current first quarter ended 31 Mar 2011	Previous first quarter ended 31 Mar 2010	Increase/ (Decrease)
	\$'000	\$'000	%
<u>After charging:-</u>			
Non-audit fee paid to the auditors of the Company	5	4	25.0
Depreciation of property, plant and equipment	95	52	82.7
Directors' remuneration			
- Directors of the Company	1,218	457	166.5
- Other Directors	147	128	14.8
Directors' fee	45	38	18.4
Interest paid and payable			
- Finance lease liabilities	36	38	(5.3)
Loss on foreign exchange (net)	41	8	412.5
Currency translation differences arise from debt securities investment	14	-	n.m.
Employee compensation cost	494	429	15.2
<u>After crediting:-</u>			
Interest income			
- Bank deposits	36	25	44.0
- Financial asset, held-to-maturity	4	-	n.m.
- Financial asset, available-for-sale	14	-	n.m.
Gain on disposal of property, plant and equipment (net)	41	11	272.7
Rental income from an investment property	13	10	30.0
Government grant- Job credit scheme	-	62	n.m.
<u>Included in the cost of works are the following:-</u>			
Depreciation of property, plant and equipment	574	538	6.7
Employee compensation cost	4,647	4,381	6.1

n.m. – not meaningful



(iii) Extraordinary/Exceptional items

Nil

(iv) Adjustments for under or over-provision of tax in respect of prior periods

The Group	
31 Mar 2011	31 Mar 2010
\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial period:

Current income tax - Singapore

1,054

699

Deferred income tax

109

8

1,163

707

- Under provision of deferred income tax in prior financial periods

-

25

1,163

732



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

Statements of Financial Position

		The Group		The Company	
Note		31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
	Cash and cash equivalents	111,016	100,074	20,653	14,103
i	Trade and other receivables	26,680	28,446	15,084	15,506
	Construction contract works-in-progress	2,350	2,681	-	-
		140,046	131,201	35,737	29,609
Non-current assets					
ii	Investments in subsidiaries	-	-	15,174	15,174
iii	Investments in joint ventures	-	-	-	-
	Investment property	1,500	1,500	-	-
iv	Financial asset, held-to-maturity	1,000	1,000	-	-
v	Financial asset, available-for-sale	717	726	-	-
	Property, plant and equipment	17,181	16,996	4,044	3,449
	Intangible asset	1,688	1,688	-	-
		22,086	21,910	19,218	18,623
	Total assets	162,132	153,111	54,955	48,232
LIABILITIES					
Current liabilities					
vi	Trade and other payables	79,064	78,436	9,133	8,976
	Finance lease liabilities	821	898	-	-
	Current income tax liabilities	3,715	3,506	104	101
		83,600	82,840	9,237	9,077
Non-current liabilities					
	Finance lease liabilities	709	943	-	-
	Deferred income tax liabilities	503	393	-	-
		1,213	1,336	-	-
	Total liabilities	84,813	84,176	9,237	9,077
	NET ASSETS	77,320	68,935	45,718	39,155
EQUITY					
Capital and reserves attributable to equity holders of the Company					
vii	Share capital	31,191	27,885	31,191	27,885
	Other reserves	295	448	276	433
	Retained profits	45,909	40,674	14,251	10,837
		77,395	69,007	45,718	39,155
	Non-controlling interests	(75)	(72)	-	-
	Total equity	77,320	68,935	45,718	39,155
	Net tangible assets	75,707	67,319	45,718	39,155



Notes to Statements of Financial Position:

(i) Trade and other receivables

	The Group		The Company	
	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	5,596	7,186	-	-
- Subsidiaries	-	-	15,091	15,502
	5,596	7,186	15,091	15,502
Less: Allowance for impairment of receivables	-	-	(531)	(531)
Trade receivables – net	5,596	7,186	14,560	14,971
Construction contracts				
- Due from customers	16,338	16,523	-	-
- Retentions	3,869	3,731	-	-
	20,207	20,254	-	-
Non-trade receivables				
- Non-controlling shareholder of a subsidiary	6	6	-	-
- Subsidiaries	-	-	1,432	1,598
- Joint venture partner	11	34	-	19
- Non-related parties	145	228	1	1
	162	268	1,433	1,618
Less: Allowance for impairment of receivables	-	-	(949)	(1,097)
Non-trade receivables - net	162	268	484	521
Deposits	197	205	8	-
Prepayments	518	533	32	14
	26,680	28,446	15,084	15,506



(ii) Investments in subsidiaries

The Company	
31 Mar 2011	31 Dec 2010
\$'000	\$'000
Equity investments at cost	
Beginning of financial period	15,448
Acquisition of non-controlling interest in a subsidiary	14,850
	-
End of financial period	598
Less: Allowance for impairment	15,448
	15,448
	(274)
	15,174

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			31 Mar 2011	31 Dec 2010
<u>Held by the Company</u>				
Or Kim Peow Contractors (Pte) Ltd	Business of road and building construction and maintenance	Singapore	100%	100%
Eng Lam Contractors Co. (Pte) Ltd	Business of road construction and maintenance	Singapore	100%	100%
OKP Technical Management Pte Ltd	Provision of technical management and consultancy services	Singapore	100%	100%
OKP Investments (China) Pte Ltd	Investment holding	Singapore	100%	100%
OKP (Oil & Gas) Infrastructure Pte Ltd	Business of carrying out civil engineering projects in respect of oil, petrochemical and gas related businesses in Singapore	Singapore	100%	100%
United Pavement Specialists Pte Ltd	Provision of rental services and investment holding	Singapore	55%	55%
OKP (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 joint ventures

On 8 December 2010, Or Kim Peow Contractors (Pte) Ltd (“OKPC”), a wholly-owned subsidiary, entered into a joint venture agreement with Soil-Build (Pte) Ltd (“SBPL”), incorporated in Singapore and a subsidiary of Soilbuild Group Holdings Ltd., to form a 50:50 joint venture company. On the same date, the joint venture company, Forte Builder Pte. Ltd. (“FBPL”) was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKPC has a 50% equity interest at a cost of \$500,000 in FBPL. The principal activity of FBPL is the construction of the condominium housing development, comprising one (1) 36-storey block of 54 residential units at Angullia Park.

CIF-OKP Construction and Development Pte Ltd (“CIF-OKP”), incorporated in Singapore on 1 December 2009, remained inactive as at 31 March 2011. CIF-OKP is a joint venture company of OKP Technical Management Pte Ltd (“OKPTM”), a wholly owned subsidiary, and CIF Singapore Pte Ltd, a subsidiary of China Sonangol International Limited, with a share capital of \$100,000 consisting of 100 ordinary shares. OKPTM has a 50% equity interest at a cost of \$50,000 (2010: \$50,000) in CIF-OKP.

The following amounts represent the Group’s 50% share of the assets, liabilities, income and expenses of the joint ventures which are included in the consolidated balance sheet and statement of comprehensive income using the line-by-line format of proportionate consolidation:

	The Group	
	31 Mar 2011	31 Dec 2010
	\$'000	\$'000
Assets		
- Current assets	723	496
Liabilities		
- Current liabilities	(218)	-
Net assets	505	496
Revenue	278	-
Expenses	(265)	(4)
Profit before income tax	13	(4)
Income tax expense	-	-
Net profit	13	(4)
Operating cash outflows, representing total cash outflows	(1)	(17)

Name of joint ventures	Principal activities	Country of incorporation	Equity holding	
			31 Mar 2011	31 Dec 2010
CIF-OKP Construction and Development Pte Ltd	Design, construction and execution of urban developments (including road infrastructure)	Singapore	50%	50%
Forte Builder Pte Ltd	Business of general construction	Singapore	50%	50%

Held by the subsidiaries

CIF-OKP Construction and Development Pte Ltd	Design, construction and execution of urban developments (including road infrastructure)	Singapore	50%	50%
Forte Builder Pte Ltd	Business of general construction	Singapore	50%	50%



(vi) Financial asset, held-to-maturity

The Group	
31 Mar 2011	31 Dec 2010
\$'000	\$'000

Unlisted debt securities

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

1,000	1,000
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The fair value of the bonds at the balance sheet date based on available market or common reference prices provided by the bank is \$1,015,900 (2010: \$1,021,750).

(v) Financial asset, available-for-sale

The Group	
31 Mar 2011	31 Dec 2010
\$'000	\$'000

Beginning of financial period	726	-
Additions	-	745
Currency translation differences	(14)	(37)
Fair value gain recognised in other comprehensive income	5	18
End of financial period	<u>717</u>	<u>726</u>

Financial asset, available-for-sale is analysed as follows:

Unlisted debt securities

- Bonds with fixed interest of 7.875% without fixed maturity

717	726
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The fair value of the bond is based on available market or common reference prices provided by the bank.



(iv) Trade and other payables

	The Group		The Company	
	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	63,570	60,445	375	259
Non-trade payables				
- Subsidiaries	-	-	4,834	5,045
- Non-controlling shareholder of a subsidiary	459	647	-	-
- Joint venture partner	208			
	667	647	4,834	5,045
Accrued operating expenses	14,692	17,206	3,924	3,672
Other payables	135	138	-	-
	<u>79,064</u>	<u>78,436</u>	<u>9,133</u>	<u>8,976</u>

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

(vii) Other reserves

	The Group		The Company	
	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000
Warrant reserve				
Beginning of financial period	433	618	433	618
Warrants exercised	(157)	(185)	(157)	(185)
End of financial period	276	433	276	433
Fair value reserve				
Beginning of financial period	15	-	-	-
Financial asset – available-for-sale				
-Fair value gain	5	18	-	-
-Tax on fair value	(1)	(3)	-	-
End of financial period	19	15	-	-
	<u>295</u>	<u>448</u>	<u>276</u>	<u>433</u>



Explanatory Notes:

(i) Current assets

Current assets increased by \$8.8 million, from \$131.2 million as at 31 December 2010 to \$140.0 million as at 31 March 2011. The increase was attributable to:

- (a) an increase in cash and cash equivalents of approximately \$10.9 million due mainly to the inflow of proceeds from the issuance of new shares arising from the exercise of warrants coupled with cash generated from operations for the first quarter of 2011;

partially offset by:

- (b) a decrease in trade and other receivables of approximately \$1.8 million due mainly to lower accrued receivables and retention monies on construction contracts for the first quarter of 2011; and
- (c) a decrease in construction contract works-in-progress of approximately \$0.3 million due mainly to lower unbilled amounts expected to be collected from customers for contract work performed up till 31 March 2011 as compared to 31 December 2010.

(ii) Non-current assets

The increase of \$0.2 million in non-current assets was due mainly to the addition of new property, plant and equipment to support the newly awarded projects.

(iii) Current liabilities

Current liabilities increased by \$0.8 million, from \$82.8 million as at 31 December 2010 to \$83.6 million as at 31 March 2011. The increase was due mainly to:

- (a) an increase in trade payables and accrued operating expenses of approximately \$0.6 million arising from an increase in work done by sub-contractors on various projects as the construction of the projects progressed; and
- (b) an increase in current income tax liabilities of approximately \$0.2 million due to higher tax provision arising from higher profits generated for the first quarter of 2011;

(iv) Non-current liabilities

Non-current liabilities decreased by \$0.1 million, from \$1.3 million as at 31 December 2010 to \$1.2 million as at 31 March 2011. The decrease was due mainly to the decrease in finance lease liabilities of \$0.2 million as these had been paid down, partially offset by the increase in deferred tax liabilities of \$0.1 million during the first quarter of 2011.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, other reserves, retained profits and non-controlling interests, increased by \$8.4 million, from \$68.9 million as at 31 December 2010 to \$77.3 million as at 31 March 2011. The increase was largely attributable to:

- (a) the profit generated from operations of approximately \$5.2 million for the first quarter of 2011; and
- (b) the increase in share capital of approximately \$3.3 million which was partially offset by the decrease in warrants reserve of approximately \$0.1 million, resulting from the issuance of new shares arising from the exercise of warrants during the first quarter of 2011.



1(b)(ii) Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 31 Mar 2011		As at 31 Dec 2010	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
821	-	898	-

(b) Amount repayable after one year

As at 31 Mar 2011		As at 31 Dec 2010	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
710	-	943	-

(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 and charges over the property, plant and equipment under the finance leases.



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

Consolidated statements of cash flows for the first quarter ended 31 March:

		The Group	
		Current first quarter ended 31 Mar 2011	Previous first quarter ended 31 Mar 2010
		\$'000	\$'000
Cash flows from operating activities			
Net profit		5,232	3,502
Adjustments for:			
- Income tax expense		1,163	732
- Depreciation of property, plant and equipment		669	590
- Gain on disposal of property, plant and equipment (net)		(41)	(11)
- Unrealised currency translation loss		14	-
- Interest income		(54)	(25)
- Finance expenses		36	38
Operating cash flow before working capital changes		7,019	4,826
Change in working capital			
- Trade and other receivables		1,763	(1,143)
- Construction contracts work-in-progress		331	423
- Trade and other payables		628	2,504
Cash generated from operations		9,741	6,610
- Interest received		54	25
- Income tax paid		(845)	(705)
Net cash provided by operating activities		8,950	5,930
Cash flows from investing activities			
- Additions to property, plant and equipment		(926)	(49)
- Disposal of property, plant and equipment		113	19
Net cash used in investing activities		(813)	(30)
Cash flows from financing activities			
- Repayment of finance lease liabilities		(311)	(305)
- Finance expenses		(36)	(38)
- Proceeds from issuance of shares		3,149	2,358
Net cash generated from financing activities		2,802	2,015



		The Group	
		Current first quarter ended 31 Mar 2011	Previous first quarter ended 31 Mar 2010
Note		\$'000	\$'000
Net increase in cash and cash equivalents	i	10,939	7,915
Cash and cash equivalents at beginning of financial period		95,004	72,202
Cash and cash equivalents at end of financial period	ii	105,943	80,117

Explanatory Notes:

- (i) Our Group generated net cash of \$9.0 million from operating activities in the first quarter of 2011, an increase of \$3.1 million from \$5.9 million in the first quarter of 2010. The increase was due to higher operating profit generated in the first quarter of 2011, coupled with better cash flow management.

Net cash of \$0.8 million used in investing activities was for the purchase of new property, plant and equipment which was partially offset by proceeds received from the disposal of property, plant and equipment.

Net cash of \$2.8 million was generated from financing activities in the first quarter of 2011. This was due mainly to cash proceeds from the issuance of new shares arising from the exercise of warrants which was partially utilised for repayment of finance lease liabilities and servicing of interest payments.

Overall, cash and cash equivalents stood at \$105.9 million as at 31 March 2011, an increase of \$25.8 million, from \$80.1 million as at 31 March 2010. This works out to cash of 37.6 cents per share as at 31 March 2011 (based on 281,568,085 shares issued) as compared to 30.9 cents per share as at 31 March 2010 (based on 259,081,033 shares issued).

- (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	
		31 Mar 2011	31 Mar 2010
		\$'000	\$'000
Cash at bank and on hand		15,610	17,287
Short-term bank deposits		95,406	68,273
		111,016	85,560
Bank deposits pledged		(5,073)	(5,443)
Cash and cash equivalents per consolidated statement of cash flows		105,943	80,117

Bank deposits of \$5,073,170 (2010: \$5,442,742) 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	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Group

As at 1 Jan 2011	27,885	433	15	40,674	69,007	(72)	68,935
Total comprehensive income for the period	-	-	4	5,235	5,239	(3)	5,236
Issue of new shares	3,306	(157)	-	-	3,149	-	3,149
As at 31 Mar 2011	31,191	276	19	45,909	77,395	(75)	77,320

As at 1 Jan 2010	23,993	618	-	34,307	58,918	596	59,514
Total comprehensive income for the period	-	-	-	3,503	3,503	(1)	3,502
Issue of new shares	2,476	(118)	-	-	2,358	-	2,358
As at 31 Mar 2010	26,469	500	-	37,810	64,779	595	65,374



Attributable to equity holders of the Company						
Share capital	Warrants reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Company

As at 1 Jan 2011	27,885	433	-	10,837	39,155	-	39,155
Total comprehensive income for the period	-	-	-	3,414	3,414	-	3,414
Issue of new shares	3,306	(157)	-	-	3,149	-	3,149
As at 31 Mar 2011	31,191	276	-	14,251	45,718	-	45,718

As at 1 Jan 2010	23,993	618	-	8,759	33,370	-	33,370
Total comprehensive income for the period	-	-	-	19	19	-	19
Issue of new shares	2,476	(118)	-	-	2,358	-	2,358
As at 31 Mar 2010	26,469	500	-	8,778	35,747	-	35,747



- 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 2011	265,823,335	27,884,776
Issue of new shares pursuant to exercise of warrants	15,744,750	3,148,950
Transfer from warrants reserve to share capital upon exercise of warrants	-	157,447
Balance as at 31 March 2011	281,568,085	31,191,173

The Company issued 61,822,852 warrants on 6 January 2010. 15,744,750 had been exercised by warrant holders at the exercise price of \$0.20 per share during the first quarter ended 31 March 2011. There were 27,546,175 and 50,033,227 outstanding warrants as at 31 March 2011 and 31 March 2010 respectively.

Except as mentioned above, there have been no changes in the issued share capital of the Company since 31 December 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 first quarter ended 31 March 2011.

Except as mentioned above, there were no outstanding convertibles issued or treasury shares held by the Company as at 31 March 2010 and 31 March 2011.

- 1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	31 Mar 2011	31 Dec 2010
Total number of issued shares (excluding treasury shares)	281,568,085	265,823,335



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 2010.

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 2011. 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:

Amendments to FRS 24 - Related party disclosures (effective for annual periods beginning on or after 1 January 2011)

Amendments to FRS 32 Financial instruments: Presentation – classification of right issues (effective for annual periods beginning on or after 1 February 2010)

The adoption of the above FRSs 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 period.

The Group			
	Current first quarter ended 31 Mar 2011	Previous first quarter ended 31 Mar 2010	Increase/ (Decrease) %
Net profit attributable to equity holders of the Company (\$'000)	5,235	3,503	49.4
Weighted average number of ordinary shares outstanding for basic earnings per share	270,984,185	226,964,348	19.4
Basic earnings per share (cents per share)	1.93	1.54	25.3

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted for the effects of all dilutive potential shares. The Company has warrants as potential dilutive ordinary shares.

The Group			
	Current first quarter ended 31 Mar 2011	Previous first quarter ended 31 Mar 2010	Increase/ (Decrease) %
Net profit attributable to equity holders of the Company (\$'000)	5,235	3,503	49.4
Weighted average number of ordinary shares outstanding for basic earnings per share	270,984,185	226,964,348	19.4
Adjustments for warrants	18,182,036	29,817,782	(39.0)
	289,166,221	256,782,130	12.6
Diluted earnings per share (cents per share)	1.81	1.36	33.1



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

	The Group		The Company		Increase / (Decrease) %	
	As at 31 Mar 2011	As at 31 Dec 2010	As at 31 Mar 2011	As at 31 Dec 2010	The Group	The Company
Net tangible assets (\$'000)	75,707	67,319	45,718	39,155	12.5	16.7
Number of shares	281,568,085	265,823,335	281,568,085	265,823,335	5.9	5.9
NTA per share (cents)	26.89	25.32	16.24	14.73	6.2	10.3

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 tender for both public and private civil engineering and infrastructure construction projects.

We have two core business segments: Construction and Maintenance.



Income Statement Review (First Quarter of 2011 vs First Quarter of 2010)

	The Group			
	Current first quarter ended 31 Mar 2011	Previous first quarter ended 31 Mar 2010	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	27,990	27,431	559	2.0
Maintenance	4,854	6,473	(1,619)	(25.0)
Total Revenue	32,844	33,904	(1,060)	(3.1)

Revenue

Our Group's revenue declined by 3.1% or \$1.1 million from \$33.9 million for the first quarter of 2010 to \$32.8 million for the first quarter of 2011. The decline was due to a 25.0% decrease in revenue from the maintenance segment to \$4.9 million, partially offset by a 2.0% increase in revenue from the construction segment to \$28.0 million.

The increase in revenue from the construction segment was due mainly to the higher percentage of revenue recognised from a few construction projects which were in full swing in the first quarter of 2011.

The drop in revenue from the maintenance segment was due mainly to a lower percentage of revenue recognised from a few newly-awarded maintenance projects and completion of a few existing maintenance projects during the first quarter of 2011.

Gross profit and gross profit margin

Despite the lower revenue, our gross profit for the first quarter of 2011 increased by 50.9% or \$3.0 million from \$5.8 million for the first quarter of 2010 to \$8.8 million for the first quarter of 2011.

Our gross profit margin increased from 17.1% for the first quarter of 2010 to 26.7% for the first quarter of 2011.

Higher gross profit was due mainly to cost savings in certain design and build construction projects which resulted in a higher gross profit margin.

Other income

Other income increased by \$0.1 million or 81.6% from \$0.1 million for the first quarter of 2010 to \$0.2 million for the first quarter of 2011. The increase was due mainly to the increase in interest in bank deposits arising from higher cash and cash equivalents, interest earned from financial assets and gain on disposal of property, plant and equipment during the first quarter of 2011.



Administrative expenses

Administrative expenses increased by \$0.8 million or 51.7% from \$1.6 million for the first quarter of 2010 to \$2.4 million for the first quarter of 2011. The increase was largely attributable to higher directors' remuneration (including profit sharing) and staff costs accrued as a result of the strong financial performance of the Group for the first quarter of 2011.

Other expenses

Other expenses increased by \$0.03 million or 412.5% due to a loss from foreign exchange resulting from the weakening of the US dollar against the Singapore dollar during the first quarter of 2011.

Finance expenses

Finance expenses decreased marginally by \$0.002 million due mainly to repayment of finance leases in the first quarter of 2011.

Profit before income tax

Profit before income tax increased by \$2.2 million or 51.0% from \$4.2 million in the first quarter of 2010 to \$6.4 million in the first quarter of 2011. The increase was due mainly to an increase in gross profit of \$3.0 million which was partially offset by an increase in administrative expenses of \$0.8 million as explained above.

Income tax expense

Income tax expense increased by \$0.5 million or 58.9% from \$0.7 million in the first quarter of 2010 to \$1.2 million in the first quarter of 2011 due mainly to higher profit before income tax as explained above.

Non-controlling interests

Non-controlling interests increased due to losses incurred by some subsidiaries in the first quarter of 2011.

Net profit

Overall, for the first quarter of 2011, net profit increased by \$1.7 million or 49.4% to \$5.2 million as compared to the first quarter of 2010 following the increase in profit before income tax of \$2.2 million which was partially offset by an increase in income tax expense of \$0.5 million, as explained above.

Our net profit margin increased from 10.3% for the first quarter of 2010 to 15.9% for the first quarter of 2011.

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 April 2011, the Ministry of Trade and Industry announced that the Singapore economy continued to grow at a healthy pace in the first quarter of 2011. Advance estimates indicate that Singapore GDP expanded by 8.5% on a year-on-year basis in the first quarter of 2011. The construction sector grew by 2.6% on a year-on-year basis in the first quarter of 2011, fuelled by major public sector civil engineering and residential contracts awarded. In the light of the overall positive climate, we believe the outlook for the construction industry will remain healthy for the next twelve months.

Since the start of 2011, we have secured three public sector projects totalling approximately \$94.4 million. These include two projects from the Land Transport Authority, namely, a design-and-build project involving the interchange at Tampines Expressway(TPE)/Sengkang West Road/Seletar Aerospace Way worth \$61.7 million and one that involves the widening of Old Choa Chu Kang Road from Sungei Tengah Road to Lim Chu Kang Road worth \$28.5 million. The third project involves sewer extension works in Admiralty Road West, Andrew Avenue, Tung Po Avenue, Punggol Road and Cranwell Road worth \$4.2 million from the Public Utilities Board.

As at the date of this announcement, our order book based on secured contracts stands at approximately \$375.8 million, with some projects completing in 2014.

Going forward, our focus will remain on our traditional core business of construction and maintenance activities and we shall strive to offer consistent high-quality, value added service to our clients. Government projects will continue to be a fundamental and important part of our business, and we remain committed to building on our track record and reputation in this sector.

We hope to leverage our track record and financial strength to participate in tenders for larger and more complex civil engineering projects in order to generate higher profitability as well as to raise our business profile in the construction industry. Apart from public sector works, we also look to extend our civil engineering capabilities in the oil and gas sector.

Should the opportunity arise, we would also expand our business through acquisitions, joint ventures and/or strategic alliances that we believe can complement our construction and maintenance business. These can potentially provide us access to new markets and prospective clients.

While we actively prospect for growth opportunities, we remain committed to prudent cost management and improving operational efficiency.



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the first quarter ended 31 March 2011. The final dividend of 2.0 cent per ordinary share (one-tier tax-exempt) and special dividend of 2.0 cent per ordinary share (one-tier tax-exempt) for the financial year ended 31 December 2010 was approved at the Company's Ninth Annual General Meeting on 20 April 2011. Payment of the dividend will be made on 27 May 2011.



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 34,276,677 warrants at \$0.20 for each share as at 31 March 2011 raising net proceeds of \$6.9 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	6.9	-	6.9

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 first quarter ended 31 March 2011.

15. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of OKP Holdings Limited confirms that, to the best of their knowledge, nothing has come to their attention which may render the financial statements for the first quarter ended 31 March 2011 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
9 May 2011