



**First Quarter
Financial Statement
for the Period Ended
31 March 2012**

8 May 2012

Table of Contents

		<u>Page No</u>
1(a)	Income statement	2
	Consolidated statement of comprehensive income	3
1(b)(i)	Statements of financial position	6
1(b)(ii)	Borrowings and debts securities	14
1(c)	Consolidated statements of cash flows	15
1(d)(i)	Consolidated statement of changes in equity	18
1(d)(ii)	Changes in share capital	20
1(d)(iii)	Total number of issued shares	20
1(d)(iv)	Statement of sales, transfers, disposals, cancellation and/or use of treasury shares	21
2 & 3	Audit statement	21
4	Accounting policies	21
5	Changes in accounting policies	21
6	Earnings per share	22
7	Net asset value per share	23
8	Review of Group's performance	23
9	Variance from previous prospect statement	26
10	Outlook	26
11 & 12	Dividend	27
13	Interested persons transactions	27
14	Use of proceeds as at 31 March 2012	28
15	Confirmation by the Board on financial results	29

First Quarter Financial Statement for the Period Ended 31 March 2012
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group		Increase/ (Decrease)
	Current first quarter ended 31 Mar 2012	Previous first quarter ended 31 Mar 2011	
	\$'000	\$'000	
Revenue	24,954	32,844	(24.0)
Cost of works	(19,710)	(24,080)	(18.1)
Gross profit	5,244	8,764	(40.2)
Other income	749	138	442.8
Expenses			
- Administrative	(2,211)	(2,430)	(9.0)
- Other	(122)	(41)	197.6
- Finance	(27)	(36)	(25.0)
Profit before income tax	3,633	6,395	(43.2)
Income tax expense	(580)	(1,163)	(50.1)
Net profit	3,053	5,232	(41.6)
Gross profit margin	21.0%	26.7%	
Net profit margin	12.2%	15.9%	
Effective tax rate	16.0%	18.2%	
Net profit attributable to:			
Equity holders of the Company	3,054	5,235	(41.7)
Non-controlling interests	(1)	(3)	(66.7)
	3,053	5,232	(41.6)



(i) Consolidated statement of comprehensive income for the first quarter ended 31 March 2012

		The Group		
	Note	Current first quarter ended 31 Mar 2012	Previous first quarter ended 31 Mar 2011	Increase/ (Decrease)
		\$'000	\$'000	%
Net profit		3,053	5,232	(41.6)
Other comprehensive income:				
Financial assets, available-for-sale	i	18	4	350.0
- Fair value gains, net of tax				
Total comprehensive income		3,071	5,236	(41.3)
Total comprehensive income attributable to:				
Equity holders of the Company		3,072	5,239	(41.4)
Non-controlling interests		(1)	(3)	(66.7)
		3,071	5,236	(41.3)

Note:

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



(ii) Additional disclosures

Profit before income tax was arrived at:

		The Group		
	Note	Current first quarter ended 31 Mar 2012	Previous first quarter ended 31 Mar 2011	Increase/ (Decrease)
		\$'000	\$'000	%
<u>After charging:</u>				
Non-audit fee paid to the auditors of the Company		5	5	-
Depreciation of property, plant and equipment		93	95	(2.1)
Directors' remuneration				
- Directors of the Company		945	1,218	(22.4)
- Other Directors		108	147	(26.5)
Directors' fee		45	45	-
Interest paid and payable				
- Finance lease liabilities		27	36	(25.0)
Loss on foreign exchange (net)	i	122	41	197.6
Currency translation differences arise from debt securities investment	ii	24	14	71.4
Employee compensation cost		594	494	20.2
<u>After crediting:</u>				
Interest income				
- Bank deposits		56	36	55.6
- Financial assets, held-to-maturity		6	4	50.0
- Financial assets, available-for-sale		25	14	78.6
Gain on disposal of property, plant and equipment (net)		-	41	n.m.
Rental income from an investment property		11	13	(15.4)
Government grant		50	-	n.m.
<u>Included in the cost of works are the following:</u>				
Depreciation of property, plant and equipment		582	574	1.4
Employee compensation cost		4,871	4,647	4.8

Note:

- (i) Loss on foreign exchange mainly arose from the revaluation of assets denominated in United States dollar to Singapore dollar.
- (ii) Currency translation differences mainly arose from the revaluation of financial asset, available-for-sale denominated in United States dollar to Singapore dollar.

n.m. – not meaningful



(iii) Extraordinary/Exceptional items

Nil

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

The Group	
31 Mar 2012	31 Mar 2011
\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial period:

Current income tax - Singapore

576 1,054

Deferred income tax

4 109

580 1,163



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

Statements of Financial Position

	Note	The Group		The Company	
		31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents		86,486	92,524	21,452	21,544
Trade and other receivables	i	28,241	29,433	12,783	12,949
Construction contract work-in-progress		3,991	2,138	-	-
		<u>118,718</u>	<u>124,095</u>	<u>34,235</u>	<u>34,493</u>
Non-current assets					
Investments in subsidiaries	ii	-	-	15,674	15,674
Investments in joint ventures	iii	-	-	-	-
Investment property	iv	1,650	1,650	-	-
Financial assets, held-to-maturity	v	1,500	1,500	-	-
Financial assets, available-for-sale	vi	5,206	708	-	-
Property, plant and equipment		18,835	18,693	5,442	5,354
Intangible asset		1,688	1,688	-	-
		<u>28,879</u>	<u>24,239</u>	<u>21,116</u>	<u>21,028</u>
Total assets		<u>147,597</u>	<u>148,334</u>	<u>55,351</u>	<u>55,521</u>
LIABILITIES					
Current liabilities					
Trade and other payables	vii	49,724	52,976	10,837	11,090
Finance lease liabilities		658	647	-	-
Current income tax liabilities		4,622	5,525	45	79
		<u>55,004</u>	<u>59,148</u>	<u>10,882</u>	<u>11,169</u>
Non-current liabilities					
Finance lease liabilities		746	482	-	-
Deferred income tax liabilities		630	622	-	-
		<u>1,376</u>	<u>1,104</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>56,380</u>	<u>60,252</u>	<u>10,882</u>	<u>11,169</u>
NET ASSETS		<u>91,217</u>	<u>88,082</u>	<u>44,469</u>	<u>44,352</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		36,230	36,163	36,230	36,163
Other reserves	viii	43	28	36	39
Retained profits		55,066	52,012	8,203	8,150
		<u>91,339</u>	<u>88,203</u>	<u>44,469</u>	<u>44,352</u>
Non-controlling interests		<u>(122)</u>	<u>(121)</u>	<u>-</u>	<u>-</u>
Total equity		<u>91,217</u>	<u>88,082</u>	<u>44,469</u>	<u>44,352</u>
Net tangible assets		<u>89,651</u>	<u>86,515</u>	<u>44,469</u>	<u>44,352</u>



Notes to Statements of Financial Position:

(i) Trade and other receivables

	The Group		The Company	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	5,007	4,746	-	-
- Subsidiaries	-	-	13,249	13,431
	5,007	4,746	13,249	13,431
Less: Allowance for impairment of receivables	-	-	(531)	(531)
Trade receivables – net	5,007	4,746	12,718	12,900
Construction contracts				
- Due from customers	15,554	17,524	-	-
- Retentions	5,133	4,811	-	-
	20,687	22,335	-	-
Non-trade receivables				
- Non-controlling shareholder of a subsidiary	6	6	-	-
- Subsidiaries	-	-	1,488	1,486
- Joint venture partners	66	53	-	-
- Non-related parties	878	547	1	1
	950	606	1,489	1,487
Less: Allowance for impairment of receivables	-	-	(1,459)	(1,459)
Non-trade receivables - net	950	606	30	28
Deposits	884	1,149	8	8
Prepayments	713	597	27	13
	28,241	29,433	12,783	12,949

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

(ii) Investments in subsidiaries

	The Company	
	31 Mar 2012	31 Dec 2011
	\$'000	\$'000
Equity investments at cost		
Beginning of financial period	15,948	15,448
Incorporation of a new subsidiary	-	500
End of financial period	15,948	15,948
Less: Allowance for impairment	(274)	(274)
	15,674	15,674



Name of subsidiary	Principal activities	Country of incorporation	Equity holding	
			31 Mar 2012	31 Dec 2011

Held by the Company

Or Kim Peow Contractors (Pte) Ltd	Business of road and building construction and maintenance	Singapore	100%	100%
Eng Lam Contractors Co. (Pte) Ltd	Business of road construction and maintenance	Singapore	100%	100%
OKP Technical Management Pte Ltd	Provision of technical management and consultancy services	Singapore	100%	100%
OKP Investments (China) Pte Ltd	Investment holding	Singapore	100%	100%
OKP (Oil & Gas) Infrastructure Pte Ltd	Business of carrying out civil engineering projects in respect of oil, petrochemical and gas related businesses in Singapore	Singapore	100%	100%
United Pavement Specialists Pte Ltd	Provision of rental services and investment holding	Singapore	55%	55%
OKP Land Pte Ltd	Investment holding and property development	Singapore	100%	100%
OKP (CNMI) Corporation ^(#)	Business of general construction	Saipan, Commonwealth of the Northern Mariana Islands	96%	96%

Held by a subsidiary

United Pavement Specialists (CNMI) Corporation ^(#)	Business of general construction, subcontractor	Saipan, Commonwealth of the Northern Mariana Islands	99%	99%
---	---	--	-----	-----

(#) In the process of liquidation.



(iii) Investments in joint ventures

Name of joint venture	Principal activities	Country of incorporation	Equity holding	
			31 Mar 2011	31 Dec 2010

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%

- (1) CIF-OKP Construction and Development Pte Ltd ("CIF-OKP"), incorporated in Singapore on 1 December 2009, remained inactive as at 31 March 2012. 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 (2011: \$50,000) in CIF-OKP.
- (2) On 8 December 2010, Or Kim Peow Contractors (Pte) Ltd ("OKPC"), a wholly-owned subsidiary, entered into a joint venture agreement with Soil-Build (Pte) Ltd ("SBPL"), incorporated in Singapore and a subsidiary of Soilbuild Group Holdings Ltd., to form a 50:50 joint venture company. On the same date, the joint venture company, Forte Builder Pte. Ltd. ("FBPL") was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKPC has a 50% equity interest at a cost of \$500,000 in FBPL. The principal activity of FBPL is the construction of the condominium housing development, comprising one (1) 36-storey block of 54 residential units at Angullia Park.

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 2012	31 Dec 2011
	\$'000	\$'000
Assets		
- Current assets	2,623	2,717
Liabilities		
- Current liabilities	(1,775)	(1,941)
Net assets	848	776
Revenue	1,289	4,981
Expenses	(1,206)	(4,667)
Profit before income tax	83	314
Income tax expense	(7)	(38)
Net profit	76	276
Operating cash inflows, representing total cash inflows	64	164



(iv) Investment property

	The Company	The Company
	31 Mar 2012	31 Dec 2011
	\$'000	\$'000
Beginning of financial period	1,650	1,500
Fair value gain recognised in profit and loss	-	150
End of financial period	1,650	1,650

(v) Financial assets, held-to-maturity (non-current)

	The Group	
	31 Mar 2012	31 Dec 2011
	\$'000	\$'000
Unlisted debt securities		
- Bonds with fixed interest of 2.22% p.a. and maturity date on 5 July 2013 - Singapore	1,000	1,000
- Bonds with fixed interest of 4.30% p.a. and maturity date on 9 November 2016 - Singapore	500	500
	1,500	1,500

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

	The Group	
	31 Mar 2012	31 Dec 2011
	\$'000	\$'000
Bonds with fixed interest of 2.22% p.a. and maturity date on 5 July 2013	1,005	1,012
Bonds with fixed interest of 4.30% p.a. and maturity date on 9 November 2016	509	500

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



(vi) Financial assets, available-for-sale (non-current)

The Group	
31 Mar 2012	31 Dec 2011
\$'000	\$'000

Beginning of financial period	708	726
Additions	4,500	-
Currency translation differences	(24)	8
Fair value gains/(losses) recognised in other comprehensive income	22	(26)
End of financial period	5,206	708

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

Unlisted debt securities

- Bonds with fixed interest of 7.875% p.a. without fixed maturity	717	708
- Bonds with fixed interest of 5.125% p.a. without fixed maturity	4,489	-
	5,206	708

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



(vii) Trade and other payables

	The Group		The Company	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	30,517	35,062	73	209
- Joint venture partner	1,728	1,888	-	-
	32,245	36,950	73	209
Non-trade payables				
- Subsidiaries	-	-	5,033	5,136
- Non-controlling shareholder of a subsidiary	459	459	-	-
- Joint venture partner	25	25	-	-
	484	484	5,033	5,136
Construction contracts				
- Advances received	1,372	2,191	-	-
Accrued operating expenses	15,560	13,296	5,731	5,745
Other payables	63	55	-	-
	<u>49,724</u>	<u>52,976</u>	<u>10,837</u>	<u>11,090</u>

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

(viii) Other reserves

	The Group		The Company	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Warrants reserve				
Beginning of financial period	39	433	39	433
Warrants exercised	(3)	(394)	(3)	(394)
End of financial period	36	39	36	39
Fair value reserve				
Beginning of financial period	(11)	15	-	-
Financial assets – available-for-sale				
-Fair value gains/(losses)	22	(26)	-	-
-Tax on fair value changes	(4)	-	-	-
End of financial period	7	(11)	-	-
	<u>43</u>	<u>28</u>	<u>36</u>	<u>39</u>

Other reserves are non-distributable.



Explanatory Notes:

(i) Current assets

Current assets decreased by \$5.4 million, from \$124.1 million as at 31 December 2011 to \$118.7 million as at 31 March 2012. The decrease was attributable to:

- (a) a decrease in cash and cash equivalents of approximately \$6.0 million. This was due mainly to the net cash used in operations of \$1.0 million, purchase of a financial asset, available-for-sale of \$4.5 million and property, plant and equipment of \$0.3 million and repayment of finance lease liabilities and interest of \$0.2 million in the first quarter ended 31 March 2012; and
- (b) a decrease in trade and other receivables of approximately \$1.2 million. This was due mainly to lower accrued receivables and retention monies on newly-awarded construction contracts in the first quarter ended 31 March 2012,

which were partially offset by:

- (c) an increase in construction contract work-in-progress of approximately \$1.8 million due mainly to commencement of a newly-awarded construction project during the first quarter ended 31 March 2012.

(ii) Non-current assets

Non-current assets increased by \$4.6 million, from \$24.2 million as at 31 December 2011 to \$28.8 million as at 31 March 2012. The increase was due mainly to:

- (a) the purchase of a financial asset, available-for-sale for \$4.5 million in the first quarter ended 31 March 2012; and
- (b) an increase in property, plant and equipment of \$0.1 million resulting from the purchase of new plant and equipment, which was partially offset by depreciation of property, plant and equipment during the first quarter ended 31 March 2012.

(iii) Current liabilities

Current liabilities decreased by \$4.1 million, from \$59.1 million as at 31 December 2011 to \$55.0 million as at 31 March 2012. The decrease was due mainly to:

- (a) a decrease in trade and other payables of approximately \$3.3 million due mainly to lower business activities in the first quarter ended 31 March 2012; and
- (b) a decrease in current income tax liabilities of approximately \$0.9 million due to tax payments partially offset by lower tax provision due to lower profits generated in the first quarter ended 31 March of 2012,

which were partially offset by:

- (c) the increase in finance lease liabilities of approximately \$11,000 as a result of the purchase of new plant and equipment to support both newly-awarded and existing projects in the first quarter ended 31 March 2012.

(iv) Non-current liabilities

Non-current liabilities increased by \$0.3 million, from \$1.1 million as at 31 December 2011 to \$1.4 million as at 31 March 2012. The increase was due mainly to the increase in finance lease liabilities of \$0.3 million as a result of the purchase of new property, plant and equipment to support newly-awarded and existing projects during the first quarter ended 31 March 2012.



(vii) Shareholders' equity

Shareholders' equity, comprising share capital, other reserves, retained profits and non-controlling interests, increased by \$3.1 million, from \$88.1 million as at 31 December 2011 to \$91.2 million as at 31 March 2012. The increase was largely attributable to the profit generated from operations of approximately \$3.1 million for the first quarter ended 31 March 2012.

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 2012		As at 31 Dec 2011	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
658	-	647	-

(b) Amount repayable after one year

As at 31 Mar 2012		As at 31 Dec 2011	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
746	-	482	-

(c) Details of any collateral

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



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

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

	The Group	
	Current first quarter ended 31 Mar 2012	Previous first quarter ended 31 Mar 2011
	\$'000	\$'000
Note		
Cash flows from operating activities		
Net profit	3,053	5,232
Adjustments for:		
- Income tax expense	580	1,163
- Depreciation of property, plant and equipment	675	669
- Gain on disposal of property, plant and equipment (net)	-	(41)
- Unrealised currency translation loss	24	14
- Interest income	(87)	(54)
- Interest expense	27	36
Operating cash flow before working capital changes	4,272	7,019
Change in working capital		
- Trade and other receivables	1,252	1,763
- Construction contract work-in-progress	(1,853)	331
- Trade and other payables	(3,252)	628
Cash generated from operations	419	9,741
- Interest received	56	36
- Income tax paid	(1,479)	(845)
Net cash (used in)/provided by operating activities	(1,004)	8,932
Cash flows from investing activities		
- Additions to property, plant and equipment	(321)	(926)
- Disposal of property, plant and equipment	-	113
- Purchase of financial asset, available-for-sale	(4,500)	-
- Interest received	31	18
Net cash used in investing activities	(4,790)	(795)
Cash flows from financing activities		
- Repayment of finance lease liabilities	(221)	(311)
- Interest paid	(27)	(36)
- Proceeds from issuance of shares	64	3,149
Net cash (used in)/generated from financing activities	(184)	2,802



The Group	
Current first quarter ended 31 Mar 2012	Previous first quarter ended 31 Mar 2011
\$'000	\$'000
Net (decrease)/increase in cash and cash equivalents	
(5,978)	10,939
Cash and cash equivalents at beginning of financial period	
87,448	95,004
Cash and cash equivalents at end of financial period	
81,470	105,943

Explanatory Notes:

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

The Group		
31 Mar 2012	31 Mar 2011	
\$'000	\$'000	
Cash at bank and on hand	36,442	15,610
Short-term bank deposits	50,044	95,406
	86,486	111,016
Bank deposits pledged	(5,016)	(5,073)
Cash and cash equivalents per consolidated statement of cash flows	81,470	105,943

Bank deposits of \$5,016,256 (31 March 2011: \$5,073,170) are pledged to banks for banking facilities of certain subsidiaries.



(ii) **Review of Cash Flows for first quarter ended 31 March 2012**

Net cash used in operating activities

Our Group reported net cash of \$1.0 million used in operating activities in the first quarter ended 31 March 2012, a decrease of \$9.9 million from net cash provided by operating activities of \$8.9 million in the first quarter ended 31 March 2011. The net cash used in operating activities comprise:

- (a) a decrease in cash generated from operating activities before working capital changes of \$2.7 million;
- (b) an increase in net working capital outflow before interest and taxes of \$6.6 million; and
- (c) an increase in income tax paid of \$0.6 million during the first quarter ended 31 March 2012.

Net cash used in investing activities

Net cash of \$4.8 million used in investing activities in the first quarter ended 31 March 2012 was for the purchase of new property, plant and equipment of \$0.3 million and purchase of a financial asset, available-for-sale for \$4.5 million, which were partially offset by interest received from bank deposits.

Net cash used in financing activities

Net cash of \$0.2 million was used in financing activities in the first quarter ended 31 March 2012. This was due mainly to repayment of finance lease liabilities and servicing of interest payments which were partially offset by cash proceeds from the issuance of new shares arising from the exercise of warrants.

Overall, free cash and cash equivalents stood at \$81.5 million as at 31 March 2012, a decrease of \$24.4 million, from \$105.9 million as at 31 March 2011. This works out to cash of 26.7 cents per share as at 31 March 2012 (based on 305,560,585 shares issued) as compared to 37.6 cents per share as at 31 March 2011 (based on 281,568,085 shares issued).



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

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

The Group

As at 1 Jan 2012	36,163	39	(11)	52,012	88,203	(121)	88,082
Total comprehensive income for the period	-	-	18	3,054	3,072	(1)	3,071
Issue of shares pursuant to exercise of warrants	67	(3)	-	-	64	-	64
As at 31 Mar 2012	36,230	36	7	55,066	91,339	(122)	91,217
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 shares pursuant to exercise of warrants	3,306	(157)	-	-	3,149	-	3,149
As at 31 Mar 2011	31,191	276	19	45,909	77,395	(75)	77,320



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 2012	36,163	39	-	8,150	44,352	-	44,352
Total comprehensive income for the period	-	-	-	53	53	-	53
Issue of shares pursuant to exercise of warrants	67	(3)	-	-	64	-	64
As at 31 Mar 2012	36,230	36	-	8,203	44,469	-	44,469
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 shares pursuant to exercise of warrants	3,306	(157)	-	-	3,149	-	3,149
As at 31 Mar 2011	31,191	276	-	14,251	45,718	-	45,718



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 2012	305,244,585	36,163,238
Issue of new shares pursuant to exercise of warrants	316,000	63,200
Transfer from warrants reserve to share capital upon exercise of warrants	-	3,160
Balance as at 31 March 2012	305,560,585	36,229,598

The Company issued 61,822,852 warrants on 6 January 2010. 316,000 warrants had been exercised by warrant holders at the exercise price of \$0.20 per share during the first quarter ended 31 March 2012. There were 3,553,675 and 27,546,175 outstanding warrants as at 31 March 2012 and 31 March 2011 respectively.

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

Under the Share Buy Back Mandate which was approved by the Shareholders on 20 April 2011, no shares were bought back by the Company during the first quarter ended 31 March 2012.

Except as mentioned above, there were no outstanding convertibles issued or treasury shares held by the Company as at 31 March 2011 and 31 March 2012.

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 2012	31 Dec 2011
Total number of issued shares (excluding treasury shares)	305,560,585	305,244,585



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 2011.

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

In the current period, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2012.

- Amendments to FRS 107 Disclosures – Transfer of Financial Assets (effective for annual periods beginning on or after 1 July 2011)
- Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012)
- Amendments to FRS 12 – Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2012)
- FRS 19 (revised 2011) – Employee Benefits (effective for annual periods beginning on or after 1 January 2013)
- FRS 27 (revised 2011) – Separate Financial Statements (effective for annual periods beginning on or after 1 January 2013)
- FRS 110 – Consolidated Financial Statements (effective for annual report on or after 1 January 2013)
- FRS 112 – Disclosure of Interest in Other Entities (effective for annual report on or after 1 January 2013)
- FRS 113 – Fair Value Measurement (effective for annual report on or after 1 January 2013)
- FRS 111 – Joint Arrangements (effective for annual report on or after 1 January 2013)

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



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

Basic earnings per share

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

The Group			
	Current first quarter ended 31 Mar 2012	Previous first quarter ended 31 Mar 2011	Increase/ (Decrease) %
Net profit attributable to equity holders of the Company (\$'000)	3,054	5,235	(41.7)
Weighted average number of ordinary shares outstanding for basic earnings per share	305,358,849	270,984,185	12.7
Basic earnings per share (cents per share)	1.00	1.93	(48.2)

Diluted earnings per share

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

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

The Group			
	Current first quarter ended 31 Mar 2012	Previous first quarter ended 31 Mar 2011	Increase/ (Decrease) %
Net profit attributable to equity holders of the Company (\$'000)	3,054	5,235	(41.7)
Weighted average number of ordinary shares outstanding for basic earnings per share	305,358,849	270,984,185	12.7
Adjustments for warrants	2,375,661	18,182,036	(86.9)
	307,734,510	289,166,221	6.4
Diluted earnings per share (cents per share)	0.99	1.81	(45.3)



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 2012	As at 31 Dec 2011	As at 31 Mar 2012	As at 31 Dec 2011	The Group	The Company
Net tangible assets (\$'000)	89,651	86,515	44,469	44,352	3.6	0.3
Number of shares	305,560,585	305,244,585	305,560,585	305,244,585	0.1	0.1
NTA per share (cents)	29.34	28.34	14.55	14.53	3.5	0.1

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 2012 vs First Quarter of 2011)

	The Group					
	Current first quarter ended 31 Mar 2012		Previous first quarter ended 31 Mar 2011		Increase / (Decrease)	
	\$'000		\$'000		\$'000	%
Construction	20,715	83.0%	27,990	85.2%	(7,275)	(26.0)
Maintenance	4,239	17.0%	4,854	14.8%	(615)	(12.7)
Total Revenue	24,954	100.0%	32,844	100.0%	(7,890)	(24.0)

Revenue

Our Group's revenue declined by 24.0% or \$7.9 million from \$32.8 million for the first quarter ended 31 March 2011 to \$24.9 million for the first quarter ended 31 March 2012.

The construction segment's lower revenue was due mainly to a reduced percentage of revenue recognised from a few newly-awarded construction projects during the first quarter ended 31 March 2012.

The maintenance segment also saw a lower percentage of revenue recognised from a few maintenance projects which were reaching completion, and the absence of new maintenance contracts secured during the first quarter ended 31 March 2012.

The construction segment continued to be the major contributor to our Group's revenue. On a segmental basis, our core construction segment and maintenance segment accounted for 83.0% (2011: 85.2%) and 17.0% (2011: 14.8%) of our Group's revenue respectively for the first quarter ended 31 March 2012.

Gross profit and gross profit margin

Our gross profit for the first quarter ended 31 March 2012 decreased by 40.2% or \$3.5 million from \$8.7 million for the first quarter ended 31 March 2011 to \$5.2 million for the first quarter ended 31 March 2012. Our lower gross profit was largely due to a decline in revenue for the first quarter ended 31 March 2012.

Our gross profit margin declined from 26.7% for the first quarter ended 31 March 2011 to 21.0% for the first quarter ended 31 March 2012.

The difference was largely attributable to the contribution from a particular design and build construction project that enjoyed a higher gross profit margin in the first quarter ended 31 March 2011 which did not recur in the first quarter ended 31 March 2012.



Other income

Other income increased by \$0.6 million or 442.8% from \$0.1 million for the first quarter ended 31 March 2011 to \$0.7 million for the first quarter ended 31 March 2012. The increase was due mainly to a write-back of trade payable of \$0.5 million during the first quarter ended 31 March 2012. This write-back of trade payable was a one-time exercise, mainly for trade payable that had been outstanding for more than seven years. The remaining \$0.1 million increase in other income was due mainly to the increase in interest in bank deposits, interest earned from financial assets and sale of construction material during the first quarter ended 31 March 2012.

Administrative expenses

Administrative expenses decreased by \$0.2 million or 9.0% from \$2.4 million for the first quarter ended 31 March 2011 to \$2.2 million for the first quarter ended 31 March 2012. The decrease was largely attributable to lower directors' remuneration (including profit sharing) accrued as a result of the lower profit generated by the Group for the first quarter ended 31 March 2012.

Other expenses

Other expenses increased by \$81,000 or 197.6% due to a loss from foreign exchange resulting from the weakening of the US dollar against the Singapore dollar during the first quarter ended 31 March 2012.

Finance expenses

Finance expenses decreased marginally by \$9,000 due mainly to repayment of finance leases in the first quarter ended 31 March 2012.

Profit before income tax

Profit before income tax decreased by \$2.8 million or 43.2% from \$6.4 million in the first quarter ended 31 March 2011 to \$3.6 million in the first quarter ended 31 March 2012. The decrease was due mainly to the decrease in gross profit of \$3.5 million and increase in other expenses of \$0.1 million which were partially offset by an increase in other income of \$0.6 million, the decrease in administrative expenses of \$0.2 million and the decrease in finance expenses of \$0.1 million, as explained above.

Income tax expense

Income tax expense decreased by \$0.6 million or 50.1% from \$1.2 million in the first quarter ended 31 March 2011 to \$0.6 million in the first quarter ended 31 March 2012 due mainly to lower 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 ended 31 March 2012.

Net profit

Overall, for the first quarter ended 31 March 2012, net profit dropped by \$2.2 million, or 41.6%, to \$3.1 million as compared to the first quarter ended 31 March 2011, following the decrease in profit before income tax of \$2.8 million which was partially offset by the decline in income tax expense of \$0.6 million, as explained above.

Our net profit margin decreased from 15.9% for the first quarter ended 31 March 2011 to 12.2% for the first quarter ended 31 March 2012.



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

There is no material deviation in the actual results for the first quarter ended 31 March 2012 from what was previously discussed under paragraph 10 of the Company's financial statements for the financial year ended 31 December 2011.

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 13 April 2012, the Ministry of Trade and Industry announced that the Singapore economy continued to grow at a healthy pace in the first quarter of 2012. Advance estimates indicated that Singapore's GDP expanded by 1.6% on a year-on-year basis in the first quarter of 2012. The construction sector grew by 6.2% on a year-on-year basis in the first quarter of 2012. This was primarily due to a pick-up in residential construction activities. In the light of the overall positive climate, we believe the outlook for the construction industry will remain healthy for the next twelve months. However, we expect pricing levels to be aggressive and continued pressure on our margins, as we are likely to contend with more intense competition.

Since the start of 2012, we have secured a design-and-build project involving the expansion of the CTE/TPE/SLE Interchange worth \$75.27 million from the Land Transport Authority.

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

We will continue to focus on our civil engineering core competencies in the public infrastructure space. Government projects will continue to be a fundamental and important part of our business as we seek to consolidate our leadership in this sector.

For over 40 years, we have built up and continue to build our track record and reputation in infrastructure and civil engineering works. We have a strong, highly experienced management team as well as strong customer and supplier relationships. Our strong financials have enabled us to take on bigger, and more, design and build assignments, and more complex projects. It also allows us to seriously consider any business opportunities that arise. Apart from public sector works, we also look to extend our civil engineering capabilities in the oil and gas sector.

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

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



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the first quarter ended 31 March 2012.

The final dividend of 2.0 cent per ordinary share (one-tier tax exempt) for the financial year ended 31 December 2011 was approved at the Company's Tenth Annual General Meeting on 25 April 2012. Payment of the dividend will be made on 28 May 2012.

13. Interested person transactions disclosure

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the first quarter ended 31 March 2012. The Company does not have a general mandate from shareholders for interested person transactions.



14. Use of proceeds as at 31 March 2012

- (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	0.50	0.12

The unutilised proceeds are deposited with a bank pending deployment.

- (iv) Exercise of 58,269,177 warrants at \$0.20 for each share as at 31 March 2012 raising net proceeds of \$11.7 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	11.7	-	11.7

The unutilised proceeds are deposited with a bank pending deployment.



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

The Board of Directors of OKP Holdings Limited confirms that, to the best of their knowledge, nothing has come to their attention which may render the financial statements for the first quarter ended 31 March 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
8 May 2012