

THIRD QUARTER FINANCIAL STATEMENT

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2006

The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the third quarter ended 31 March 2006.

1. GROUP PROFIT AND LOSS ACCOUNTS for the third quarter ended 31 March 2006

Third Quarter 2006 vs Third Quarter 2005

	Continuing Operations			Discontinued Operation (a)			Group			
	Note	1 Jan 06 to 31 Mar 06 \$'000	1 Jan 05 to 31 Mar 05 \$'000	+ / (-) %	1 Jan 06 to 31 Mar 06 \$'000	1 Jan 05 to 31 Mar 05 \$'000	+ / (-) %	1 Jan 06 to 31 Mar 06 \$'000	1 Jan 05 to 31 Mar 05 \$'000	+ / (-) %
Revenue	1a	95,458	155,663	(38.68)	66,865	57,145	17.01	162,323	212,808	(23.72)
Raw materials & consumables used		(46,898)	(36,499)	28.49	(43,470)	(33,909)	28.19	(90,368)	(70,408)	28.35
Net carrying value of investments disposed		(289)	(99,110)	(99.71)	-	-	NM	(289)	(99,110)	(99.71)
Fair value adjustment on quoted investments		-	(777)	NM	-	-	NM	-	(777)	NM
Staff costs		(4,762)	(1,270)	274.96	(9,266)	(9,307)	(0.44)	(14,028)	(10,577)	32.63
Depreciation and amortisation		(12,934)	(289)	NM	-	(1,971)	NM	(12,934)	(2,260)	472.30
Other operating expenses		(11,587)	(3,790)	205.73	(1,906)	(1,864)	2.23	(13,493)	(5,654)	138.62
Operating profit		18,988	13,928	36.33	12,223	10,094	21.09	31,211	24,022	29.93
Interest expenses		(12,027)	(3)	NM	(1,974)	(1,466)	34.66	(14,001)	(1,469)	853.10
Foreign exchange gain/(loss)		(460)	471	NM	-	-	NM	(460)	471	NM
Share of result of associated companies		308	-	NM	-	-	NM	308	-	NM
Profit before tax & exceptional items		6,809	14,396	(52.70)	10,249	8,628	18.78	17,058	23,024	(25.91)
Exceptional items	1d	-	-	NM	-	2,150	NM	-	2,150	NM
Profit before tax		6,809	14,396	(52.70)	10,249	10,778	(4.91)	17,058	25,174	(32.24)
Taxation		(3,154)	(1,505)	109.59	(3,982)	(4,326)	(7.96)	(7,136)	(5,831)	22.38
Profit for the period		3,655	12,891	(71.65)	6,267	6,452	(2.87)	9,922	19,343	(48.70)
Attributable to :										
Shareholders of the Company										
- Profit before exceptional items		2,806	12,893	(78.24)	6,258	4,293	45.78	9,064	17,186	(47.26)
- Exceptional items		-	-	NM	-	2,148	NM	-	2,148	NM
		2,806	12,893	(78.24)	6,258	6,441	(2.84)	9,064	19,334	(53.12)
Minority interest		849	(2)	NM	9	11	(14.44)	858	9	NM
		3,655	12,891	(71.65)	6,267	6,452	(2.87)	9,922	19,343	(48.70)
EBITDA *		31,770	14,688	116.29	12,223	12,065	1.31	43,993	26,753	64.44
Earnings per ordinary share :										
Before exceptional items										
- basic		0.15 cts	0.70 cts	(78.57)	0.33 cts	0.23 cts	43.48	0.48 cts	0.93 cts	(48.39)
- diluted		0.14 cts	0.68 cts	(79.41)	0.32 cts	0.23 cts	39.13	0.46 cts	0.91 cts	(49.45)
After exceptional items										
- basic	1e	0.15 cts	0.70 cts	(78.57)	0.33 cts	0.34 cts	(2.94)	0.48 cts	1.04 cts	(53.85)
- diluted	1e	0.14 cts	0.68 cts	(79.41)	0.32 cts	0.34 cts	(5.88)	0.46 cts	1.02 cts	(54.90)

* EBITDA is defined as profit before tax and exceptional items, interest, depreciation and amortisation.

** NM - Not Meaningful

Note :
(a) Discontinued Operation reflects the Group's activities in The Gas Company, LLC ("GASCO"), the gas distribution business in Hawaii. Refer to note 2d for details.
(b) The profit and loss comparatives have been adjusted to conform with changes in presentation in the current financial period.

9 Months 2006 vs 9 Months 2005

	Continuing Operations			Discontinued Operation (a)			Group			
	Note	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000	+/(-)%	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000	+/(-)%	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000	+/(-)%
Revenue	1a	289,679	299,692	(3.34)	191,787	160,557	19.45	481,466	460,249	4.61
Raw materials & consumables used		(149,471)	(98,219)	52.18	(123,785)	(94,154)	31.47	(273,256)	(192,373)	42.05
Net carrying value of investments disposed		(3,577)	(137,754)	(97.40)	-	-	NM	(3,577)	(137,754)	(97.40)
Fair value adjustment on quoted investments		-	(777)	NM	-	-	NM	-	(777)	NM
unquoted investments		-	(4,050)	NM	-	-	NM	-	(4,050)	NM
Staff costs		(14,355)	(5,703)	151.71	(27,779)	(26,882)	3.34	(42,134)	(32,585)	29.30
Depreciation and amortisation		(38,567)	(1,765)	NM	(1,492)	(6,178)	(75.85)	(40,059)	(7,943)	404.33
Other operating expenses		(33,375)	(11,300)	195.35	(6,273)	(6,041)	3.83	(39,648)	(17,341)	128.63
Operating profit		50,334	40,124	25.45	32,458	27,302	18.88	82,792	67,426	22.79
Interest expenses		(35,807)	(126)	NM	(5,742)	(4,158)	38.10	(41,549)	(4,284)	869.86
Foreign exchange loss		(444)	(345)	28.61	-	-	NM	(444)	(345)	28.61
Share of result of associated companies		3,044	911	234.14	-	-	NM	3,044	911	234.14
Profit before tax & exceptional items		17,127	40,564	(57.78)	26,716	23,144	15.43	43,843	63,708	(31.18)
Exceptional items	1d	-	(3,283)	NM	-	2,150	NM	-	(1,133)	NM
Profit before tax		17,127	37,281	(54.06)	26,716	25,294	5.62	43,843	62,575	(29.93)
Taxation		(7,185)	(4,889)	46.97	(10,497)	(10,038)	4.57	(17,682)	(14,927)	18.46
Profit for the period		9,942	32,392	(69.31)	16,219	15,256	6.31	26,161	47,648	(45.09)
Attributable to :										
Shareholders of the Company										
- Profit before exceptional items		8,114	36,224	(77.60)	16,194	13,082	23.79	24,308	49,306	(50.70)
- Exceptional items		-	(2,189)	NM	-	2,148	NM	-	(41)	NM
		8,114	34,035	(76.16)	16,194	15,230	6.33	24,308	49,265	(50.66)
Minority interest		1,828	(1,643)	NM	25	26	(2.03)	1,853	(1,617)	NM
		9,942	32,392	(69.31)	16,219	15,256	6.31	26,161	47,648	(45.10)
EBITDA *		91,501	42,455	115.52	33,950	33,480	1.40	125,451	75,935	65.21
Earnings per ordinary share :										
Before exceptional items										
- basic		0.43 cts	1.95 cts	(77.95)	0.86 cts	0.71 cts	21.13	1.29 cts	2.66 cts	(51.50)
- diluted		0.41 cts	1.92 cts	(78.65)	0.82 cts	0.69 cts	18.84	1.23 cts	2.61 cts	(52.87)
After exceptional items										
- basic	1e	0.43 cts	1.84 cts	(76.63)	0.86 cts	0.82 cts	4.88	1.29 cts	2.66 cts	(51.50)
- diluted	1e	0.41 cts	1.80 cts	(77.22)	0.82 cts	0.81 cts	1.23	1.23 cts	2.61 cts	(52.87)

* EBITDA is defined as profit before tax and exceptional items, interest, depreciation and amortisation.

** NM - Not Meaningful

Note :
(a) Discontinued Operation reflects the Group's activities in The Gas Company, LLC ("GASCO"), the gas distribution business in Hawaii. Refer to note 2d for details.
(b) The profit and loss comparatives have been adjusted to conform with changes in presentation in the current financial period.

Notes to Group Profit and Loss Accounts

1a. Breakdown of revenue

	Third Quarter			9 Months		
	1 Jan 06 to 31 Mar 06 \$'000	1 Jan 05 to 31 Mar 05 \$'000	+ / (-) %	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000	+ / (-) %
Continuing operations						
Revenue from retail gasoline operations	52,336	49,518	5.69	164,896	111,363	48.07
Revenue from transportation leasing	36,871	-	NM	106,356	-	NM
Revenue from crude oil	-	-	NM	-	10,959	NM
Proceeds from sale of investments	214	103,264	(99.79)	6,654	169,724	(96.08)
Investment income	1,051	828	26.93	3,085	3,821	(19.26)
Interest income from :						
Related parties	71	-	NM	233	108	115.74
Others	221	454	(51.32)	531	2,118	(74.93)
Others	4,694	1,599	193.56	7,924	1,599	395.56
	<u>95,458</u>	<u>155,663</u>	<u>(38.68)</u>	<u>289,679</u>	<u>299,692</u>	<u>(3.34)</u>
Discontinued operation						
Revenue from utility supply	66,857	57,145	17.00	191,774	160,555	19.44
Interest income	8	-	NM	13	2	550.00
	<u>162,323</u>	<u>212,808</u>	<u>(23.72)</u>	<u>481,466</u>	<u>460,249</u>	<u>4.61</u>

1b. Pre-tax profit of the Group is arrived at after crediting/(charging) the following :

	Third Quarter			9 Months		
	1 Jan 06 to 31 Mar 06 \$'000	1 Jan 05 to 31 Mar 05 \$'000	+ / (-) %	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000	+ / (-) %
Continuing operations						
Profit/(loss) on disposal of fixed assets	2,714	(160)	NM	2,964	(100)	NM
Profit/(loss) on sale of investments	(75)	12,036	NM	3,077	31,970	(90.38)
Profit on disposal of subsidiary	-	-	NM	-	7,883	NM
Fair value gain - Derivatives	538	-	NM	3,024	-	NM
Discontinued operation						
Provision/(write-back) :						
Stocks	(39)	(117)	(66.67)	(116)	(117)	(0.85)
Doubtful debts	15	13	15.38	175	(137)	NM

1c. Tax expense includes an adjustment for overprovision of tax in respect of prior years for an amount of S\$202,000.

1d. Exceptional items for the period comprised :

	Third Quarter		9 Months	
	1 Jan 06 to 31 Mar 06 \$'000	1 Jan 05 to 31 Mar 05 \$'000	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000
Uninsured expenses associated with repairs for damages caused by Hurricane Ivan	-	-	-	(3,283)
Reimbursement of developmental costs of utility lines	-	2,150	-	2,150
	<u>-</u>	<u>2,150</u>	<u>-</u>	<u>(1,133)</u>
Minority share of exceptional items	-	(2)	-	1,092
Net exceptional items	<u>-</u>	<u>2,148</u>	<u>-</u>	<u>(41)</u>

1e. Earnings per ordinary share

	G R O U P					
	Third Quarter			9 Months		
	1 Jan 06 to 31 Mar 06	1 Jan 05 to 31 Mar 05	+ / (-) %	1 Jul 05 to 31 Mar 06	1 Jul 04 to 31 Mar 05	+ / (-) %
From continuing and discontinued operations Earnings per Ordinary Share of the Group for the period based on net profit attributable to shareholders :-						
(i) Based on the weighted average number of shares - Weighted average number of shares('000)	0.48 cts 1,890,709	1.04 cts 1,852,602	(53.85) 2.06	1.29 cts 1,890,709	2.66 cts 1,852,602	(51.50) 2.06
(ii) On a fully diluted basis - Adjusted weighted average number of shares ('000)	0.46 cts 1,971,984	1.02 cts 1,890,146	(54.90) 4.33	1.23 cts 1,971,984	2.61 cts 1,890,146	(52.87) 4.33
From continuing operations Earnings per Ordinary Share of the Group for the period based on net profit attributable to shareholders :-						
(i) Based on the weighted average number of shares - Weighted average number of shares('000)	0.15 cts 1,890,709	0.70 cts 1,852,602	(78.57) 2.06	0.43 cts 1,890,709	1.84 cts 1,852,602	(76.63) 2.06
(ii) On a fully diluted basis - Adjusted weighted average number of shares ('000)	0.14 cts 1,971,984	0.68 cts 1,890,146	(79.41) 4.33	0.41 cts 1,971,984	1.80 cts 1,890,146	(77.22) 4.33

1f. There was no extraordinary item during the period.

2. BALANCE SHEETS as at 31 March 2006

	GROUP		COMPANY	
	As at 31 Mar 06 \$'000	As at 30 Jun 05 \$'000	As at 31 Mar 06 \$'000	As at 30 Jun 05 \$'000
Share capital *	393,149	187,741	393,149	187,741
Reserves	219,813	406,792	65,476	271,694
Share capital & reserves	612,962	594,533	458,625	459,435
Minority interests	45,939	151	-	-
Capital employed	658,901	594,684	458,625	459,435
Represented by :				
Fixed assets	557,933	244,450	261	335
Subsidiaries	-	-	303,826	155,283
Associated companies	77,166	-	-	-
Available-for-sale investments	307,911	261,549	50,713	57,693
Intangibles	246,011	17,338	-	-
Other assets	13,568	6,433	-	-
	1,202,589	529,770	354,800	213,311
Current assets				
Stocks	11,121	15,632	-	-
Due from subsidiaries	-	-	109,182	113,967
Debtors	43,586	37,720	157	1,856
Cash and cash equivalents	37,491	201,046	23,542	143,751
	92,198	254,398	132,881	259,574
Assets classified as held for sale **	272,952	-	-	-
	365,150	254,398	132,881	259,574
Current liabilities				
Creditors	22,434	31,673	1,061	1,122
Due to subsidiaries	-	-	9,562	10,051
Amount owing to shareholders	16,156	-	16,156	-
Amount owing to minority shareholders of subsidiary	24,728	-	-	-
Term loans	3,797	-	-	-
Provision for taxation	11,584	2,258	2,055	2,055
	78,699	33,931	28,834	13,228
Liabilities directly associated with assets classified as held for sale **	168,092	-	-	-
	246,791	33,931	28,834	13,228
Net current assets	118,359	220,467	104,047	246,346
Non-current liabilities				
Term loans	493,525	122,363	-	-
Deferred liabilities	7,367	6,090	-	-
Deferred taxation	161,155	27,100	222	222
	662,047	155,553	222	222
Net assets	658,901	594,684	458,625	459,435

* Pursuant to The Companies (Amendment) Act 2005 effective 30 January 2006, the concept of authorised share capital and par value has been abolished. Amount standing to the credit of share premium account has been transferred to the company's share capital account as at that date.

** The assets and liabilities of GASCO have been presented separately as held for sale in the balance sheet in accordance with the accounting standards. Refer to note 2d for details. The comparative balance sheet has not been restated to reflect the assets and liabilities classified as held for sale as the presentation requirements under FRS 105 do not apply retrospectively.

Notes to Balance Sheets

2a. Group's borrowings and debt securities

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

As at 31 Mar 06		As at 30 Jun 05	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,797	-	-	-

(ii) Amount repayable after one year

As at 31 Mar 06		As at 30 Jun 05	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
493,525	-	122,363	-

(iii) Details of any collateral

The term loans as at 31 March 2006 pertained to debt financing taken up by Helm and are pledged against the assets of Helm. The net book value of the fixed assets and other assets pledged to financial institutions amounted to \$907 million.

The term loans as at 30 June 2005 related to GASCO, and were secured by a pledge of all the equity interest of a subsidiary and receipts and a letter of credit issued through the subsidiary's credit facility arrangement.

The net book value of shares in a subsidiary pledged amounted to \$293,065,000 (30 June 2005: \$279,124,000). The term loans pertained to the discontinued operation of GASCO and are included in the liabilities directly associated with assets classified as held for sale as at 31 March 2006.

2b. Net asset value

	GROUP			COMPANY		
	As at 31 Mar 06	As at 30 Jun 05	+/(-)%	As at 31 Mar 06	As at 30 Jun 05	+/(-)%
Net asset value per Ordinary Share #	\$0.32	\$0.32	0.00	\$0.24	\$0.25	(4.00)
Net tangible asset value per Ordinary Share #	\$0.19	\$0.31	(38.71)	\$0.24	\$0.25	(4.00)

Based on issued share capital of 1,897,238,003 ordinary shares as at the end of the financial period (June 2005 : 1,877,412,503).

2c. Balance Sheet review

Group shareholders' funds increased from \$594.5 million as at 30 June 2005 to \$613 million as at 31 March 2006. The increase was mainly attributable to the adoption of the new accounting standard, FRS 39 – Financial Instruments: Recognition and Measurement, from 1 July 2005 as disclosed in paragraph 8 below and profits attributable to shareholders for the period as well as the issuance of shares arising from the exercise of share options. The increase was partially offset by the decrease in capital and translation reserves.

Following the acquisition of Helm on 8 July 2005, Group total assets more than doubled from \$784.2 million as at 30 June 2005 to \$1.6 billion as at 31 March 2006.

Total current assets increased by \$110.8 million to \$365.1 million due to the inclusion of the total assets of GASCO in the amount of \$273 million being accounted as assets held for sale (GASCO reclassification). The increase was offset by the reduction in cash and cash equivalents due to the acquisition of Helm.

Non-current assets increased by \$672.8 million to \$1.2 billion mainly due to increases in fixed assets, investment in associated companies, available-for-sale investments and intangibles contributed by Helm partially offset by the GASCO reclassification. Intangibles of \$246 million as at 31 March 2006 was comprised mainly of goodwill and other intangible assets arising from the acquisition of Helm.

Current liabilities increased by \$212.9 million from \$33.9 million as at 30 June 2005 to \$246.8 million as at 31 March 2006. The increase resulted principally from classifying \$132.8 million of GASCO term loans and other non-current liabilities to current liabilities, as well as \$24.7 million owing to minority shareholders of Helm and \$16.2 million in shareholders' loans used to fund the acquisition of Helm.

Non-current liabilities increased by \$506.5 million from \$155.6 million as at 30 June 2005 to \$662 million as at 31 March 2006 as a result of the acquisition of Helm. Non-current liabilities would have been \$132.8 million higher had the GASCO term loans and other non-current liabilities not been reflected as current liabilities in accordance with accounting standards for Discontinued Operations.

2d. Assets held for sale and discontinued operation

Discontinued Operation reflects the Group's activities in The Gas Company, LLC ("GASCO"), the gas distribution business in Hawaii.

On 19 August 2005, the Company announced that it had entered into a purchase agreement for the sale of GASCO for a total cash consideration of \$401 million (US\$238 million), subject to certain adjustments at completion.

The transaction is in the ordinary course of the Company's business and is expected to be completed prior to the financial year end of the Company.

The assets and liabilities of GASCO, which contributed to the Energy segment of the Group, have been presented separately as held for sale from other assets and liabilities in the balance sheet in accordance with the accounting standards following the announcement by the Company to sell its ownership interest in GASCO.

i. The impact of the Discontinued Operation on the cashflows of the Group is as follows :

	Third Quarter		9 Months	
	1 Jan 06 to 31 Mar 06 \$'000	1 Jan 05 to 31 Mar 05 \$'000	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000
Operating cashflows	12,758	-	22,265	-
Investing cashflows	(3,162)	-	(8,973)	-
Financing cashflows	247	-	(17,935)	-
Net cashflows	<u>9,843</u>	<u>-</u>	<u>(4,643)</u>	<u>-</u>

ii. Assets classified as held for sale is as follows :

	As at 31 Mar 06 \$'000	As at 30 Jun 05 \$'000
Disposal group held for sale:		
Fixed assets	200,047	-
Other assets	3,695	-
Stocks	12,125	-
Debtors	31,568	-
Cash and cash equivalents	25,517	-
	<u>272,952</u>	<u>-</u>
Liabilities directly associated with non-current assets classified as held for sale :		
Creditors	24,654	-
Provision for taxation	10,635	-
Term loans	117,281	-
Deferred liabilities	6,516	-
Deferred taxation	9,006	-
	<u>168,092</u>	<u>-</u>

3. CONSOLIDATED CASH FLOW STATEMENTS for the third quarter and nine months ended 31 March 2005

	Note	Third Quarter		9 Months	
		1 Jan 06 to 31 Mar 06 \$'000	1 Jan 05 to 31 Mar 05 \$'000	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating profit		31,211	24,022	82,792	67,426
Adjustments:					
Depreciation and amortisation		12,934	2,260	40,059	7,943
Investment income		(848)	(1,273)	(2,462)	(3,748)
Amortisation of interest		-	-	-	(158)
Gain on disposal of subsidiary		-	-	-	(7,883)
Loss/(profit) on disposal of fixed assets		(2,714)	160	(2,964)	100
Loss/(profit) on sale of investments		75	(12,036)	(3,077)	(31,970)
Fair value adjustments on quoted investments		-	777	-	777
Fair value adjustments on unquoted investments		-	-	-	4,050
Cash flow from operations before changes in working capital		40,658	13,910	114,348	36,537
Working capital changes :					
Stocks		3,131	(5,174)	(4,182)	(4,930)
Debtors		10,427	570	17,129	9,568
Creditors		5,149	5,033	2,487	6,341
Translation of foreign subsidiaries and others		(3,322)	438	(6,408)	(3,057)
Cash from operations		56,043	14,777	123,374	44,459
Interest paid		(14,773)	(1,472)	(35,392)	(4,139)
Income taxes paid		(330)	(2,186)	(4,306)	(5,118)
Net cash from operating activities		40,940	11,119	83,676	35,202
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries	3a	-	-	(726,529)	(68,048)
Disposal of subsidiary	3b	-	-	-	(2,574)
Purchase of fixed assets		(6,262)	(3,639)	(62,496)	(8,850)
Proceeds from disposal of fixed assets		26,002	-	33,060	176
Net proceeds from disposal and capital distribution of investments		3,374	101,115	12,941	167,861
Purchase of investments		(1,809)	(3,372)	(3,035)	(31,333)
Net cash from/(used in) investing activities		21,305	94,104	(746,059)	57,232
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from share issue		1,335	468	3,397	76,825
Proceeds from term loans		(16,274)	-	564,979	4,175
Distribution to minority shareholder of subsidiary		(3)	-	(8)	(109)
Repayment of amount due to minority shareholders		(321)	-	(7,748)	(4,161)
Repayment of term loans		(31,523)	-	(35,826)	(1,684)
Dividend paid to shareholders of the Company		-	(18,768)	-	(18,768)
Withdrawal of non-current bank deposits - net		-	-	-	15,459
Net cash from/(used in) financing activities		(46,786)	(18,300)	524,794	71,737
Increase/(decrease) in cash and cash equivalents		15,459	86,923	(137,589)	164,171
Cash and cash equivalents at beginning of period		48,014	105,535	201,046	29,103
Effects of exchange rate changes on cash and cash equivalents		(465)	471	(449)	(345)
Cash and cash equivalents at end of period		63,008	192,929	63,008	192,929
Comprising :					
Cash and cash equivalents from Continuing operations		37,491	192,929	37,491	192,929
Cash and cash equivalents from Discontinued operation		25,517	-	25,517	-
		63,008	192,929	63,008	192,929

Notes to Consolidated Cashflow Statements

3a. Acquisition of Subsidiaries

The fair values of net assets and liabilities of subsidiaries acquired were as follows :

	Third Quarter		9 Months	
	1 Jan 06 to 31 Mar 06 \$'000	1 Jan 05 to 31 Mar 05 \$'000	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000
Fixed assets	-	-	540,983	34,034
Associated company	-	-	76,392	-
Available-for-sale investments	-	-	44,404	-
Debtors	-	-	56,522	437
Stocks	-	-	4,420	3,341
Intangibles	-	-	55,880	-
Other assets	-	-	13,730	1,488
Cash and cash equivalents	-	-	6,080	-
Creditors	-	-	(17,276)	-
Amount due to minority shareholder	-	-	(32,476)	-
Provision for taxation	-	-	(15,121)	-
Deferred taxation	-	-	(139,044)	-
Deferred liabilities	-	-	(658)	-
Minority Interest	-	-	(45,660)	-
Net assets acquired	-	-	548,176	39,300
Goodwill	-	-	184,433	28,748
Purchase consideration	-	-	732,609	68,048
Less : cash and cash equivalents acquired	-	-	(6,080)	-
Cash outflow on acquisition, net of cash acquired	-	-	726,529	68,048

Note :

The fair values of the assets acquired in the current financial period were based on an independent valuation conducted for the purpose of purchase price allocation of the assets acquired from Helm.

3b. Disposal of Subsidiaries

The fair values of net assets and liabilities of a subsidiary disposed were as follows:

	Third Quarter		9 Months	
	1 Jan 06 to 31 Mar 06 \$'000	1 Jan 05 to 31 Mar 05 \$'000	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000
Fixed assets	-	-	-	(18,500)
Debtors	-	-	-	(1,051)
Stock	-	-	-	(1,444)
Bank balances, deposits & cash	-	-	-	(2,574)
Creditors	-	-	-	6,733
Term loan	-	-	-	13,035
Deferred liabilities	-	-	-	12,606
Foreign Exchange Translation Reserves	-	-	-	(55)
Minority Interest	-	-	-	(867)
Net profit on disposal	-	-	-	7,883
Sales Proceeds	-	-	-	-
Add : Bank balance and cash disposed	-	-	-	2,574
Cash outflow on disposed, net of cash disposed	-	-	-	2,574

4. STATEMENTS OF CHANGES IN EQUITY

4a. Group Statement of Changes in Equity for the third quarter and nine months ended 31 March

2006	Share Capital S\$'000	Share Premium S\$'000	Capital Reserves S\$'000	Translation Reserves S\$'000	Revenue Reserves S\$'000	Share Capital & Reserves S\$'000	Minority Interests S\$'000	Capital Employed S\$'000
As at 1 July 2005	187,741	202,011	59,508	(7,919)	153,192	594,533	151	594,684
Effect of adopting FRS 39	-	-	26,096	-	-	26,096	-	26,096
	187,741	202,011	85,604	(7,919)	153,192	620,629	151	620,780
Revaluation of investments not recognised in profit and loss account *	-	-	2,937	-	-	2,937	-	2,937
Revaluation surplus realised and transferred to profit and loss account upon disposal of investment	-	-	(4,356)	-	-	(4,356)	-	(4,356)
Exchange differences arising on consolidation	-	-	-	(6,287)	-	(6,287)	(365)	(6,652)
	-	-	(1,419)	(6,287)	-	(7,706)	(365)	(8,071)
Profit for the first half	-	-	-	-	15,244	15,244	995	16,239
Subsidiary acquired	-	-	-	-	-	-	45,660	45,660
Shares issued	1,210	852	-	-	-	2,062	(5)	2,057
As at 31 December 2005	188,951	202,863	84,185	(14,206)	168,436	630,229	46,436	676,665
Revaluation of investments not recognised in profit and loss account *	-	-	(13,940)	-	-	(13,940)	-	(13,940)
Revaluation surplus realised and transferred to profit and loss account upon disposal of investment	-	-	-	-	-	-	-	-
Exchange differences arising on consolidation	-	-	-	(13,726)	-	(13,726)	(1,352)	(15,078)
	-	-	(13,940)	(13,726)	-	(27,666)	(1,352)	(29,018)
Profit for the third quarter	-	-	-	-	9,064	9,064	858	9,922
Distribution from subsidiaries	-	-	-	-	-	-	(3)	(3)
Shares issued	1,328	7	-	-	-	1,335	-	1,335
Adjustment arising from abolition of par value of shares (Note 4c)	202,870	(202,870)	-	-	-	-	-	-
As at 31 March 2006	393,149	-	70,245	(27,932)	177,500	612,962	45,939	658,901

* Prior to 1 July 2005, quoted investments were valued at the last transacted price, net of certain liquidity discount. With effect from 1 July 2005, the adoption of FRS 39 by the Group resulted in a change in accounting policy that the liquidity discount factor was no longer applied. The implementation of FRS 39 has resulted in upward adjustment of \$26.1 million to opening capital reserves as at 1 July 2005. See paragraph 8 for further details on the implementation of FRS 39.

Group Statement of Changes in Equity for the third quarter and nine months ended 31 March

2005	Share Capital S\$'000	Share Premium S\$'000	Capital Reserves S\$'000	Translation Reserves S\$'000	Revenue Reserves S\$'000	Share Capital & Reserves S\$'000	Minority Interests S\$'000	Capital Employed S\$'000
As at 1 July 2004	160,654	152,171	35,202	(4,510)	115,456	458,973	1,005	459,978
Revaluation of investments not recognised in profit and loss account *	-	-	4,680	-	-	4,680	-	4,680
Revaluation surplus realised and transferred profit and loss account disposal of investment	-	-	(627)	-	-	(627)	-	(627)
Exchange differences arising on consolidation	-	-	-	(21,271)	-	(21,271)	6	(21,265)
Currency translation loss realised and transferred to profit and loss account	-	-	-	3,229	-	3,229	-	3,229
Disposal of a subsidiary	-	-	-	(256)	-	(256)	866	610
Transfer to deferred taxation	-	-	(3,564)	-	-	(3,564)	-	(3,564)
Profit for the first half	-	-	489	(18,298)	-	(17,809)	872	(16,937)
Distribution from subsidiaries	-	-	-	-	29,931	29,931	(1,626)	28,305
Shares issued	26,754	49,603	-	-	-	76,357	(112)	76,357
As at 31 December 2004	187,408	201,774	35,691	(22,808)	145,387	547,452	139	547,591
Revaluation of investments not recognised in profit and loss account *	-	-	25,385	-	-	25,385	-	25,385
Revaluation surplus realised and transferred profit and loss account disposal of investment	-	-	138	-	-	138	-	138
Exchange differences arising on consolidation	-	-	-	7,038	-	7,038	13	7,051
Currency translation loss realised and transferred to profit and loss account	-	-	-	474	-	474	-	474
Disposal of a subsidiary	-	-	-	-	-	-	-	-
Transfer to deferred taxation	-	-	(1,660)	-	-	(1,660)	-	(1,660)
Profit for the third quarter	-	-	23,863	7,512	-	31,375	13	31,388
Distribution from subsidiaries	-	-	-	-	19,334	19,334	9	19,343
Shares issued	273	195	-	-	-	468	-	468
Dividend paid	-	-	-	-	(18,768)	(18,768)	-	(18,768)
As at 31 March 2005	187,681	201,969	59,554	(15,296)	145,953	579,861	146	580,007

4b. Company Statement of Changes in Equity for the third quarter and nine months ended 31 March

2006	Share Capital S\$'000	Share Premium S\$'000	Capital Reserves S\$'000	Translation Reserves S\$'000	Revenue Reserves S\$'000	Total S\$'000
As at 1 July 2005						
As previously reported	187,741	202,011	-	(2,629)	72,312	459,435
Effect of adopting FRS 21	-	-	-	2,629	(2,629)	-
As restated	187,741	202,011	-	-	69,683	459,435
Effect of adopting FRS 39	-	-	753	-	-	753
	187,741	202,011	753	-	69,683	460,188
Revaluation of investments not recognised in profit and loss account *	-	-	2,891	-	-	2,891
Revaluation surplus realised and transferred to profit and loss account upon disposal of investment	-	-	(4,356)	-	-	(4,356)
	-	-	(1,465)	-	-	(1,465)
Profit for the first half	-	-	-	-	21	21
Shares issued	1,210	852	-	-	-	2,062
As at 31 December 2005	188,951	202,863	(712)	-	69,704	460,806
Revaluation of investments not recognised in profit and loss account *	-	-	-	-	-	-
Revaluation surplus realised and transferred to profit and loss account upon disposal of investment	-	-	-	-	-	-
	-	-	-	-	-	-
Loss for the third quarter	-	-	-	-	(3,516)	(3,516)
Shares issued	1,328	7	-	-	-	1,335
Adjustment arising from abolition of par value of shares (Note 4c)	202,870	(202,870)	-	-	-	-
As at 31 March 2006	393,149	-	(712)	-	66,188	458,625

Company Statement of Changes in Equity for the third quarter and nine months ended 31 March

2005	Share Capital S\$'000	Share Premium S\$'000	Translation Reserves S\$'000	Revenue Reserves S\$'000	Total S\$'000
As at 1 July 2004					
As previously reported	160,654	152,171	(1,709)	89,811	400,927
Effect of adopting FRS 21	-	-	1,709	(1,709)	-
As restated	160,654	152,171	-	88,102	400,927
Loss for the first half	-	-	-	(13,406)	(13,406)
Shares issued	26,754	49,603	-	-	76,357
As at 31 December 2004	187,408	201,774	-	74,696	463,878
Profit for the third quarter	-	-	-	3,961	3,961
Shares issued	273	195	-	-	468
Dividend paid	-	-	-	(18,768)	(18,768)
As at 31 March 2005	187,681	201,969	-	59,889	449,539

4c. Share capital

Pursuant to The Companies (Amendment) Act 2005 effective 30 January 2006, the concept of authorised share capital and par value has been abolished. Amount standing to the credit of share premium account has been transferred to the company's share capital account as at that date.

Since 30 June 2005, the Company issued 19,825,500 ordinary shares upon the exercise of options granted under the k1 Ventures Share Option Scheme 2000 to employees.

As at 31 March 2006, there were unexercised options for 620,000 (March 2005: 21,043,750) of unissued ordinary shares under the Keppel Marine Share Option Scheme 1990 and 268 million warrants (March 2005: 230 million) to subscribe for 268 million ordinary shares.

The issued share capital of the Company as at 31 March 2006 was 1,897,238,003 ordinary shares.

5. AUDIT

The figures have not been audited or reviewed by the Company's auditors.

6. AUDITORS' REPORT

N.A.

7. ACCOUNTING POLICIES

Except as disclosed in paragraph 8 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 of the audited financial statements as at 30 June 2005.

8. CHANGES IN THE ACCOUNTING POLICIES

With effect from 1 July 2005, the Group adopted the following new and revised Financial Reporting Standards (FRS) which were issued by the Council on Corporate Disclosure and Governance (CCDG):

FRS 21 (r2004) The Effects of Changes in Foreign Exchange Rates
FRS 39 (r2004) Financial Instruments: Recognition and Measurement

In accordance with the transitional provisions of FRS 39, the effect of recognition, derecognition and measurement of financial instruments, for periods prior to 1 July 2005, is not restated. Consequently, the comparative figures have not been restated.

The implementation of FRS 21, on the other hand, is applied retrospectively and the comparative figures are restated accordingly.

The effect of the adoption of FRS 21 and FRS 39 is disclosed as follows:

	FRS 21		FRS 39	
	Group	Company	Group	Company
	Increase/(Decrease)			
Opening retained earnings 1 July 2004	-	(1,709)	-	-
Opening retained earnings 1 July 2005	-	(2,629)	-	-
Opening Translation reserve 1 July 2004	-	1,709	-	-
Opening Translation reserve 1 July 2005	-	2,629	-	-
Opening Capital reserves 1 July 2005	-	-	26,096	753

Apart from the above, the Group adopted various revisions in FRS that are relevant to its operations and effective for the financial year beginning 1 July 2005. These are currently assessed to have no material effect on the financial statements.

9. REVIEW OF GROUP PERFORMANCE

Third Quarter

The Group's revenue of \$162.3 million for the third quarter reflected a decrease of 24% over the same quarter of last year, and profit attributable to shareholders for the third quarter was \$9.1 million, representing a decrease of 53% over the same period last year. The decrease in revenue and profit was due to the sale of the Group's ownership interest in SEMCO and other investments in the third quarter last year. Excluding the disposal of investments, revenues and operating profit exceeded the prior period by 48% and 161%, respectively. The increase was due principally to the operating results contributed by Helm Holding Corporation (Helm).

Nine Months

The Group recorded total revenue of \$481.5 million for the first nine months, representing an increase of 5% over the prior year. The increase was largely offset by the Group's revenue recognition in the same period last year associated with the disposal of K2 Inc., SEMCO and other investments.

Profit attributable to shareholders for the first nine months of \$24.3 million was 51% lower than the same period last year. Excluding the disposal of investments, revenues and operating profit exceeded the prior year period by 63% and 125%, respectively. The increase was due principally to the operating results contributed by Helm.

Group EBITDA of \$44 million and \$125.5 million for the third quarter and first nine months respectively improved by 64% and 65% as compared to the corresponding periods in the prior year. The increase in Group EBITDA was mainly due to the inclusion of Helm as an operating subsidiary.

Raw materials, consumables, staff costs and other operating expenses for the third quarter and first nine months also increased compared to the corresponding periods last year, as a result of the inclusion of Helm as an operating company and a full nine months of operations of Mid Pac.

Depreciation and amortisation in the third quarter and first nine months increased substantially following the acquisition of Helm. Due to the accounting treatment for GASCO as a "Discontinued Operation", no depreciation charge was taken subsequent to the announcement of the sale in accordance with accounting standards. This resulted in an increase of approximately \$3.1 million in profit attributable to shareholders.

The increase in interest expense in the third quarter and first nine months was due mainly to the borrowings of Helm. The results of the Group's associated companies in the third quarter and first nine months represented earnings from Helm's joint ventures and associated company.

In the opinion of the Directors, no factor has arisen between 31 March 2006 and the date of this report which would materially affect the results of the Group and the Company for the period just ended.

10. VARIANCE FROM PROSPECT STATEMENT

No variance from previous prospect statement.

11. PROSPECTS

The Hawaii Public Utility Commission has granted approval of the sale of GASCO. The Group expects to complete the transaction prior to the Group's financial year end of 30 June 2006. The proceeds from the sale of GASCO will contribute significantly to the cashflow of the Group.

Management will continue to be pro-active with the current investments and seek to enhance value.

12. DIVIDENDS

12a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No

12b. Corresponding Period of the Immediately Preceding Financial Year

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

12c. Date Payable

Not applicable

12d. Books Closure Date

Not applicable

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

No dividend has been declared or recommended for the current financial period.

13. SEGMENT ANALYSIS

BUSINESS SEGMENT

The Group has segmented its continuing operations into Energy, Transportation Leasing and Investments. The Group's Energy segment reflects Mid Pac's retail gasoline operations in Hawaii and other energy-related investments. The Transportation Leasing segment represents Helm's locomotive and railcar leasing business in North America. The Group's Investment activities consist mainly of the Group's education and technology investments.

With effect from 1 July 2005, the Group's energy-related investments have been classified under the Energy segment. They were classified under Investments in previous financial years. The comparative segment analysis has also been reclassified to be consistent with the existing segment reporting.

9 months ended 31 March

	Continuing Operations				Total \$'000	Discontinued Operation \$'000	Total Operations \$'000
	Energy \$'000	Transportation leasing \$'000	Investments \$'000	Elimination \$'000			
2006							
Revenue	167,540	114,728	10,646	(3,235)	289,679	191,787	481,466
Results							
Operating profit	4,613	48,402	554	(3,235)	50,334	32,458	82,792
Interest expenses	(3,235)	(35,063)	(744)	3,235	(35,807)	(5,742)	(41,549)
Foreign exchange loss	-	-	(444)	-	(444)	-	(444)
Share of results of associated company	-	3,044	-	-	3,044	-	3,044
Profit before taxation	<u>1,378</u>	<u>16,383</u>	<u>(634)</u>	<u>-</u>	<u>17,127</u>	<u>26,716</u>	<u>43,843</u>
Other information							
Segment assets	206,854	854,739	205,295	(49,879)	1,217,009	272,952	1,489,961
Investment in associated company	-	77,166	-	-	77,166	-	77,166
Tax recoverable	612	-	-	-	612	-	612
Total	<u>207,466</u>	<u>931,905</u>	<u>205,295</u>	<u>(49,879)</u>	<u>1,294,787</u>	<u>272,952</u>	<u>1,567,739</u>
Segment liabilities	55,878	544,841	17,169	(49,879)	568,009	148,451	716,460
Net tax provision & deferred taxation	15,534	155,333	1,870	-	172,737	19,641	192,378
Total	<u>71,412</u>	<u>700,174</u>	<u>19,039</u>	<u>(49,879)</u>	<u>740,746</u>	<u>168,092</u>	<u>908,838</u>
Net assets	<u>136,054</u>	<u>231,731</u>	<u>186,256</u>	<u>-</u>	<u>554,041</u>	<u>104,860</u>	<u>658,901</u>
Capital expenditure	2,118	51,282	7	-	53,407	9,089	62,496
Depreciation and amortisation	(2,923)	(35,552)	(92)	-	(38,567)	(1,492)	(40,059)

9 months ended 31 March

	Continuing Operations				Total \$'000	Discontinued Operation \$'000	Total Operations \$'000
	Energy \$'000	Transportation leasing \$'000	Investments \$'000	Elimination \$'000			
2005							
Revenue	226,737	-	75,449	(2,494)	299,692	160,557	460,249
Results							
Operating profit	24,474	-	18,144	(2,494)	40,124	27,302	67,426
Interest expenses	(2,609)	-	(11)	2,494	(126)	(4,158)	(4,284)
Foreign exchange loss	-	-	(345)	-	(345)	-	(345)
Share of results of associated company	-	-	911	-	911	-	911
Profit before taxation and exceptional items	21,865	-	18,699	-	40,564	23,144	63,708
Exceptional items	(3,283)	-	-	-	(3,283)	2,150	(1,133)
Profit before taxation	<u>18,582</u>	<u>-</u>	<u>18,699</u>	<u>-</u>	<u>37,281</u>	<u>25,294</u>	<u>62,575</u>
Other information							
Segment assets	445,285	-	371,212	(52,250)	764,247	-	764,247
Investment in associated company	-	-	-	-	-	-	-
Total	<u>445,285</u>	<u>-</u>	<u>371,212</u>	<u>(52,250)</u>	<u>764,247</u>	<u>-</u>	<u>764,247</u>

Segment liabilities	208,324	-	892	(52,250)	156,966	-	156,966
Net tax provision & deferred taxation	<u>20,538</u>	<u>-</u>	<u>6,736</u>	<u>-</u>	<u>27,274</u>	<u>-</u>	<u>27,274</u>
Total	<u>228,862</u>	<u>-</u>	<u>7,628</u>	<u>(52,250)</u>	<u>184,240</u>	<u>-</u>	<u>184,240</u>
Net assets	<u>216,423</u>	<u>-</u>	<u>363,584</u>	<u>-</u>	<u>580,007</u>	<u>-</u>	<u>580,007</u>
Capital expenditure	8,445	-	405	-	8,850	-	8,850
Depreciation and amortisation	(1,627)	-	(138)	-	(1,765)	(6,178)	(7,943)
Fair value adjustment on quoted investments	-	-	(777)	-	(777)	-	(777)
unquoted investments	-	-	(4,050)	-	(4,050)	-	(4,050)

GEOGRAPHICAL SEGMENT

The Group's two business segments operate in three main geographical areas. The operating activities and investment activities are predominately in the USA. There are also investment activities in Hong Kong. Singapore is the home country of the Company and its assets are mainly cash and cash equivalents.

Segment revenue is based on geographical location of its customers or, in the case of revenue from investments, the source of its investments income. Segment assets and capital expenditure are analyzed based on the location of the assets generating the income.

9 months ended 31 March

	<u>Singapore</u>	<u>USA</u>	<u>China/ Hong Kong</u>	<u>Others</u>	<u>Total</u>
2006	\$'000	\$'000	\$'000	\$'000	\$'000
Continuing operations					
External sales	6,743	282,916	20	-	289,679
Segment assets	19,994	1,191,513	867	4,635	1,217,009
Capital expenditure	2	53,405	-	-	53,407
Discontinued operation					
External sales	-	191,787	-	-	191,787
Segment assets	-	272,952	-	-	272,952
Capital expenditure	-	9,089	-	-	9,089

9 months ended 31 March

	<u>Singapore</u>	<u>USA</u>	<u>China/ Hong Kong</u>	<u>Others</u>	<u>Total</u>
2005	\$'000	\$'000	\$'000	\$'000	\$'000
Continuing operations					
External sales	4,758	294,917	17	-	299,692
Segment assets	90,998	662,059	1,975	9,215	764,247
Capital expenditure	354	8,496	-	-	8,850
Discontinued operation					
External sales	-	160,557	-	-	160,557

14. REVIEW OF SEGMENT PERFORMANCE

Not applicable.

15. INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual.	
	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000	1 Jul 05 to 31 Mar 06 \$'000	1 Jul 04 to 31 Mar 05 \$'000
KCL Group	-	-	26,982	80,736
Greenstreet Partners	-	-	8,217 *	6,058 *
Total	-	-	35,199	86,794

* This amount represents the full financial year transaction with the related person as per agreement.

BY ORDER OF THE BOARD

Lawrence Chan
Company Secretary
10-May-2006