

HALF YEAR FINANCIAL STATEMENT

UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 31 DECEMBER 2005

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the half year ended 31 December 2005.

1. GROUP PROFIT AND LOSS ACCOUNTS for the second quarter and half year ended 31 December 2005

Second Quarter 2005 vs Second Quarter 2004

	<u>Continuing Operations</u>			<u>Discontinued Operation (a)</u>			<u>Group</u>			
	Note	1 Oct 05 to 31 Dec 05 \$'000	1 Oct 04 to 31 Dec 04 \$'000	+/(-)%	1 Oct 05 to 31 Dec 05 \$'000	1 Oct 04 to 31 Dec 04 \$'000	+/(-)%	1 Oct 05 to 31 Dec 05 \$'000	1 Oct 04 to 31 Dec 04 \$'000	+/(-)%
Revenue	1a	100,265	115,556	(13.23)	64,980	52,356	24.11	165,245	167,912	(1.59)
Raw materials & consumables used		(48,763)	(42,006)	16.09	(43,213)	(31,254)	38.26	(91,976)	(73,260)	25.55
Net carrying value of investments disposed		(3,288)	(38,644)	(91.49)	-	-	NM	(3,288)	(38,644)	(91.49)
Fair value adjustment on unquoted investments		-	(4,050)	NM	-	-	NM	-	(4,050)	NM
Staff costs		(4,869)	(2,279)	113.65	(9,203)	(8,510)	8.14	(14,072)	(10,789)	30.43
Depreciation and amortisation		(12,357)	(407)	NM	-	(2,070)	NM	(12,357)	(2,477)	398.87
Other operating expenses		(12,671)	(3,444)	267.92	(2,243)	(1,914)	17.19	(14,914)	(5,358)	178.35
Operating profit		18,317	24,726	(25.92)	10,321	8,608	19.90	28,638	33,334	(14.09)
Interest expenses		(13,046)	(63)	NM	(1,964)	(1,388)	41.50	(15,010)	(1,451)	934.46
Foreign exchange gain		304	430	(29.30)	-	-	NM	304	430	(29.30)
Share of result of associated companies		513	1,109	(53.74)	-	-	NM	513	1,109	(53.74)
Profit before tax & exceptional items		6,088	26,202	(76.77)	8,357	7,220	15.75	14,445	33,422	(56.78)
Exceptional items	1d	-	(1,190)	NM	-	-	NM	-	(1,190)	NM
Profit before tax		6,088	25,012	(75.66)	8,357	7,220	15.75	14,445	32,232	(55.18)
Taxation		(1,783)	(4,551)	(60.82)	(3,599)	(2,877)	25.10	(5,382)	(7,428)	(27.54)
Profit for the period		4,305	20,461	(78.96)	4,758	4,343	9.56	9,063	24,804	(63.46)
Attributable to :										
Shareholders of the Company										
- Profit before exceptional items		3,862	22,674	(82.97)	4,750	4,335	9.57	8,612	27,009	(68.11)
- Exceptional items		-	(793)	NM	-	-	NM	-	(793)	NM
		3,862	21,881	(82.35)	4,750	4,335	9.57	8,612	26,216	(67.15)
Minority interest		443	(1,420)	NM	8	8	-	451	(1,412)	NM
		4,305	20,461	(78.96)	4,758	4,343	9.56	9,063	24,804	(63.46)
EBITDA *		31,491	26,672	18.07	10,321	10,678	(3.34)	41,812	37,350	11.95
Earnings per ordinary share :										
Before exceptional items										
- basic		0.21 cts	1.23 cts	(82.93)	0.25 cts	0.23 cts	8.70	0.46 cts	1.46 cts	(68.49)
- diluted		0.20 cts	1.20 cts	(83.33)	0.24 cts	0.23 cts	4.35	0.44 cts	1.43 cts	(69.23)
After exceptional items										
- basic	1e	0.21 cts	1.19 cts	(82.35)	0.25 cts	0.23 cts	8.70	0.46 cts	1.42 cts	(67.61)
- diluted	1e	0.20 cts	1.16 cts	(82.76)	0.24 cts	0.23 cts	4.35	0.44 cts	1.39 cts	(68.35)

* 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.

Half Year 2005 vs Half Year 2004

	Continuing Operations			Discontinued Operation (a)			Group			
	Note	1 Jul 05 to 31 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000	+ / (-) %	1 Jul 05 to 31 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000	+ / (-) %	1 Jul 05 to 31 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000	+ / (-) %
Revenue	1a	194,221	144,030	34.85	124,922	103,412	20.80	319,143	247,442	28.98
Raw materials & consumables used		(102,573)	(61,721)	66.19	(80,315)	(60,245)	33.31	(182,888)	(121,966)	49.95
Net carrying value of investments disposed		(3,288)	(38,644)	(91.49)	-	-	NM	(3,288)	(38,644)	(91.49)
Fair value adjustment on unquoted investments		-	(4,050)	NM	-	-	NM	-	(4,050)	NM
Staff costs		(9,593)	(4,433)	116.40	(18,513)	(17,575)	5.34	(28,106)	(22,008)	27.71
Depreciation and amortisation		(25,633)	(1,476)	NM	(1,492)	(4,207)	(64.54)	(27,125)	(5,683)	377.30
Other operating expenses		(21,788)	(7,510)	190.12	(4,367)	(4,177)	4.55	(26,155)	(11,687)	123.80
Operating profit		31,346	26,196	19.66	20,235	17,208	17.59	51,581	43,404	18.84
Interest expenses		(23,780)	(123)	NM	(3,768)	(2,692)	39.97	(27,548)	(2,815)	878.61
Foreign exchange gain/(loss)		16	(816)	NM	-	-	NM	16	(816)	NM
Share of result of associated companies		2,736	911	200.33	-	-	NM	2,736	911	200.33
Profit before tax & exceptional items		10,318	26,168	(60.57)	16,467	14,516	13.44	26,785	40,684	(34.16)
Exceptional items	1d	-	(3,283)	NM	-	-	NM	-	(3,283)	NM
Profit before tax		10,318	22,885	(54.91)	16,467	14,516	13.44	26,785	37,401	(28.38)
Taxation		(4,031)	(3,384)	19.12	(6,515)	(5,712)	14.06	(10,546)	(9,096)	15.94
Profit for the period		6,287	19,501	(67.76)	9,952	8,804	13.04	16,239	28,305	(42.63)
Attributable to :										
Shareholders of the Company										
- Profit before exceptional items		5,308	23,331	(77.25)	9,936	8,789	13.05	15,244	32,120	(52.54)
- Exceptional items		-	(2,189)	NM	-	-	NM	-	(2,189)	NM
		5,308	21,142	(74.89)	9,936	8,789	13.05	15,244	29,931	(49.07)
Minority interest		979	(1,641)	NM	16	15	6.67	995	(1,626)	NM
		6,287	19,501	(67.76)	9,952	8,804	13.04	16,239	28,305	(42.63)
EBITDA *		59,731	27,767	115.12	21,727	21,415	1.46	81,458	49,182	65.63
Earnings per ordinary share :										
Before exceptional items										
- basic		0.28 cts	1.26 cts	(77.78)	0.53 cts	0.48 cts	10.42	0.81 cts	1.74 cts	(53.45)
- diluted		0.27 cts	1.23 cts	(78.05)	0.50 cts	0.47 cts	6.38	0.77 cts	1.70 cts	(54.71)
After exceptional items										
- basic	1e	0.28 cts	1.15 cts	(75.65)	0.53 cts	0.47 cts	12.77	0.81 cts	1.62 cts	(50.00)
- diluted	1e	0.27 cts	1.12 cts	(75.89)	0.50 cts	0.47 cts	6.38	0.77 cts	1.59 cts	(51.57)

* 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

	Second Quarter			Half Year		
	1 Oct 05 to 31 Dec 05 \$'000	1 Oct 04 to 31 Dec 04 \$'000	+/(-)%	1 Jul 05 to 31 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000	+/(-)%
Continuing operations						
Revenue from retail gasoline operations	54,112	47,002	15.13	112,560	61,846	82.00
Revenue from transportation leasing	36,703	-	NM	69,485	-	NM
Revenue from crude oil	-	-	NM	-	10,959	NM
Proceeds from sale of investments	6,440	66,460	(90.31)	6,440	66,460	(90.31)
Investment income	1,064	1,483	(28.25)	2,034	2,993	(32.04)
Interest income from :						
Related parties	72	19	278.95	162	108	50.00
Others	142	592	(76.01)	310	1,664	(81.37)
Rental Income	672	-	NM	1,325	-	NM
Others	1,060	-	NM	1,905	-	NM
	<u>100,265</u>	<u>115,556</u>	<u>(13.23)</u>	<u>194,221</u>	<u>144,030</u>	<u>34.85</u>
Discontinued operation						
Revenue from utility supply	64,977	52,354	24.11	124,917	103,410	20.80
Interest income	3	2	50.00	5	2	150.00
	<u>165,245</u>	<u>167,912</u>	<u>(1.59)</u>	<u>319,143</u>	<u>247,442</u>	<u>28.98</u>

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

	Second Quarter			Half Year		
	1 Oct 05 to 31 Dec 05 \$'000	1 Oct 04 to 31 Dec 04 \$'000	+/(-)%	1 Jul 05 to 31 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000	+/(-)%
Continuing operations						
Profit on disposal of fixed assets	113	76	48.68	250	76	228.95
Profit on sale of investments	3,152	19,934	(84.19)	3,152	19,934	(84.19)
Profit on disposal of subsidiary	-	7,883	NM	-	7,883	NM
Fair value gain - Derivatives	1,412	-	NM	2,486	-	NM
Discontinued operation						
Provision/(write-back) :						
stocks	(37)	-	NM	(77)	-	NM
doubtful debts	167	(71)	NM	160	(150)	NM

1c. There was no adjustment for under or over provision of tax in respect of prior years.

1d. Exceptional items for the period comprised :

	Second Quarter		Half Year	
	1 Oct 05 to 31 Dec 05 \$'000	1 Oct 04 to 31 Dec 04 \$'000	1 Jul 05 to 31 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000
Uninsured expenses associated with repairs for damages caused by Hurricane Ivan	-	(1,190)	-	(3,283)
Minority share of exceptional items	-	397	-	1,094
Net exceptional items	<u>-</u>	<u>(793)</u>	<u>-</u>	<u>(2,189)</u>

1e. Earnings per ordinary share

	GROUP					
	Second Quarter			Half Year		
	1 Oct 05 to 31 Dec 05	1 Oct 04 to 31 Dec 04	+/(-)%	1 Jul 05 to 31 Dec 05	1 Jul 04 to 31 Dec 04	+/(-)%
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)	0.46 cts 1,888,488	1.42 cts 1,851,571	(67.61) 1.99	0.81 cts 1,888,488	1.62 cts 1,851,571	(50.00) 1.99
(ii) On a fully diluted basis - Adjusted weighted average number of shares ('000)	0.44 cts 1,967,650	1.39 cts 1,884,947	(68.35) 4.39	0.77 cts 1,967,650	1.59 cts 1,884,947	(51.57) 4.39
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)	0.21 cts 1,888,488	1.19 cts 1,851,571	(82.35) 1.99	0.28 cts 1,888,488	1.15 cts 1,851,571	(75.65) 1.99
(ii) On a fully diluted basis - Adjusted weighted average number of shares ('000)	0.20 cts 1,967,650	1.16 cts 1,884,947	(82.76) 4.39	0.27 cts 1,967,650	1.12 cts 1,884,947	(75.89) 4.39

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

2. BALANCE SHEETS as at 31 December 2005

	GROUP		COMPANY	
	As at 31 Dec 05 \$'000	As at 30 Jun 05 \$'000	As at 31 Dec 05 \$'000	As at 30 Jun 05 \$'000
Share capital	188,951	187,741	188,951	187,741
Reserves	441,278	406,792	271,855	271,694
Share capital & reserves	630,229	594,533	460,806	459,435
Minority interests	46,436	151	-	-
Capital employed	676,665	594,684	460,806	459,435
Represented by :				
Fixed assets	605,318	244,450	283	335
Subsidiaries	-	-	303,826	155,283
Associated companies	79,092	-	-	-
Available-for-sale investments	331,093	261,549	52,065	57,693
Intangibles	254,357	17,338	-	-
Other assets	13,971	6,433	-	-
	1,283,831	529,770	356,174	213,311
Current assets				
Stocks	15,162	15,632	-	-
Due from subsidiaries	-	-	112,385	113,967
Debtors	52,913	37,720	75	1,856
Cash and cash equivalents	32,340	201,046	21,759	143,751
	100,415	254,398	134,219	259,574
Assets classified as held for sale *	267,230	-	-	-
	367,645	254,398	134,219	259,574
Current liabilities				
Creditors	29,083	31,673	1,067	1,122
Due to subsidiaries	-	-	9,612	10,051
Amount owing to shareholders	16,631	-	16,631	-
Amount owing to minority shareholders of subsidiary	25,049	-	-	-
Term loans	3,908	-	-	-
Provision for taxation	12,135	2,258	2,055	2,055
	86,806	33,931	29,365	13,228
Liabilities directly associated with assets classified as held for sale *	165,381	-	-	-
	252,187	33,931	29,365	13,228
Net current assets	115,458	220,467	104,854	246,346
Non-current liabilities				
Term loans	556,378	122,363	-	-
Deferred liabilities	724	6,090	-	-
Deferred taxation	165,522	27,100	222	222
	722,624	155,553	222	222
Net assets	676,665	594,684	460,806	459,435

Note :

* 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 Dec 05		As at 30 Jun 05	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,908	-	-	-

(ii) Amount repayable after one year

As at 31 Dec 05		As at 30 Jun 05	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
556,378	-	122,363	-

(iii) Details of any collateral

The term loans as at 31 December 2005 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 \$967 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 \$291,875,000 (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 December 2005.

2b. Net asset value

	GROUP			COMPANY		
	As at 31 Dec 05	As at 30 Jun 05	+/(-)%	As at 31 Dec 05	As at 30 Jun 05	+/(-)%
Net asset value per Ordinary Share #	\$0.33	\$0.32	3.13	\$0.24	\$0.25	(4.00)
Net tangible asset value per Ordinary Share #	\$0.20	\$0.31	(35.48)	\$0.24	\$0.25	(4.00)

Based on issued share capital of 1,889,512,503 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 \$630.2 million as at 31 December 2005. Of this increase, \$26.1 million was attributed 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.

Shareholders' funds were also positively impacted by increases in profit attributable to shareholders and the issuance of shares arising from the exercise of share options partially offset by the decrease in 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 \$1.65 billion as at 31 December 2005.

Total current assets increased by \$113.2 million to \$367.6 million due to the inclusion of the total assets of GASCO in the amount of \$267.2 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 \$754.1 million to \$1.28 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 \$254.4 million as at 31 December 2005 comprised mainly goodwill and other intangible assets arising from the acquisition of Helm.

Current liabilities increased by \$218.3 million from \$33.9 million as at 30 June 2005 to \$252.2 million as at 31 December 2005. The increase resulted principally from classifying \$120.7 million of GASCO term loans and other non-current liabilities to current liabilities, as well as \$25.0 million owing to minority shareholders of Helm and \$16.6 million in shareholders' loans used to fund the acquisition of Helm.

Non-current liabilities increased by \$567.1 million from \$155.6 million as at 30 June 2005 to \$722.6 million as at December 2005 as a result of the acquisition of Helm. Non-current liabilities would have been \$136 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, which is subject to certain regulatory approvals and other approvals, is in the ordinary course of the Company's business and is expected to be completed by June 2006.

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. Profit for the period from Discontinued Operation

An analysis of the result of the discontinued operation is as follows :

	Second Quarter		Half Year	
	1 Oct 05 to 31 Dec 05 \$'000	1 Oct 04 to 31 Dec 04 \$'000	1 Jul 05 to 31 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000
Revenue	64,980	52,356	124,922	103,412
Expenses	(54,659)	(43,748)	(104,687)	(86,204)
Operating profit	10,321	8,608	20,235	17,208
Interest expenses	(1,964)	(1,388)	(3,768)	(2,692)
Profit before tax	8,357	7,220	16,467	14,516
Taxation	(3,599)	(2,877)	(6,515)	(5,712)
Profit for the period	4,758	4,343	9,952	8,804

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

	Second Quarter		Half Year	
	1 Oct 05 to 31 Dec 05 \$'000	1 Oct 04 to 31 Dec 04 \$'000	1 Jul 05 to 31 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000
Operating cashflows	4,703	-	9,507	-
Investing cashflows	(3,422)	-	(5,811)	-
Financing cashflows	(416)	-	(18,182)	-
Net cashflows	865	-	(14,486)	-

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

Disposal group held for sale:		
Fixed assets	202,482	-
Other assets	4,111	-
Stocks	11,844	-
Debtors	33,119	-
Cash and cash equivalents	15,674	-
	<u>267,230</u>	<u>-</u>

Liabilities directly associated with non-current assets classified as held for sale :

Creditors	22,242	-
Provision for taxation	7,146	-
Term loans	120,722	-
Deferred liabilities	6,251	-
Deferred taxation	9,020	-
	<u>165,381</u>	<u>-</u>

3. CONSOLIDATED CASH FLOW STATEMENTS for the second quarter and half year ended 31 December 2005

Note	Second Quarter		Half Year	
	1 Oct 05 to 31 Dec 05 \$'000	1 Oct 04 to 31 Dec 04 \$'000	1 Jul 05 to 31 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit	28,638	33,334	51,581	43,404
Adjustments:				
Depreciation and amortisation	12,357	2,477	27,125	5,683
Investment income	(854)	(1,284)	(1,614)	(2,475)
Amortisation of interest	-	(42)	-	(158)
Gain on disposal of subsidiary	-	(7,883)	-	(7,883)
Profit on disposal of fixed assets	(113)	(76)	(250)	(76)
Fixed asset written off	1,218	-	1,218	-
Profit on sale of investments	(3,152)	(19,934)	(3,152)	(19,934)
Fair value adjustments on unquoted investments	-	4,050	-	4,050
Cash flow from operations before changes in working capital	38,094	10,642	74,908	22,611
Working capital changes :				
Stocks	(5,277)	1,425	(7,313)	244
Debtors	1,731	2,895	6,702	8,998
Creditors	4,963	(34)	(2,662)	1,308
Translation of foreign subsidiaries and others	(2,426)	(2,734)	(3,086)	(3,495)
Cash from operations	37,085	12,194	68,549	29,666
Interest paid	(14,394)	(1,361)	(20,619)	(2,667)
Income taxes paid	(3,719)	(2,323)	(3,976)	(2,932)
Net cash from operating activities	18,972	8,510	43,954	24,067
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiaries	-	-	(726,529)	(68,048)
Disposal of subsidiary	-	(2,574)	-	(2,574)
Purchase of fixed assets	(16,689)	(2,710)	(56,234)	(5,211)
Proceeds from disposal of fixed assets	4,447	192	5,840	192
Net proceeds from disposal and capital distribution of investments	6,440	64,599	9,567	66,746
Purchase of investments	(254)	(27,018)	(1,226)	(27,961)
Net cash from/(used in) investing activities	(6,056)	32,489	(768,582)	(36,856)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issue	-	-	2,062	76,357
Proceeds from term loans	502,246	4,175	1,089,985	4,175
Distribution to minority shareholder of subsidiary	(5)	(14)	(5)	(109)
Proceeds from /(Repayment of) amount due to minority shareholders	(7,427)	(4,161)	(7,427)	(4,161)
Repayment of term loans	(512,042)	-	(513,035)	(1,684)
Withdrawal of non-current bank deposits - net	-	15,156	-	15,459
Net cash from/(used in) financing activities	(17,228)	15,156	571,580	90,037
Increase/(decrease) in cash and cash equivalents	(4,312)	56,155	(153,048)	77,248
Cash and cash equivalents at beginning of period	52,021	48,950	201,046	29,103
Effects of exchange rate changes on cash and cash equivalents	305	430	16	(816)
Cash and cash equivalents at end of period	48,014	105,535	48,014	105,535
Comprising :				
Cash and cash equivalents from Continuing operations	32,340	105,535	32,340	105,535
Cash and cash equivalents from Discontinued operation	15,674	-	15,674	-
	48,014	105,535	48,014	105,535

Notes to Consolidated Cashflow Statements

3a. Acquisition of Subsidiaries

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

	Second Quarter		Half Year	
	1 Oct 05 to 31 Dec 05	1 Oct 04 to 31 Dec 04	1 Jul 05 to 31 Dec 05	1 Jul 04 to 31 Dec 04
	\$'000	\$'000	\$'000	\$'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:

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

4. STATEMENTS OF CHANGES IN EQUITY

4a. Group Statement of Changes in Equity for the second quarter and half year ended 31 December

	Share Capital S\$'000	Share Premium Account 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
2005								
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 *	-	-	3,352	-	-	3,352	-	3,352
Exchange differences arising on consolidation	-	-	-	2,575	-	2,575	451	3,026
	-	-	3,352	2,575	-	5,927	451	6,378
Profit for the first quarter	-	-	-	-	6,632	6,632	544	7,176
Subsidiary acquired	-	-	-	-	-	-	45,660	45,660
Shares issued	1,210	852	-	-	-	2,062	-	2,062
As at 30 September 2005	188,951	202,863	88,956	(5,344)	159,824	635,250	46,806	682,056
Revaluation of investments not recognised in profit and loss account *	-	-	(415)	-	-	(415)	-	(415)
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	-	-	-	(8,862)	-	(8,862)	(816)	(9,678)
	-	-	(4,771)	(8,862)	-	(13,633)	(816)	(14,449)
Profit for the second quarter	-	-	-	-	8,612	8,612	451	9,063
Distribution from subsidiaries	-	-	-	-	-	-	(5)	(5)
As at 31 December 2005	188,951	202,863	84,185	(14,206)	168,436	630,229	46,436	676,665

* 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 second quarter and half year ended 31 December

	Share Capital S\$'000	Share Premium Account 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
2004								
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 *	-	-	(10,343)	-	-	(10,343)	-	(10,343)
Exchange differences arising on consolidation	-	-	-	(6,967)	-	(6,967)	(9)	(6,976)
Transfer to deferred taxation	-	-	3,129	-	-	3,129	-	3,129
	-	-	(7,214)	(6,967)	-	(14,181)	(9)	(14,190)
Profit for the first quarter	-	-	-	-	3,715	3,715	(214)	3,501
Distribution from subsidiaries	-	-	-	-	-	-	(103)	(103)
Shares issued	26,754	49,603	-	-	-	76,357	-	76,357
As at 30 September 2004	187,408	201,774	27,988	(11,477)	119,171	524,864	679	525,543
Revaluation of investments not recognised in profit and loss account *	-	-	15,023	-	-	15,023	-	15,023
Revaluation surplus realised and transferred profit and loss account disposal of investment	-	-	(627)	-	-	(627)	-	(627)
Exchange differences arising on consolidation	-	-	-	(14,304)	-	(14,304)	15	(14,289)
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	-	-	(6,693)	-	-	(6,693)	-	(6,693)
	-	-	7,703	(11,331)	-	(3,628)	881	(2,747)
Profit for the second quarter	-	-	-	-	26,216	26,216	(1,412)	24,804
Distribution from subsidiaries	-	-	-	-	-	-	(9)	(9)
As at 31 December 2004	187,408	201,774	35,691	(22,808)	145,387	547,452	139	547,591

4b. Company Statement of Changes in Equity for the second quarter and half year ended 31 December

	Share Capital S\$'000	Share Premium S\$'000	Capital Reserves S\$'000	Translation Reserves S\$'000	Revenue Reserves S\$'000	Total S\$'000
2005						
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 *	-	-	3,603	-	-	3,603
	-	-	3,603	-	-	3,603
Loss for the period	-	-	-	-	(212)	(212)
Shares issued	1,210	852	-	-	-	2,062
As at 30 September 2005	188,951	202,863	4,356	-	69,471	465,641
Revaluation of investments not recognised in profit and loss account *	-	-	(712)	-	-	(712)
Revaluation surplus realised and transferred to profit and loss account upon disposal of investment	-	-	(4,356)	-	-	(4,356)
	-	-	(5,068)	-	-	(5,068)
Profit for the period	-	-	-	-	233	233
As at 31 December 2005	188,951	202,863	(712)	-	69,704	460,806

Company Statement of Changes in Equity for the second quarter and half year ended 31 December

	Share Capital S\$'000	Share Premium Account S\$'000	Translation Reserves S\$'000	Revenue Reserves S\$'000	Total S\$'000
2004					
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 period	-	-	-	(2,741)	(2,741)
Shares issued	26,754	49,603	-	-	76,357
As at 30 September 2004	187,408	201,774	-	85,361	474,543
Loss for the period	-	-	-	(10,665)	(10,665)
As at 31 December 2004	187,408	201,774	-	74,696	463,878

4c. Share capital

Since 30 June 2005, the Company issued 12,100,000 ordinary shares of \$0.10 each upon the exercise of options granted under the k1 Ventures Share Option Scheme 2000 to employees.

As at 31 December 2005, there were unexercised options for 8,345,500 (December 2004: 23,778,675) of unissued ordinary shares of \$0.10 each under the Keppel Marine Share Option Scheme 1990 and k1 Ventures Share Option Scheme 2000, and 268 million warrants (December 2004: 230 million) to subscribe for 268 million ordinary shares of \$0.10 each.

The issued share capital of the Company as at 31 December 2005 was 1,889,512,503 ordinary shares of \$0.10 each.

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

Group's revenue of \$165.2 million for the second quarter decreased marginally by 2% mainly due to the sale of the Group's investment in K2, Inc in the same quarter last year. The decrease was offset by the revenue recognized by Helm Holding Corporation (Helm) and higher revenue contribution from Mid Pac Petroleum, LLC (Mid Pac), and The Gas Company, LLC (GASCO), in addition to proceeds received from sale of an investment.

The Group recorded total revenue of \$319.1 million for the half year, representing an increase of 29% over the prior year. The higher revenue was mainly attributable to: (i) the addition of Helm as an operating subsidiary; (ii) a full six months of operating contribution from Mid Pac as compared to four months in the prior year; (iii) an increase in revenue from GASCO; and (iv) revenue from sale of an investment.

Profit attributable to shareholders for the second quarter and half year was \$8.6 million and \$15.2 million respectively, representing a decrease of 67% and 49% over the same periods last year. The decrease was due to the Group's recognition of gains on the disposal of K2 Inc. and K-Mc Venture I, LLC, which was reflected in the second quarter of the previous financial year.

Group EBITDA of \$41.8 million and \$81.5 million for the second quarter and half year improved by 12% and 66% as compared to the corresponding periods in the prior year. The increase in Group EBITDA was mainly the result of adding Helm as an operating subsidiary.

Raw materials, consumables, staff costs and other operating expenses for the second quarter and half year also increased compared to the corresponding periods last year, as a result of the addition of Helm as an operating company and a full 6 months of operations of Mid Pac.

Depreciation and amortisation in the second quarter and half year 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 \$1.8 million in profit attributable to shareholders.

The increase in interest expense in the second quarter and half year was due mainly to the acquisition financing of Helm. The results of the Group's associated companies in the second quarter and half year represented earnings from Helm's joint ventures and associated company.

In the opinion of the Directors, no factor has arisen between 31 December 2005 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

It is anticipated that the operating subsidiaries will continue to positively impact the results of the Group in the second half of the year. The sale of GASCO continues to be subject to the receipt of regulatory approval. If regulatory approval is granted, the proceeds from the sale of GASCO will contribute significantly to the Group.

Management will continue to be pro-active with the current investments and seek additional investment opportunities that are accretive to earnings and cash flow to broaden the investment portfolio.

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? Yes

Name of Dividend	Special	
Dividend Type	Cash	Cash
Dividend Rate	3% or 0.3 cts	7.6% or 0.76 cts
Par value of Shares	\$0.10	\$0.10
Tax Rate	20%	Tax-exempt (one-tier)

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.

Half year ended 31 December

	Continuing Operations					Discontinued Operation	Total Operations
	Energy \$'000	Transportation leasing \$'000	Investments \$'000	Elimination \$'000	Total \$'000		
2005						GASCO \$'000	\$'000
Revenue	114,312	73,004	9,104	(2,199)	194,221	124,922	319,143
Results							
Operating profit	2,902	29,591	1,052	(2,199)	31,346	20,235	51,581
Interest expenses	(2,199)	(23,300)	(480)	2,199	(23,780)	(3,768)	(27,548)
Foreign exchange gain	-	-	16	-	16	-	16
Share of results of associated company	-	2,736	-	-	2,736	-	2,736
Profit before taxation	703	9,027	588	-	10,318	16,467	26,785
Other information							
Segment assets	234,539	911,414	227,610	(71,072)	1,302,491	267,230	1,569,721
Investment in associated company	-	79,092	-	-	79,092	-	79,092
Tax recoverable	805	1,858	-	-	2,663	-	2,663
Total	235,344	992,364	227,610	(71,072)	1,384,246	267,230	1,651,476
Segment liabilities	64,746	601,195	36,904	(71,072)	631,773	149,215	780,988
Net tax provision & deferred taxation	18,655	156,866	2,136	-	177,657	16,166	193,823
Total	83,401	758,061	39,040	(71,072)	809,430	165,381	974,811
Net assets	151,943	234,303	188,570	-	574,816	101,849	676,665
Capital expenditure	1,694	48,638	5	-	50,337	5,897	56,234
Depreciation and amortisation	(1,981)	(23,589)	(63)	-	(25,633)	(1,492)	(27,125)

Half year ended 31 December

	Continuing Operations					Discontinued Operation	Total Operations
	Energy \$'000	Transportation leasing \$'000	Investments \$'000	Elimination \$'000	Total \$'000		
2004						GASCO \$'000	\$'000
Revenue	76,301	-	69,147	(1,418)	144,030	103,412	247,442
Results							
Operating profit	12,123	-	15,491	(1,418)	26,196	17,208	43,404
Interest expenses	(1,533)	-	(8)	1,418	(123)	(2,692)	(2,815)
Foreign exchange loss	-	-	(816)	-	(816)	-	(816)
Share of results of associated company	-	-	911	-	911	-	911
Profit before taxation and exceptional items	10,590	-	15,578	-	26,168	14,516	40,684
Exceptional items	(3,283)	-	-	-	(3,283)	-	(3,283)
Profit before taxation	7,307	-	15,578	-	22,885	14,516	37,401
Other information							
Segment assets	506,246	-	265,842	(50,916)	721,172	-	721,172
Investment in associated company	-	-	-	-	-	-	-
Total	506,246	-	265,842	(50,916)	721,172	-	721,172

Segment liabilities	202,858	-	(93)	(50,916)	151,849	-	151,849
Net tax provision & deferred taxation	15,097	-	6,635	-	21,732	-	21,732
Total	<u>217,955</u>	<u>-</u>	<u>6,542</u>	<u>(50,916)</u>	<u>173,581</u>	<u>-</u>	<u>173,581</u>
Net assets	<u>288,291</u>	<u>-</u>	<u>259,300</u>	<u>-</u>	<u>547,591</u>	<u>-</u>	<u>547,591</u>
Capital expenditure	4,865	-	346	-	5,211	-	5,211
Depreciation and amortisation	(1,367)	-	(109)	-	(1,476)	(4,207)	(5,683)
Fair value adjustment on unquoted investments	-	-	(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.

Half year ended 31 December

	<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	6,542	187,664	15	-	194,221
Segment assets	17,373	1,276,763	2,368	5,987	1,302,491
Capital expenditure	-	50,337	-	-	50,337
Discontinued operation					
External sales	-	124,922	-	-	124,922
Segment assets	-	267,230	-	-	267,230
Capital expenditure	-	5,897	-	-	5,897

Half year ended 31 December

	<u>Singapore</u>	<u>USA</u>	<u>China/ Hong Kong</u>	<u>Others</u>	<u>Total</u>
2004	\$'000	\$'000	\$'000	\$'000	\$'000
Continuing operations					
External sales	285	143,735	10	-	144,030
Segment assets	8,966	702,335	1,962	7,909	721,172
Capital expenditure	316	4,895	-	-	5,211
Discontinued operation					
External sales	-	103,412	-	-	103,412

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 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000	1 Jul 05 to 31 Dec 05 \$'000	1 Jul 04 to 31 Dec 04 \$'000
KCL Group	-	-	26,056	2,304
Greenstreet Partners	-	-	8,312 *	6,205 *
Total	-	-	34,368	8,509

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

BY ORDER OF THE BOARD

Lawrence Chan
Company Secretary
9-Feb-2006