

FIRST QUARTER 2006 FINANCIAL STATEMENT

UNAUDITED RESULTS FOR FIRST QUARTER ENDED 30 SEPTEMBER 2005

The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the first quarter ended 30 September 2005.

1. GROUP PROFIT AND LOSS ACCOUNTS for the first quarter ended 30 September 2005

	Continuing Operations			Discontinued Operation (a)			Group			
	Note	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 04 to 30 Sep 04 \$'000	+ / (-) %	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 04 to 30 Sep 04 \$'000	+ / (-) %	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 04 to 30 Sep 04 \$'000	+ / (-) %
Revenue	1a	93,956	28,474	229.97	59,942	51,056	17.40	153,898	79,530	93.51
Raw materials & consumables used		(53,810)	(19,715)	172.94	(37,102)	(28,991)	27.98	(90,912)	(48,706)	86.65
Staff costs		(4,724)	(2,154)	119.31	(9,310)	(9,065)	2.70	(14,034)	(11,219)	25.09
Depreciation and amortisation		(13,276)	(1,069)	NM	(1,492)	(2,137)	(30.18)	(14,768)	(3,206)	360.64
Other operating expenses		(9,117)	(4,066)	124.23	(2,124)	(2,263)	(6.14)	(11,241)	(6,329)	77.61
Operating profit		13,029	1,470	786.33	9,914	8,600	15.28	22,943	10,070	127.84
Interest expenses		(10,734)	(60)	NM	(1,804)	(1,304)	38.34	(12,538)	(1,364)	819.21
Foreign exchange loss		(288)	(1,246)	(76.89)	-	-	NM	(288)	(1,246)	(76.89)
Share of result of associated companies		2,223	(198)	NM	-	-	NM	2,223	(198)	NM
Profit/(loss) before tax & exceptional items		4,230	(34)	NM	8,110	7,296	11.16	12,340	7,262	69.93
Exceptional items	1d	-	(2,093)	NM	-	-	NM	-	(2,093)	NM
Profit/(loss) before tax		4,230	(2,127)	NM	8,110	7,296	11.16	12,340	5,169	138.73
Taxation		(2,248)	1,167	NM	(2,916)	(2,835)	2.86	(5,164)	(1,668)	209.59
Profit/(loss) for the period		1,982	(960)	NM	5,194	4,461	16.43	7,176	3,501	104.97
Attributable to:										
Shareholders of the Company										
- Profit before exceptional items		1,446	657	120.09	5,186	4,454	16.43	6,632	5,111	29.76
- Exceptional items		-	(1,396)	NM	-	-	NM	-	(1,396)	NM
		1,446	(739)	NM	5,186	4,454	16.43	6,632	3,715	78.52
Minority interest		536	(221)	NM	8	7	14.29	544	(214)	NM
		1,982	(960)	NM	5,194	4,461	16.43	7,176	3,501	104.97
EBITDA *		28,240	1,095	NM	11,406	10,737	6.23	39,646	11,832	235.07
Earnings per ordinary share:										
Before exceptional items										
- basic		0.08 cts	0.04 cts	100.00	0.27 cts	0.24 cts	12.50	0.35 cts	0.28 cts	25.00
- diluted		0.07 cts	0.03 cts	133.33	0.26 cts	0.24 cts	8.33	0.33 cts	0.27 cts	22.22
After exceptional items										
- basic	1e	0.08 cts	(0.04) cts	NM	0.27 cts	0.24 cts	12.50	0.35 cts	0.20 cts	75.00
- diluted	1e	0.07 cts	(0.04) cts	NM	0.26 cts	0.24 cts	8.33	0.33 cts	0.20 cts	65.00

* 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. 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

	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 04 to 30 Sep 04 \$'000
Continuing operations		
Revenue from retail gasoline operations	58,448	14,844
Revenue from transportation leasing	32,782	-
Revenue from crude oil	-	10,959
Investment income	970	1,510
Interest income from:		
Related parties	90	89
Others	168	1,072
Rental Income	653	-
Others	845	-
	<u>93,956</u>	<u>28,474</u>
Discontinued operation		
Revenue from utility supply	59,940	51,056
Interest income	2	-
	<u>153,898</u>	<u>79,530</u>

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

	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 04 to 30 Sep 04 \$'000	+/(-)%
Continuing operations			
Profit on disposal of fixed assets	137	-	NM
Fair value gain - Derivatives	1,074	-	NM
Discontinued operation			
Provision for stock obsolescence	(40)	-	NM
Provision for doubtful debts	(7)	(80)	(91.25)

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

1d. Exceptional items for the period comprised :

	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 04 to 30 Sep 04 \$'000
Uninsured expenses associated with repairs for damages caused by Hurricane Ivan	-	(2,093)
Minority share of exceptional items	-	697
Net exceptional items	<u>-</u>	<u>(1,396)</u>

1e. Earnings per ordinary share

	GROUP		
	1 Jul 05 to 30 Sep 05	1 Jul 04 to 30 Sep 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)	0.35 cts 1,888,488	0.20 cts 1,851,571	75.00 1.99
(ii) On a fully diluted basis - Adjusted weighted average number of shares ('000)	0.33 cts 1,981,950	0.20 cts 1,889,105	65.00 4.91
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)	0.08 cts 1,888,488	(0.04) cts 1,851,571	NM 1.99
(ii) On a fully diluted basis - Adjusted weighted average number of shares ('000)	0.07 cts 1,981,950	(0.04) cts 1,889,105	NM 4.91

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

2. BALANCE SHEETS as at 30 September 2005

	Group		Company	
	As at 30 Sep 05 \$'000	As at 30 Jun 05 \$'000	As at 30 Sep 05 \$'000	As at 30 Jun 05 \$'000
Share capital	188,951	187,741	188,951	187,741
Reserves	446,299	406,792	276,690	271,694
Share capital & reserves	635,250	594,533	465,641	459,435
Minority interests	46,806	151	-	-
Capital employed	682,056	594,684	465,641	459,435
Represented by:				
Fixed assets	618,960	244,450	307	335
Subsidiaries	-	-	303,826	155,283
Associated companies	79,148	-	-	-
Available-for-sale investments	341,053	261,549	59,895	57,693
Intangibles	261,126	17,338	-	-
Other assets	15,164	6,433	-	-
	1,315,451	529,770	364,028	213,311
Current assets				
Stocks	11,332	15,632	-	-
Due from subsidiaries	-	-	114,345	113,967
Debtors	21,816	37,720	59	1,856
Cash and cash equivalents	70,478	201,046	17,006	143,751
	103,626	254,398	131,410	259,574
Assets classified as held for sale *	264,369	-	-	-
	367,995	254,398	131,410	259,574
Current liabilities				
Creditors	26,147	31,673	1,215	1,122
Due to subsidiaries	-	-	9,385	10,051
Amount owing to shareholders	16,920	-	16,920	-
Amount owing to minority shareholders of subsidiary	33,840	-	-	-
Term loans	3,976	-	-	-
Provision for taxation	12,654	2,258	2,055	2,055
	93,537	33,931	29,575	13,228
Liabilities directly associated with assets classified as held for sale *	164,761	-	-	-
	258,298	33,931	29,575	13,228
Net current assets	109,697	220,467	101,835	246,346
Non-current liabilities				
Term loans	575,387	122,363	-	-
Deferred liabilities	1,040	6,090	-	-
Deferred taxation	166,665	27,100	222	222
	743,092	155,553	222	222
Net assets	682,056	594,684	465,641	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 30 Sep 05		As at 30 Jun 05	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,976	-	-	-

(ii) Amount repayable after one year

As at 30 Sep 05		As at 30 Jun 05	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
575,387	-	122,363	-

(iii) Details of any collateral

The term loans as at 30 September 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 \$1.02 billion.

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 pledged amounted to \$289,166,000 (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 30 September 2005.

2b. Net asset value

	GROUP			COMPANY		
	As at 30 Sep 05	As at 30 Jun 05	+/(-)%	As at 30 Sep 05	As at 30 Jun 05	+/(-)%
Net asset value per Ordinary Share #	\$0.34	\$0.32	6.25	\$0.25	\$0.25	0.00
Net tangible asset value per Ordinary Share #	\$0.20	\$0.31	(35.48)	\$0.25	\$0.25	0.00

Based on issued share capital of 1,889,512,503 (June 2005 : 1,877,412,503) at the end of the financial year.

2c. Balance Sheet review

Since 30 June 2005, Group shareholders' funds increased by \$40.7 million to \$635 million as at 30 September 2005. Of this increase, \$26.1 million or 64% was attributed to the effect of adopting 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 the investment revaluation and translation accounts, profit attributable to shareholders and the issuance of shares arising from the exercise of share options in the first quarter.

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 \$1.68 billion as at 30 September 2005.

Total current assets increased by \$113.6 million to \$368 million due to the inclusion of the total assets of GASCO of \$264.4 million arising from the reclassification of GASCO 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 \$785.7 million to \$1.32 billion mainly due to the substantial increase in fixed assets, investment in associated companies, available-for-sale investments and intangibles contributed by Helm partially offset by the GASCO Reclassification. Intangibles of \$261.1 million as at 30 September 2005 comprised mainly goodwill and other intangible assets arising from the acquisition of Helm.

Current liabilities increased by \$224.4 million from \$33.9 million as at 30 June 2005 to \$258.3 million as at 30 September 2005. The increase resulted principally from classifying \$122.8 million of GASCO term loans to current liabilities, due to GASCO being reflected as a "Discontinued Operation", \$33.8 million in restricted cash in escrow and owing to minority shareholders of Helm, \$16.9 million in shareholders' loans used to fund the acquisition of Helm, and \$10.4 million increase in tax provisions mainly arising from the acquisition of Helm.

Non-current liabilities increased by \$587.5 million in connection with the acquisition of Helm. Non-current liabilities would have been \$122.8 million higher had the GASCO term loans not been reflected as current liabilities in accordance with accounting standards.

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:

	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 04 to 30 Sep 04 \$'000
Revenue	59,942	51,056
Expenses	<u>(50,028)</u>	<u>(42,456)</u>
Operating profit	9,914	8,600
Interest expenses	<u>(1,804)</u>	<u>(1,304)</u>
Profit before tax	8,110	7,296
Taxation	<u>(2,916)</u>	<u>(2,835)</u>
Profit for the period	<u>5,194</u>	<u>4,461</u>

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

	30 Sep 05 \$'000	30 Sep 04 \$'000
Operating cashflows	4,804	-
Investing cashflows	(2,389)	-
Financing cashflows	<u>(17,766)</u>	-
Net cashflows	<u>(15,351)</u>	-

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

Disposal group held for sale:		
Fixed assets	202,466	-
Other assets	4,431	-
Stocks	10,781	-
Debtors	31,886	-
Cash and cash equivalents	<u>14,805</u>	-
	<u>264,369</u>	-

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

Creditors	20,605	-
Provision for taxation	5,910	-
Term loans	122,827	-
Deferred liabilities	6,242	-
Deferred taxation	<u>9,177</u>	-
	<u>164,761</u>	-

3. CONSOLIDATED CASH FLOW STATEMENTS for the first quarter ended 30 September 2005

	Note	First Quarter ended	
		30 Sep 05 \$'000	30 Sep 04 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit		22,943	10,070
Adjustments:			
Depreciation and amortisation		14,768	3,206
Investment income		(760)	(1,191)
Amortisation of interest		-	(116)
Profit on disposal of fixed assets		(137)	-
Cash flow from operations before changes in working capital		36,814	11,969
Working capital changes:			
Stocks		(2,036)	(1,181)
Debtors		4,970	6,104
Creditors		(7,625)	1,342
Translation of foreign subsidiaries and others		(660)	(933)
Cash from operations		31,463	17,301
Interest paid		(6,225)	(1,306)
Income taxes paid		(257)	(609)
Net cash from operating activities		24,981	15,386
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries	3a	(693,266)	(67,877)
Purchase of fixed assets		(39,545)	(2,501)
Proceeds from disposal of fixed assets		1,393	-
Net proceeds from disposal and capital distribution of investments		3,127	2,147
Purchase of investments		(972)	(943)
Net cash used in investing activities		(729,263)	(69,174)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		2,062	76,357
Proceeds from term loans		587,739	-
Repayment of term loans		(993)	(1,684)
Distribution to minority shareholder of subsidiaries		-	(95)
Withdrawal of non-current bank deposits - net		-	303
Net cash from financing activities		588,808	74,881
Increase/(decrease) in cash and cash equivalents		(115,474)	21,093
Cash and cash equivalents at beginning of period		201,046	29,103
Effects of exchange rate changes on cash and cash equivalents		(289)	(1,246)
Cash and cash equivalents at end of period		85,283	48,950
Comprising :			
Cash from Continuing operations		70,478	48,950
Cash from Discontinued operation		14,805	-
		85,283	48,950

Notes to Consolidated Cashflow Statements

3a. Acquisition of Subsidiaries

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

	30 Sep 05 \$'000	30 Sep 04 \$'000
Fixed assets	540,983	33,837
Associated company	76,392	-
Available-for-sale investments	44,404	1,488
Debtors	23,260	437
Stocks	4,420	3,367
Intangibles	55,880	-
Other assets	13,730	-
Cash and cash equivalents	39,342	-
Creditors	(50,468)	-
Provision for taxation	(15,121)	-
Deferred taxation	(139,044)	-
Deferred liabilities	(658)	-
Minority Interest	(45,660)	-
Net assets acquired	<u>547,460</u>	<u>39,129</u>
Goodwill	<u>185,148</u>	<u>28,748</u>
Purchase consideration	732,608	67,877
Less : cash and cash equivalents acquired	<u>(39,342)</u>	<u>-</u>
Cash outflow on acquisition, net of cash acquired	<u><u>693,266</u></u>	<u><u>67,877</u></u>

Note :

The fair values of the assets acquired in the first quarter of FY2006 were based on an independent valuation conducted for the purpose of purchase price allocation of the assets acquired from Helm.

3b. Breakdown of cash and cash equivalents

	30 Sep 05 \$'000	30 Sep 04 \$'000
Bank balances, deposits and cash	29,965	35,796
Deposits with related parties	6,624	13,154
Restricted cash held in escrow	<u>33,889</u>	<u>-</u>
	<u><u>70,478</u></u>	<u><u>48,950</u></u>

Restricted cash held in escrow represents cash deposited in an escrow account principally to provide indemnity to the Company for representations and warranties made to the Company arising from the acquisition of Helm. To the extent these funds are not used to indemnify the Company, they will be released to the sellers of Helm, in accordance with the terms of the Purchase Agreement.

4. STATEMENTS OF CHANGES IN EQUITY

4a. Group Statement of Changes in Equity for the first quarter ended 30 September

	Share Capital S\$'000	Share Premium Account S\$'000	Investment Revaluation Account 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
Currency translation loss realised and transferred to profit and loss account	-	-	-	-	-	-	-	-
Transfer to deferred taxation	-	-	-	-	-	-	-	-
	-	-	3,352	2,575	-	5,927	451	6,378
Profit for the year	-	-	-	-	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

Group Statement of Changes in Equity for the first quarter ended 30 September

	Share Capital S\$'000	Share Premium Account S\$'000	Investment Revaluation Account 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 year	-	-	-	-	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

* 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 investment revaluation account as at 1 July 2005. See paragraph 8 for further details on the implementation of FRS 39.

4b. Company Statement of Changes in Equity for the first quarter ended 30 September

	Share Capital S\$'000	Share Premium S\$'000	Investment Revaluation Account 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
Exchange differences arising on net investment in a foreign entity	-	-	-	-	-	-
	-	-	3,603	-	-	3,603
Profit 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

Company Statement of Changes in Equity for the first quarter ended 30 September

	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

4c. Share capital

Issue of new shares under the share option schemes

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 30 September 2005, there were unexercised options for 8,345,500 (September 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 (September 2004: 230 million) to subscribe for 268 million ordinary shares of \$0.10 each.

The issued share capital of the Company as at 30 September 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 Investment Revaluation Account 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

The Group recorded total revenue of \$153.9 million in the first quarter of FY2006 (1Q FY2006), representing an increase of 94% over 1Q FY2005. Profit attributable to shareholders for 1Q FY2006 was \$6.6 million, an increase of 79% over the prior corresponding period. Earnings per share increased to 0.35 cents from 0.20 cents, marking a 75% increase over 1Q FY2005. Group EBITDA was \$39.6 million, representing an increase of 235% over the prior corresponding period.

The improved results for 1Q FY2006 were mainly attributable to contributions from (i) Helm Holding Corporation (Helm), the Group's transportation leasing operations; (ii) Mid Pac Petroleum, LLC, the Group's retail gas operations in Hawaii (Mid Pac); and (iii) The Gas Company, LLC (GASCO).

The Group recorded contributions from Helm since the completion of the acquisition of the company on 8 July 2005, and a full quarter's results from Mid Pac compared to one month in the prior corresponding period as Mid Pac was acquired in September 2004. Correspondingly, raw materials, consumables, staff costs and other operating expenses for the first quarter also increased compared to 1Q FY2005.

Depreciation and amortisation in 1Q FY2006 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 \$0.7 million in profit attributable to shareholders.

The increase in interest expense in 1Q FY2006 was due mainly to the acquisition financing of Helm. The Group's share of result of associated companies in 1Q FY2006 represented earnings from Helm's joint ventures and associated company.

10. VARIANCE FROM PROSPECT STATEMENT

No variance from previous prospect statement.

11. PROSPECTS

Following the acquisition of Helm, the Group has grown into a sizeable diversified investment company with total assets of \$1.68 billion. The proceeds from the sale of GASCO, which is expected to complete by June 2006, will contribute significantly to the Group. It is anticipated that the Group's continuing operations in transportation leasing and retail gasoline operations will positively impact the results of the Group.

Management will continue to focus on growth and expansion opportunities, and seek additional investment opportunities that are accretive to earnings and cash flow.

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? None.

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 first quarter ended 30 September 2005.

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.

First Quarter ended 30 September

	Continuing Operations				Total	Discontinued Operation	Total Operations
	Energy	Transportation leasing	Investments	Elimination			
2005	\$'000	\$'000	\$'000	\$'000	\$'000	GASCO \$'000	\$'000
Revenue	59,319	34,388	1,358	(1,109)	93,956	59,942	153,898
Results							
Operating profit/(loss)	1,290	13,169	(321)	(1,109)	13,029	9,914	22,943
Interest expenses	(1,109)	(10,515)	(219)	1,109	(10,734)	(1,804)	(12,538)
Foreign exchange loss	-	-	(288)	-	(288)	-	(288)
Share of results of associated company	-	2,223	-	-	2,223	-	2,223
Profit/(loss)\ before taxation	<u>181</u>	<u>4,877</u>	<u>(828)</u>	<u>-</u>	<u>4,230</u>	<u>8,110</u>	<u>12,340</u>
Other information							
Segment assets	217,933	942,915	228,107	(51,769)	1,337,186	264,369	1,601,555
Investment in associated company	-	79,148	-	-	79,148	-	79,148
Tax recoverable	853	1,890	-	-	2,743	-	2,743
Total	<u>218,786</u>	<u>1,023,953</u>	<u>228,107</u>	<u>(51,769)</u>	<u>1,419,077</u>	<u>264,369</u>	<u>1,683,446</u>
Segment liabilities	61,866	629,459	17,754	(51,769)	657,310	149,673	806,983
Net tax provision & deferred taxation	18,487	158,349	2,483	-	179,319	15,088	194,407
Total	<u>80,353</u>	<u>787,808</u>	<u>20,237</u>	<u>(51,769)</u>	<u>836,629</u>	<u>164,761</u>	<u>1,001,390</u>
Net assets	<u>138,433</u>	<u>236,145</u>	<u>207,870</u>	<u>-</u>	<u>582,448</u>	<u>99,608</u>	<u>682,056</u>
Capital expenditure	1,143	36,008	-	-	37,151	2,394	39,545
Depreciation and amortisation	(955)	(12,288)	(33)	-	(13,276)	(1,492)	(14,768)

First Quarter ended 30 September

	Continuing Operations					Discontinued Operation	Total Operations
	Energy \$'000	Transportation leasing \$'000	Investments \$'000	Elimination \$'000	Total \$'000	GASCO \$'000	\$'000
2004							
Revenue	<u>27,366</u>	<u>-</u>	<u>1,108</u>	<u>-</u>	<u>28,474</u>	<u>51,056</u>	<u>79,530</u>
Results							
Operating profit/(loss)	2,219	-	(749)	-	1,470	8,600	10,070
Interest expenses	(60)	-	-	-	(60)	(1,304)	(1,364)
Foreign exchange loss	(811)	-	(435)	-	(1,246)	-	(1,246)
Share of results of associated company	-	-	(198)	-	(198)	-	(198)
Profit/(loss) before taxation	<u>1,348</u>	<u>-</u>	<u>(1,382)</u>	<u>-</u>	<u>(34)</u>	<u>7,296</u>	<u>7,262</u>
Other information							
Segment assets	532,025	-	205,536	(60,937)	676,624	-	676,624
Investment in associated company	-	-	48,856	-	48,856	-	48,856
Total	<u>532,025</u>	<u>-</u>	<u>254,392</u>	<u>(60,937)</u>	<u>725,480</u>	<u>-</u>	<u>725,480</u>
Segment liabilities	248,871	-	959	(60,937)	188,893	-	188,893
Net tax provision & deferred taxation	6,435	-	4,609	-	11,044	-	11,044
Total	<u>255,306</u>	<u>-</u>	<u>5,568</u>	<u>(60,937)</u>	<u>199,937</u>	<u>-</u>	<u>199,937</u>
Net assets	<u>276,719</u>	<u>-</u>	<u>248,824</u>	<u>-</u>	<u>525,543</u>	<u>-</u>	<u>525,543</u>
Capital expenditure	2,498	-	3	-	2,501	-	2,501
Depreciation and amortisation	(1,020)	-	(49)	-	(1,069)	(2,137)	(3,206)

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.

First Quarter ended 30 September

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>China/ Hong Kong</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
2005					
Continuing operations					
External sales	178	93,771	7	-	93,956
Segment assets	19,685	1,294,864	16,819	5,818	1,337,186
Capital expenditure	-	37,151	-	-	37,151
Discontinued operation					
External sales	-	59,942	-	-	59,942
Segment assets	-	264,369	-	-	264,369
Capital expenditure	-	2,394	-	-	2,394

First Quarter ended 30 September

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>China/ Hong Kong</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
2004					
Continuing operations					
External sales	179	28,292	3	-	28,474
Segment assets	18,017	697,664	3,491	6,308	725,480
Capital expenditure	-	2,501	-	-	2,501
Discontinued operation					
External sales	-	51,056	-	-	51,056

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 30 Sep 05 \$'000	1 Jul 04 to 30 Sep 04 \$'000	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 04 to 30 Sep 04 \$'000
KCL Group	-	-	19,956	13,333
Greenstreet Partners	-	-	*8,305	*6,205
Total	-	-	28,261	19,538

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

BY ORDER OF THE BOARD

Lawrence Chan
 Company Secretary
 14-Nov-05