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## **PRESS RELEASE**

### **k1 Ventures Limited Unaudited Results for the Second Quarter and Half Year Ended 31 December 2010**

**Singapore, 10 February 2011** - The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the Second Quarter and Half Year ended 31 December 2010.

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# K1 VENTURES LIMITED

Co. Reg. No. 197000535W  
(Incorporated in the Republic of Singapore)

## SECOND QUARTER 2011 FINANCIAL STATEMENTS

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# K1 VENTURES LIMITED

## SECOND QUARTER 2011 FINANCIAL STATEMENTS

### UNAUDITED RESULTS FOR SECOND QUARTER AND HALF YEAR ENDED 31 DECEMBER 2010

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the second quarter and half year ended 31 December 2010.

#### 1. GROUP PROFIT AND LOSS ACCOUNT for the second quarter and half year ended 31 December 2010

	Note	1 Oct 10 to 31 Dec 10 \$'000	1 Oct 09 to 31 Dec 09 \$'000	+ / (-) %	1 Jul 10 to 31 Dec 10 \$'000	1 Jul 09 to 31 Dec 09 \$'000	+ / (-) %
<b>Revenue</b>	1a	<b>16,028</b>	18,009	(11.0)	<b>32,562</b>	39,154	(16.8)
Staff costs		(2,481)	(2,764)	(10.2)	(4,918)	(5,637)	(12.8)
Depreciation and amortisation		(8,236)	(12,966)	(36.5)	(16,922)	(26,165)	(35.3)
Other operating expenses		(4,437)	(4,203)	5.6	(8,567)	(8,541)	0.3
<b>Operating profit/(loss)</b>		<b>874</b>	(1,924)	NM	<b>2,155</b>	(1,189)	NM
Finance expenses		(1,833)	(2,142)	(14.4)	(3,853)	(4,402)	(12.5)
Foreign exchange loss		(352)	(56)	>500.0	(1,141)	(477)	139.2
Share of results of associated company and joint ventures		<u>2,570</u>	<u>3,685</u>	(30.3)	<u>4,202</u>	<u>5,699</u>	(26.3)
<b>Profit/(loss) before taxation</b>		<b>1,259</b>	(437)	NM	<b>1,363</b>	(369)	NM
Taxation		(1,556)	(147)	>500.0	(3,710)	(580)	>500.0
<b>Loss for the period</b>		<b>(297)</b>	(584)	(49.1)	<b>(2,347)</b>	(949)	147.3
<b>Attributable to:</b>							
Shareholders of the Company		(812)	(550)	47.6	(2,967)	(670)	342.8
Non-controlling interests		<u>515</u>	<u>(34)</u>	NM	<u>620</u>	<u>(279)</u>	NM
		<u>(297)</u>	<u>(584)</u>	(49.1)	<u>(2,347)</u>	<u>(949)</u>	147.3
<b>EBITDA *</b>		<b>11,328</b>	14,671	(22.8)	<b>22,138</b>	30,198	(26.7)
<b>Loss per ordinary share</b>							
- basic	1d	(0.04) cts	(0.02) cts	100.0	(0.14) cts	(0.03) cts	366.7
- diluted	1d	(0.04) cts	(0.02) cts	100.0	(0.14) cts	(0.03) cts	366.7

\* EBITDA is defined as profit before tax, finance expenses, depreciation and amortisation.

\*\* NM - Not meaningful

## NOTES TO GROUP PROFIT AND LOSS ACCOUNT

### 1a. Breakdown of revenue

	<b>1 Oct 10 to 31 Dec 10 \$'000</b>	1 Oct 09 to 31 Dec 09 \$'000	+ / (-) %	<b>1 Jul 10 to 31 Dec 10 \$'000</b>	1 Jul 09 to 31 Dec 09 \$'000	+ / (-) %
Revenue from transportation leasing	<b>12,811</b>	13,343	(4.0)	<b>24,033</b>	28,465	(15.6)
Proceeds from sale of investments	<b>1,454</b>	796	82.7	<b>2,507</b>	4,166	(39.8)
Interest income from:						
- Related parties	<b>104</b>	80	30.0	<b>197</b>	165	19.4
- Others	<b>64</b>	203	(68.5)	<b>131</b>	398	(67.1)
Others	<b>1,595</b>	3,587	(55.5)	<b>5,694</b>	5,960	(4.5)
	<b>16,028</b>	18,009	(11.0)	<b>32,562</b>	39,154	(16.8)

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

	<b>1 Oct 10 to 31 Dec 10 \$'000</b>	1 Oct 09 to 31 Dec 09 \$'000	+ / (-) %	<b>1 Jul 10 to 31 Dec 10 \$'000</b>	1 Jul 09 to 31 Dec 09 \$'000	+ / (-) %
Profit on disposal of fixed assets	<b>632</b>	2,395	(73.6)	<b>3,580</b>	3,669	(2.4)
Profit on sale of investments	<b>1,454</b>	796	82.7	<b>2,507</b>	4,166	(39.8)
(Provision)/write-back of provision for doubtful debts	<b>(23)</b>	64	NM	<b>(23)</b>	58	NM

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

### 1d. Loss per ordinary share

	GROUP			GROUP		
	<b>1 Oct 10 to 31 Dec 10</b>	1 Oct 09 to 31 Dec 09	+ / (-) %	<b>1 Jul 10 to 31 Dec 10</b>	1 Jul 09 to 31 Dec 09	+ / (-) %
Loss per ordinary share of the Group based on net loss attributable to shareholders:-						
(i) Based on weighted average number of shares	<b>(0.04) cts</b>	(0.02) cts	100.0	<b>(0.14) cts</b>	(0.03) cts	366.7
- Weighted average number of shares ('000)	<b>2,165,618</b>	2,165,617	-	<b>2,165,618</b>	2,165,617	-
(ii) On a fully diluted basis	<b>(0.04) cts</b>	(0.02) cts	100.0	<b>(0.14) cts</b>	(0.03) cts	366.7
- Adjusted weighted average number of shares ('000)	<b>2,165,618</b>	2,165,617	-	<b>2,165,618</b>	2,165,617	-

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

**2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the second quarter and half year ended 31 December 2010**

	<b>1 Oct 10 to 31 Dec 10 \$'000</b>	<b>1 Oct 09 to 31 Dec 09 \$'000</b>	<b>+ / (-) %</b>	<b>1 Jul 10 to 31 Dec 10 \$'000</b>	<b>1 Jul 09 to 31 Dec 09 \$'000</b>	<b>+ / (-) %</b>
<b>Loss for the period</b>	<u>(297)</u>	<u>(584)</u>	(49.1)	<u>(2,347)</u>	<u>(949)</u>	147.3
Fair value changes on available-for-sale investments	(1,461)	1,827	NM	9,249	4,854	90.5
Fair value gain on available-for-sale assets realised & transferred to profit and loss account	(985)	-	NM	(1,913)	(2,531)	(24.4)
Exchange differences arising on consolidation	(7,521)	(1,235)	>500.0	(25,751)	(10,479)	145.7
Share of other comprehensive income/(expense) of joint venture	<u>440</u>	<u>234</u>	88.0	<u>154</u>	<u>(49)</u>	NM
<b>Other comprehensive (expense)/ income for the period</b>	<u>(9,527)</u>	<u>826</u>	NM	<u>(18,261)</u>	<u>(8,205)</u>	122.6
<b>Total comprehensive (expense)/ income for the period</b>	<u>(9,824)</u>	<u>242</u>	NM	<u>(20,608)</u>	<u>(9,154)</u>	125.1
<b>Attributable to:</b>						
Shareholders of the Company	(9,252)	419	NM	(17,245)	(7,255)	137.7
Non-controlling interests	<u>(572)</u>	<u>(177)</u>	223.2	<u>(3,363)</u>	<u>(1,899)</u>	77.1
	<u>(9,824)</u>	<u>242</u>	NM	<u>(20,608)</u>	<u>(9,154)</u>	125.1

### 3. BALANCE SHEETS as at 31 December 2010

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Dec 10 \$'000</b>	<b>As at 30 Jun 10 \$'000</b>	<b>As at 30 Dec 10 \$'000</b>	<b>As at 30 Jun 10 \$'000</b>
<b>Share capital</b>	<b>196,439</b>	196,439	<b>196,439</b>	196,439
<b>Reserves</b>	<b>154,208</b>	182,281	<b>91,564</b>	106,495
<b>Share capital &amp; reserves</b>	<b>350,647</b>	378,720	<b>288,003</b>	302,934
<b>Non-controlling interests</b>	<b>43,623</b>	46,986	-	-
<b>Capital employed</b>	<b>394,270</b>	425,706	<b>288,003</b>	302,934
<b>Represented by:</b>				
<b>Fixed assets</b>	<b>246,889</b>	298,550	-	-
<b>Subsidiaries</b>	-	-	<b>288,314</b>	288,314
<b>Associated company and joint ventures</b>	<b>51,933</b>	54,046	-	-
<b>Available-for-sale investments</b>	<b>109,854</b>	118,304	<b>17,398</b>	19,971
<b>Other assets</b>	<b>909</b>	1,715	-	-
<b>Intangibles</b>	<b>176,701</b>	193,406	-	-
	<b>586,286</b>	666,021	<b>305,712</b>	308,285
<b>Current assets</b>				
Stocks	<b>7,220</b>	5,300	-	-
Amounts due from:				
- subsidiaries	-	-	<b>6</b>	7
Debtors	<b>6,051</b>	6,813	<b>30</b>	23
Bank balances, deposits & cash	<b>166,748</b>	164,242	<b>27,945</b>	40,838
	<b>180,019</b>	176,355	<b>27,981</b>	40,868
<b>Current liabilities</b>				
Creditors	<b>2,751</b>	5,014	<b>34,109</b>	34,381
Amounts due to:				
- subsidiaries	-	-	<b>973</b>	1,463
- associated company and joint ventures	<b>159</b>	42	-	-
Term loans	<b>183,499</b>	1,740	-	-
Provision for taxation	<b>45,787</b>	46,388	<b>2,055</b>	2,055
	<b>232,196</b>	53,184	<b>37,137</b>	37,899
<b>Net current (liabilities)/assets</b>	<b>(52,177)</b>	123,171	<b>(9,156)</b>	2,969
<b>Non-current liabilities</b>				
Term loans	-	218,172	-	-
Deferred liabilities	<b>4,479</b>	2,332	-	-
Deferred taxation	<b>135,360</b>	142,982	<b>8,553</b>	8,320
	<b>139,839</b>	363,486	<b>8,553</b>	8,320
<b>Net assets</b>	<b>394,270</b>	425,706	<b>288,003</b>	302,934

## NOTES TO BALANCE SHEETS

### 3a. Group's borrowings and debt securities

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

As at 31 Dec 10		As at 30 Jun 10	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
183,499	-	1,740	-

#### (ii) Amount repayable after one year

As at 31 Dec 10		As at 30 Jun 10	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	-	218,172	-

#### (iii) Details of any collateral

The term loans pertain 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 \$349 million (June 2010: \$402 million).

### 3b. Net asset value

	GROUP			COMPANY		
	As at 31 Dec 10	As at 30 Jun 10	+/(-)%	As at 31 Dec 10	As at 30 Jun 10	+/(-)%
Net asset value per ordinary share #	\$0.16	\$0.17	(5.9)	\$0.13	\$0.14	(7.1)
Net tangible asset value per ordinary share #	\$0.10	\$0.10	-	\$0.13	\$0.14	(7.1)

# Based on issued share capital of 2,165,618,003 ordinary shares as at the end of the financial period (June 2010: 2,165,618,003).

### 3c. Balance sheet review

Group shareholders' funds decreased from \$378.7 million at 30 June 2010 to \$350.6 million at 31 December 2010. The decrease was mainly attributable to a dividend distribution to shareholders of \$10.8 million in November 2010, a decrease in translation reserves, and a loss of \$3.0 million for the period, offset in part by an upward revaluation of the Group's investment in McMoRan Exploration Co. ("MMR").

Group total assets of \$766.3 million at 31 December 2010 were \$76.1 million lower than the previous year end, resulting from a decrease in fixed assets principally due to the sale and depreciation of rail equipment at Helm. The decrease in available-for-sale investments was principally attributable to cash distributions received from certain investments, offset by an upward revaluation of the Group's investment in MMR.

Group total liabilities of \$372.0 million at 31 December 2010 were \$44.7 million lower than the previous year end. Decrease in term loans was mainly due to loan repayments made by Helm. The Company has begun discussions regarding the refinancing of Helm's long term debt, which is entirely classified as current liabilities at 31 December 2010, and expects to refinance the debt prior to its maturity date.

All U.S. dollar denominated balances were impacted by currency exchange fluctuations.

4. **STATEMENTS OF CHANGES IN EQUITY**  
for the second quarter and half year ended 31 December 2010

4a. Group Statement of Changes in Equity

	Attributable to equity holders of the Company						
	Share Capital	Capital Reserves	Foreign	Revenue Reserves	Share Capital & Reserves	Non- controlling Interests	Capital Employed
			Exchange Translation Account				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>2010</b>							
<b>As at 1 July 2010</b>	196,439	11,268	(49,358)	220,371	378,720	46,986	425,706
<b>Total comprehensive income/ (expense) for first quarter</b>							
(Loss)/profit for first quarter	-	-	-	(2,155)	(2,155)	105	(2,050)
Other comprehensive income/(expense)	-	9,553	(15,391)	-	(5,838)	(2,896)	(8,734)
<b>Total comprehensive income/ (expense) for first quarter</b>	-	9,553	(15,391)	(2,155)	(7,993)	(2,791)	(10,784)
<b>As at 30 September 2010</b>	196,439	20,821	(64,749)	218,216	370,727	44,195	414,922
<b>Total comprehensive income/ (expense) for second quarter</b>							
(Loss)/profit for second quarter	-	-	-	(812)	(812)	515	(297)
Other comprehensive expense	-	(2,094)	(6,346)	-	(8,440)	(1,087)	(9,527)
<b>Total comprehensive expense for second quarter</b>	-	(2,094)	(6,346)	(812)	(9,252)	(572)	(9,824)
<b>Transactions with equity holders, recorded directly in equity</b>							
Dividend paid	-	-	-	(10,828)	(10,828)	-	(10,828)
<b>As at 31 December 2010</b>	196,439	18,727	(71,095)	206,576	350,647	43,623	394,270
<b>2009</b>							
<b>As at 1 July 2009</b>	196,437	2,816	(38,964)	259,264	419,553	54,249	473,802
<b>Total comprehensive income/ (expense) for first quarter</b>							
Loss for first quarter	-	-	-	(120)	(120)	(245)	(365)
Other comprehensive income/(expense)	-	273	(7,827)	-	(7,554)	(1,477)	(9,031)
<b>Total comprehensive income/ (expense) for first quarter</b>	-	273	(7,827)	(120)	(7,674)	(1,722)	(9,396)
<b>Transactions with equity holders, recorded directly in equity</b>							
Shares issued	2	-	-	-	2	-	2
<b>As at 30 September 2009</b>	196,439	3,089	(46,791)	259,144	411,881	52,527	464,408
<b>Total comprehensive income/ (expense) for second quarter</b>							
Loss for second quarter	-	-	-	(550)	(550)	(34)	(584)
Other comprehensive income/(expense)	-	2,015	(1,046)	-	969	(143)	826
<b>Total comprehensive income/ (expense) for second quarter</b>	-	2,015	(1,046)	(550)	419	(177)	242
<b>Transactions with equity holders, recorded directly in equity</b>							
Dividend paid	-	-	-	(16,242)	(16,242)	-	(16,242)
<b>As at 31 December 2009</b>	196,439	5,104	(47,837)	242,352	396,058	52,350	448,408



4b. Company Statement of Changes in Equity

	<u>Share Capital</u> \$'000	<u>Capital Reserves</u> \$'000	<u>Revenue Reserves</u> \$'000	<u>Total</u> \$'000
<b>2010</b>				
<b>As at 1 July 2010</b>	196,439	1,195	105,300	302,934
<b>Total comprehensive expense for first quarter</b>				
Loss for first quarter	-	-	(1,141)	(1,141)
Other comprehensive expense	-	(928)	-	(928)
<b>Total comprehensive expense for first quarter</b>	-	(928)	(1,141)	(2,069)
<b>As at 30 September 2010</b>	<b>196,439</b>	<b>267</b>	<b>104,159</b>	<b>300,865</b>
<b>Total comprehensive expense for second quarter</b>				
Loss for second quarter	-	-	(582)	(582)
Other comprehensive expense	-	(1,452)	-	(1,452)
<b>Total comprehensive expense for second quarter</b>	-	(1,452)	(582)	(2,034)
<b>Transactions with equity holders, recorded directly in equity</b>				
Dividend paid	-	-	(10,828)	(10,828)
<b>As at 31 December 2010</b>	<b>196,439</b>	<b>(1,185)</b>	<b>92,749</b>	<b>288,003</b>
<b>2009</b>				
<b>As at 1 July 2009</b>	196,437	2,477	113,619	312,533
<b>Total comprehensive (expense)/income for first quarter</b>				
Profit for first quarter	-	-	1,427	1,427
Other comprehensive expense	-	(2,531)	-	(2,531)
<b>Total comprehensive (expense)/income for first quarter</b>	-	(2,531)	1,427	(1,104)
<b>Transactions with equity holders, recorded directly in equity</b>				
Shares issued	2	-	-	2
<b>As at 30 September 2009</b>	<b>196,439</b>	<b>(54)</b>	<b>115,046</b>	<b>311,431</b>
<b>Total comprehensive income/(expense) for second quarter</b>				
Loss for second quarter	-	-	(459)	(459)
Other comprehensive income	-	892	-	892
<b>Total comprehensive income/(expense) for second quarter</b>	-	892	(459)	433
<b>Transactions with equity holders, recorded directly in equity</b>				
Dividend paid	-	-	(16,242)	(16,242)
<b>As at 31 December 2009</b>	<b>196,439</b>	<b>838</b>	<b>98,345</b>	<b>295,622</b>

4c. Share capital

Since 30 June 2010, there was no issue of ordinary shares by the Company. As at 31 December 2010, there were no unexercised options for unissued ordinary shares (June 2010: nil) under the k1 Ventures Share Option Scheme 2000.

The issued share capital of the Company as at 31 December 2010 was 2,165,618,003 ordinary shares.

As at 31 December 2010, the Company was not holding any treasury shares.

**5. CONSOLIDATED STATEMENT OF CASH FLOWS  
for the second quarter and half year ended 31 December 2010**

	Second Quarter		Half Year	
	1 Oct 10	1 Oct 09	1 Jul 10	1 Jul 09
	Note to 31 Dec 10 \$'000	to 31 Dec 09 \$'000	to 31 Dec 10 \$'000	to 31 Dec 09 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating profit/(loss)	874	(1,924)	2,155	(1,189)
Adjustments:				
Depreciation and amortisation	8,236	12,966	16,922	26,165
Profit on disposal of fixed assets	(632)	(2,395)	(3,580)	(3,669)
Profit on sale of investments	(1,454)	(796)	(2,507)	(4,166)
Cash flow from operations before changes in working capital	7,024	7,851	12,990	17,141
Working capital changes:				
Stocks	1,467	723	3,070	1,960
Debtors	(1,921)	(779)	146	(58)
Creditors	1,988	204	558	(1,013)
Translation of foreign subsidiaries and others	(1,411)	(115)	(4,854)	(2,180)
	7,147	7,884	11,910	15,850
Interest paid	(1,410)	(1,177)	(3,030)	(3,015)
Income taxes paid	(3,861)	(3,508)	(4,992)	(4,775)
<b>Net cash from operating activities</b>	<b>1,876</b>	<b>3,199</b>	<b>3,888</b>	<b>8,060</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(1,023)	(1,061)	(1,610)	(1,771)
Proceeds from disposal of fixed assets	1,435	6,571	10,789	14,930
Proceeds from distributions from associated company and joint venture	998	641	1,928	1,013
Net proceeds from disposal and capital distribution of investments	17,178	796	18,231	4,166
Purchase of investment	-	(14)	-	(14)
<b>Net cash from investing activities</b>	<b>18,588</b>	<b>6,933</b>	<b>29,338</b>	<b>18,324</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from share issues	-	-	-	2
Repayment of term loans	(7,699)	(7,693)	(18,751)	(12,197)
Dividend paid to shareholders of the Company	(10,828)	(16,242)	(10,828)	(16,242)
<b>Net cash used in financing activities</b>	<b>(18,527)</b>	<b>(23,935)</b>	<b>(29,579)</b>	<b>(28,437)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,937</b>	<b>(13,803)</b>	<b>3,647</b>	<b>(2,053)</b>
<b>Cash and cash equivalents as at beginning of period</b>	<b>165,163</b>	<b>196,143</b>	<b>164,242</b>	<b>184,814</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(352)</b>	<b>(56)</b>	<b>(1,141)</b>	<b>(477)</b>
<b>Cash and cash equivalents at end of period</b>	<b>166,748</b>	<b>182,284</b>	<b>166,748</b>	<b>182,284</b>

**NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS**

5a. Bank balances, deposits and cash

	As at 30 Dec 10 \$'000	As at 30 Dec 09 \$'000
Bank balances, deposits and cash	79,564	92,607
Deposits with related parties	87,184	89,677
Cash and cash equivalents	166,748	182,284

**6. AUDIT**

The financial statements have not been audited nor reviewed by the Company's auditors.

**7. AUDITORS' REPORT**

Not applicable

**8. ACCOUNTING POLICIES**

Except as disclosed in paragraph 9 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 2010.

**9. CHANGES IN THE ACCOUNTING POLICIES**

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2010. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following is the new or amended FRS that is relevant to the Group:

Amendments to FRS 103      Business Combinations

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

**10. REVIEW OF GROUP PERFORMANCE**

Group net loss for the half year was \$3.0 million and basic loss per share was 0.14 cents. EBITDA of \$22.1 million was \$8.1 million lower than that of the corresponding prior year period.

For the second quarter, Group revenue was \$16.0 million as compared to \$18.0 million in the corresponding prior year quarter, resulting from lower revenue from Helm and interest income from fixed deposits partially offset by a \$658,000 increase in gain from distributions. Group net loss was \$812,000 as compared to a loss of \$550,000 in the prior year quarter. Higher operating profit from Helm was offset by an increase in Group taxation due to an increase in the U.S. tax provision resulting from a foreign currency gain on fixed deposits.

For the half year, Group revenue was \$32.6 million as compared to \$39.2 million for the corresponding period in 2009. The decrease was driven by a decline in Helm revenue of \$4.9 million, due to fewer railcars on lease. Proceeds from the sale of investments decreased by 40%.

At the pre-tax level, Group profit was \$1.4 million as compared to a loss of \$369,000 in the corresponding period in 2009. Despite lower revenue, earnings from Helm increased by \$4.8 million driven by lower operating costs and finance expenses during the first half of the year. Group foreign exchange loss increased to \$1.1 million due to fluctuations in the exchange rate between the Singapore dollar and U.S. dollar.

After taking into account income tax expenses and non-controlling interests, net loss attributable to shareholders was \$3.0 million as compared to a loss of \$670,000 in the previous year. Group taxation was \$3.7 million for the first half compared to \$580,000 in 2009.

In the opinion of the Directors, no factor has arisen between 31 December 2010 and the date of this report which would materially affect the results of the Group and the Company for the period just ended.

**11. VARIANCE FROM FORECAST STATEMENT**

No forecast for the half year ended 31 December 2010 was previously provided.

**12. PROSPECTS**

The Group's operating subsidiary, Helm Holding Corporation, has begun to show signs of improvement, although it is expected to continue to be impacted by weakness in the overall demand for rail assets.

Management is assessing market fundamentals with a view to identify opportunistic investments, while continuing its focus on current investments and shareholder value enhancement.

**13. DIVIDEND**

13a. Current Financial Period Reported On

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

13b. Corresponding Period of the Immediately Preceding Financial Year

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

13c. Date Payable

Not applicable

13d. Books Closure Date

Not applicable

13e. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the quarter ended 31 December 2010.

For the year ended 30 June 2010, the Board of Directors had recommended a tax exempt one-tier final dividend of 0.5 cents per share. The dividend was approved by shareholders at the Annual General Meeting held on 15 October 2010. The dividend was paid to the shareholders on 2 November 2010.

## 14. SEGMENT ANALYSIS

Half year ended 31 December 2010

	<u>Transportation Leasing</u> \$'000	<u>Investments</u> \$'000	<u>Total</u> \$'000
<b>Revenue</b>	<b>29,800</b>	<b>2,762</b>	<b>32,562</b>
<b>Segment Results</b>			
Operating profit	1,986	169	2,155
Finance expenses	(3,853)	-	(3,853)
Foreign exchange loss	-	(1,141)	(1,141)
Share of results of associated company and joint ventures	4,202	-	4,202
Profit/(loss) before taxation	2,335	(972)	1,363
Taxation	(980)	(2,730)	(3,710)
Profit/(loss) for the period	1,355	(3,702)	(2,347)
Attributable to:			
Shareholders of the Company	735	(3,702)	(2,967)
Non-controlling interests	620	-	620
	1,355	(3,702)	(2,347)
<b>Other information</b>			
Segment assets	527,628	238,677	766,305
Segment liabilities	308,416	63,619	372,035
Net assets	219,212	175,058	394,270
Investment in associated company and joint ventures	51,933	-	51,933
Additions to non-current assets	1,610	-	1,610
Interest income	73	255	328
Depreciation and amortisation	16,919	3	16,922

### Geographical Information

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	197	29,858	2,507	32,562
Non-current assets	-	476,432	-	476,432

## Half year ended 31 December 2009

	Transportation <u>Leasing</u> \$'000	<u>Investments</u> \$'000	<u>Total</u> \$'000
<b>Revenue</b>	34,686	4,468	39,154
<b>Segment Results</b>			
Operating (loss)/profit	(3,717)	2,528	(1,189)
Finance expenses	(4,402)	-	(4,402)
Foreign exchange loss	-	(477)	(477)
Share of results of associated company and joint ventures	5,699	-	5,699
(Loss)/profit before taxation	(2,420)	2,051	(369)
Taxation	1,018	(1,598)	(580)
(Loss)/profit for the period	(1,402)	453	(949)
Attributable to:			
Shareholders of the Company	(1,123)	453	(670)
Non-controlling interests	(279)	-	(279)
	(1,402)	453	(949)
<b>Other information</b>			
Segment assets	682,667	236,463	919,130
Segment liabilities	417,836	52,886	470,722
Net assets	264,831	183,577	448,408
Investment in associated company and joint ventures	52,829	-	52,829
Additions to non-current assets	1,771	-	1,771
Interest revenue	261	302	563
Depreciation and amortisation	26,162	3	26,165

## Geographical Information

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	165	34,823	4,166	39,154
Non-current assets	-	614,464	-	614,464

### Notes:

- The Group is organised into business units based on their products and services and has two reportable operating segments: Transportation Leasing and Investments. The Transportation Leasing segment represents Helm's locomotive and railcar leasing business in North America. The Group's Investment activities consist of the Group's investments in quoted and unquoted investments.
- The Group's two operating segments operate in three main geographical areas. The operating activities and investment activities are predominantly 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.
- For the half year ended 31 December 2010, revenues from two customers attributable to the Transportation Leasing segment amounted to approximately \$4.45 million and \$3.31 million respectively. For the half year ended 31 December 2009, revenues from two customers attributable to the Transportation Leasing segment amounted to approximately \$4.90 million and \$4.82 million respectively.

**15. REVIEW OF SEGMENT PERFORMANCE**

Not applicable.

**16. INTERESTED PERSON TRANSACTIONS**

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual.	
	<b>1 Jul 10 to 30 Dec 10 \$'000</b>	1 Jul 09 to 30 Dec 09 \$'000	<b>1 Jul 10 to 30 Dec 10 \$'000</b>	1 Jul 09 to 30 Dec 09 \$'000
<b>General Transactions</b>				
KCL Group	-	-	<b>666</b>	650
Greenstreet Partners	-	-	<b>1,595</b>	1,700
<b>Corporate Treasury Transactions</b>				
KCL Group	-	-	<b>87,381</b>	89,842
<b>Total</b>	-	-	<b>89,642</b>	92,192

**BY ORDER OF THE BOARD**

Kenny Lee  
Company Secretary  
10 February 2011

## **CONFIRMATION BY THE BOARD**

We, STEVEN JAY GREEN and JEFFREY ALAN SAFCHIK, being two directors of k1 Ventures Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the second quarter ended 31 December 2010 financial results to be false or misleading in any material respect.

On behalf of the board of directors



**STEVEN JAY GREEN**  
Chairman



**JEFFREY ALAN SAFCHIK**  
Director

Singapore  
10 February 2011