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## **PRESS RELEASE**

### **k1 Ventures Limited Unaudited Results for the Second Quarter and Half Year ended 31 December 2011**

**Singapore, 13 February 2012** - The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the Second Quarter and Half Year ended 31 December 2011.

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# **K1 VENTURES LIMITED**

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

## **SECOND QUARTER 2012 FINANCIAL STATEMENTS**

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# K1 VENTURES LIMITED

## SECOND QUARTER 2012 FINANCIAL STATEMENTS

### UNAUDITED RESULTS FOR SECOND QUARTER AND HALF YEAR ENDED 31 DECEMBER 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 2011.

#### 1. GROUP PROFIT AND LOSS ACCOUNT for the second quarter and half year ended 31 December 2011

	Note	1 Oct 11 to 31 Dec 11 \$'000	1 Oct 10 to 31 Dec 10 \$'000	+ / (-) %	1 Jul 11 to 31 Dec 11 \$'000	1 Jul 10 to 31 Dec 10 \$'000	+ / (-) %
<b>Revenue</b>	1a	<b>18,053</b>	16,028	12.6	<b>33,040</b>	32,562	1.5
Net carrying value of investment disposed		(328)	-	NM	(328)	-	NM
Staff costs		(2,745)	(2,481)	10.6	(5,282)	(4,918)	7.4
Depreciation and amortisation		(7,823)	(8,236)	(5.0)	(15,368)	(16,922)	(9.2)
Other operating expenses		(5,748)	(4,437)	29.5	(11,558)	(8,567)	34.9
<b>Operating profit</b>		<b>1,409</b>	874	61.2	<b>504</b>	2,155	(76.6)
Finance expenses		(2,874)	(1,833)	56.8	(5,620)	(3,853)	45.9
Foreign exchange (loss)/gain		(26)	(352)	(92.6)	167	(1,141)	NM
Share of results of associated company and joint ventures		2,711	2,570	5.5	4,368	4,202	4.0
<b>Profit/(loss) before taxation</b>		<b>1,220</b>	1,259	(3.1)	<b>(581)</b>	1,363	NM
Taxation		41,993	(1,556)	NM	42,515	(3,710)	NM
<b>Profit/(loss) for the period</b>		<b>43,213</b>	(297)	NM	<b>41,934</b>	(2,347)	NM
<b>Attributable to:</b>							
Shareholders of the Company		43,217	(812)	NM	42,334	(2,967)	NM
Non-controlling interests		(4)	515	NM	(400)	620	NM
		<b>43,213</b>	(297)	NM	<b>41,934</b>	(2,347)	NM
<b>EBITDA *</b>		<b>11,917</b>	11,328	5.2	<b>20,407</b>	22,138	(7.8)
<b>Profit/(loss) per ordinary share</b>							
- basic	1d	1.99 cts	(0.04) cts	NM	1.95 cts	(0.14) cts	NM
- diluted	1d	1.99 cts	(0.04) cts	NM	1.95 cts	(0.14) cts	NM

\* 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

	1 Oct 11 to 31 Dec 11 \$'000	1 Oct 10 to 31 Dec 10 \$'000	+/(-) %	1 Jul 11 to 31 Dec 11 \$'000	1 Jul 10 To 31 Dec 10 \$'000	+/(-) %
Revenue from transportation leasing	11,478	12,811	(10.4)	21,967	24,033	(8.6)
Proceeds from sale of investments	150	1,454	(89.7)	150	2,507	(94.0)
Investment income	2,696	-	NM	5,293	-	NM
Interest income from:						
- Related parties	5	104	(95.2)	13	197	(93.4)
- Others	11	64	(82.8)	16	131	(87.8)
Others	3,713	1,595	132.8	5,601	5,694	(1.6)
	<b>18,053</b>	<b>16,028</b>	<b>12.6</b>	<b>33,040</b>	<b>32,562</b>	<b>1.5</b>

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

	1 Oct 11 to 31 Dec 11 \$'000	1 Oct 10 to 31 Dec 10 \$'000	+/(-) %	1 Jul 11 to 31 Dec 11 \$'000	1 Jul 10 to 31 Dec 10 \$'000	+/(-) %
Profit on disposal of fixed assets	2,743	632	334.0	3,756	3,580	4.9
(Loss)/profit on sale of investments	(178)	1,454	NM	(178)	2,507	NM
Provision for doubtful debts	(40)	(23)	73.9	(34)	(23)	47.8

1c. Group tax expenses included an adjustment of \$42.9 million for the write-back of prior years' provision. Please refer to para 3c.

### 1d. Profit/(loss) per ordinary share

	GROUP			GROUP		
	1 Oct 11 to 31 Dec 11	1 Oct 10 to 31 Dec 10	+/(-) %	1 Jul 11 to 31 Dec 11	1 Jul 10 to 31 Dec 10	+/(-) %
Profit/(loss) per ordinary share of the Group based on net loss attributable to shareholders:-						
(i) Based on weighted average number of shares	1.99 cts	(0.04) cts	NM	1.95 cts	(0.14) cts	NM
- Weighted average number of shares ('000)	2,165,618	2,165,618	-	2,165,618	2,165,618	-
(ii) On a fully diluted basis	1.99 cts	(0.04) cts	NM	1.95 cts	(0.14) cts	NM
- Adjusted weighted average number of shares ('000)	2,165,618	2,165,618	-	2,165,618	2,165,618	-

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 2011**

	1 Oct 11 to 31 Dec 11 \$'000	1 Oct 10 to 31 Dec 10 \$'000	+ / (-) %	1 Jul 11 to 31 Dec 11 \$'000	1 Jul 10 to 31 Dec 10 \$'000	+ / (-) %
<b>Profit/(loss) for the period</b>	<u>43,213</u>	<u>(297)</u>	NM	<u>41,934</u>	<u>(2,347)</u>	NM
Fair value changes on available-for-sale investments	11,266	(1,461)	NM	(3,215)	9,249	NM
Fair value loss/(gain) on available-for-sale assets realised & transferred to profit and loss account	89	(985)	NM	89	(1,913)	NM
Exchange differences arising on consolidation	(3,069)	(7,521)	(59.2)	19,878	(25,751)	NM
Share of other comprehensive income/(expense)	<u>(52)</u>	<u>440</u>	NM	<u>(368)</u>	<u>154</u>	NM
<b>Other comprehensive income/ (expense) for the period</b>	<u>8,234</u>	<u>(9,527)</u>	NM	<u>16,384</u>	<u>(18,261)</u>	NM
<b>Total comprehensive income/ (expense) for the period</b>	<u>51,447</u>	<u>(9,824)</u>	NM	<u>58,318</u>	<u>(20,608)</u>	NM
<b>Attributable to:</b>						
Shareholders of the Company	51,821	(9,252)	NM	56,427	(17,245)	NM
Non-controlling interests	<u>(374)</u>	<u>(572)</u>	(34.6)	<u>1,891</u>	<u>(3,363)</u>	NM
	<u>51,447</u>	<u>(9,824)</u>	NM	<u>58,318</u>	<u>(20,608)</u>	NM

### 3. BALANCE SHEETS as at 31 December 2011

	Group		Company	
	As at 31 Dec 11 \$'000	As at 30 Jun 11 \$'000	As at 30 Dec 11 \$'000	As at 30 Jun 11 \$'000
Share capital	196,439	196,439	196,439	196,439
Reserves	188,121	142,522	120,412	87,767
Share capital & reserves	384,560	338,961	316,851	284,206
Non-controlling interests	43,214	41,323	-	-
<b>Capital employed</b>	<b>427,774</b>	<b>380,284</b>	<b>316,851</b>	<b>284,206</b>
<b>Represented by:</b>				
Fixed assets	205,213	212,890	-	-
Subsidiaries	-	-	295,685	295,685
Associated company and joint ventures	59,873	52,639	-	-
Investments	207,727	207,412	18,006	17,064
Other assets	6,623	6,925	-	-
Intangibles	176,714	168,274	-	-
	656,150	648,140	313,691	312,749
<b>Current assets</b>				
Stocks	2,671	2,372	-	-
Amounts due from:				
- subsidiaries	-	-	10	6
Debtors	8,223	7,083	163	24
Bank balances, deposits & cash	37,698	40,093	4,606	17,665
	48,592	49,548	4,779	17,695
<b>Current liabilities</b>				
Creditors	6,036	6,233	999	34,650
Amounts due to:				
- subsidiaries	-	-	620	910
- associated company and joint ventures	402	341	-	-
Term loans	1,556	1,474	-	-
Provision for taxation	7,092	46,467	-	2,055
	15,086	54,515	1,619	37,615
<b>Net current assets/(liabilities)</b>	<b>33,506</b>	<b>(4,967)</b>	<b>3,160</b>	<b>(19,920)</b>
<b>Non-current liabilities</b>				
Term loans	152,869	145,565	-	-
Deferred liabilities	343	601	-	-
Deferred taxation	108,670	116,723	-	8,623
	261,882	262,889	-	8,623
<b>Net assets</b>	<b>427,774</b>	<b>380,284</b>	<b>316,851</b>	<b>284,206</b>

## 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 11		As at 30 Jun 11	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,556	-	1,474	-

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

As at 31 Dec 11		As at 30 Jun 11	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
152,869	-	145,565	-

#### (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 \$325 million (June 2011: \$311 million).

### 3b. Net asset value

	GROUP			COMPANY		
	As at 31 Dec 11	As at 30 Jun 11	+/(-)%	As at 31 Dec 11	As at 30 Jun 11	+/(-)%
Net asset value per ordinary share #	\$0.18	\$0.16	12.5	\$0.15	\$0.13	15.4
Net tangible asset value per ordinary share #	\$0.11	\$0.09	22.2	\$0.15	\$0.13	15.4

# Based on issued share capital of 2,165,618,003 ordinary shares as at the end of the financial period (June 2011: 2,165,618,003).

### 3c. Balance sheet review

Group shareholders' funds increased from \$339.0 million at 30 June 2011 to \$384.6 million at 31 December 2011. In addition to the profit for the quarter, the increase was attributable to unrealised currency translation gains resulting from the strengthening of the US dollar in the amount of \$17.5 million, offset by a dividend distribution to shareholders of \$10.8 million in November 2011 and a decrease in fair value of the Group's investment in McMoRan Exploration Co. ("MMR").

Group total assets of \$704.7 million at 31 December 2011 increased by \$7.1 million over the previous year end mainly driven by the impact of currency movements offset in part by the sale and depreciation of rail equipment at Helm.

Group total liabilities of \$277.0 million at 31 December 2011 were \$40.4 million lower than the previous year end principally due to currency movements partially offset by a decrease in provision for taxation. This includes a write-back of the prior years' provisions of \$42.9 million. After reviewing the tax affairs of the Group, the management is of the view that it is now appropriate to write-back the tax provision as it is no longer required.

**4. STATEMENTS OF CHANGES IN EQUITY**  
**for the second quarter and half year ended 31 December 2011**

**4a. Group Statement of Changes in Equity**

	Attributable to equity holders of the Company						
	Share Capital	Capital Reserves	Foreign Exchange Translation Account	Revenue Reserves	Share Capital & Reserves	Non- controlling Interests	Capital Employed
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2011</b>							
<b>As at 1 July 2011</b>	<b>196,439</b>	<b>19,421</b>	<b>(81,726)</b>	<b>204,827</b>	<b>338,961</b>	<b>41,323</b>	<b>380,284</b>
<b>Total comprehensive income/ (expense) for first quarter</b>							
Loss for first quarter	-	-	-	(883)	(883)	(396)	(1,279)
Other comprehensive (expense)/income*	-	(14,734)	20,225	-	5,491	2,661	8,152
<b>Total comprehensive income/ (expense) for first quarter</b>	<b>-</b>	<b>(14,734)</b>	<b>20,225</b>	<b>(883)</b>	<b>4,608</b>	<b>2,265</b>	<b>6,873</b>
<b>As at 30 September 2011</b>	<b>196,439</b>	<b>4,687</b>	<b>(61,501)</b>	<b>203,944</b>	<b>343,569</b>	<b>43,588</b>	<b>387,157</b>
<b>Total comprehensive income/ (expense) for second quarter</b>							
Profit/(loss) for second quarter	-	-	-	43,217	43,217	(4)	43,213
Other comprehensive income/(expense)*	-	11,313	(2,711)	-	8,602	(370)	8,232
<b>Total comprehensive income/ (expense) for second quarter</b>	<b>-</b>	<b>11,313</b>	<b>(2,711)</b>	<b>43,217</b>	<b>51,819</b>	<b>(374)</b>	<b>51,445</b>
<b>Transactions with equity holders, recorded directly in equity</b>							
Dividend paid	-	-	-	(10,828)	(10,828)	-	(10,828)
<b>As at 31 December 2011</b>	<b>196,439</b>	<b>16,000</b>	<b>(64,212)</b>	<b>236,333</b>	<b>384,560</b>	<b>43,214</b>	<b>427,774</b>
<b>2010</b>							
<b>As at 1 July 2010</b>	<b>196,439</b>	<b>11,268</b>	<b>(49,358)</b>	<b>220,371</b>	<b>378,720</b>	<b>46,986</b>	<b>425,706</b>
<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>	<b>-</b>	<b>9,553</b>	<b>(15,391)</b>	<b>(2,155)</b>	<b>(7,993)</b>	<b>(2,791)</b>	<b>(10,784)</b>
<b>As at 30 September 2010</b>	<b>196,439</b>	<b>20,821</b>	<b>(64,749)</b>	<b>218,216</b>	<b>370,727</b>	<b>44,195</b>	<b>414,922</b>
<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>	<b>-</b>	<b>(2,094)</b>	<b>(6,346)</b>	<b>(812)</b>	<b>(9,252)</b>	<b>(572)</b>	<b>(9,824)</b>
<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>	<b>196,439</b>	<b>18,727</b>	<b>(71,095)</b>	<b>206,576</b>	<b>350,647</b>	<b>43,623</b>	<b>394,270</b>

\* Details of other comprehensive income / (expense) have been included in the consolidated statement of comprehensive income.



#### 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>2011</b>				
<b>As at 1 July 2011</b>	<b>196,439</b>	<b>(1,590)</b>	<b>89,357</b>	<b>284,206</b>
<b>Total comprehensive expense for first quarter</b>				
Loss for first quarter	-	-	(700)	(700)
<b>Total comprehensive expense for first quarter</b>	-	-	(700)	(700)
<b>As at 30 September 2011</b>	<b>196,439</b>	<b>(1,590)</b>	<b>88,657</b>	<b>283,506</b>
<b>Total comprehensive income for second quarter</b>				
Profit for second quarter	-	-	41,784	41,784
Other comprehensive income	-	2,389	-	2,389
<b>Total comprehensive income for second quarter</b>	-	2,389	41,784	44,173
<b>Transactions with equity holders, recorded directly in equity</b>				
Dividend paid	-	-	(10,828)	(10,828)
<b>As at 31 December 2011</b>	<b>196,439</b>	<b>799</b>	<b>119,613</b>	<b>316,851</b>
<b>2010</b>				
<b>As at 1 July 2010</b>	<b>196,439</b>	<b>1,195</b>	<b>105,300</b>	<b>302,934</b>
<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>

#### 4c. Share capital

Since 30 June 2011, there was no issue of ordinary shares by the Company. As at 31 December 2011, there were no unexercised options for unissued ordinary shares (June 2011: nil) under the k1 Ventures Share Option Scheme 2000.

The issued share capital of the Company as at 31 December 2011 was 2,165,618,003 ordinary shares.

As at 31 December 2011, the Company was not holding any treasury shares.

**5. CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the second quarter and half year ended 31 December 2011

	Second Quarter		Half Year	
	1 Oct 11 to 31 Dec 11 \$'000	1 Oct 10 to 31 Dec 10 \$'000	1 Jul 11 to 31 Dec 11 \$'000	1 Jul 10 to 31 Dec 10 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating profit	1,409	874	504	2,155
Adjustments:				
Depreciation and amortisation	7,823	8,236	15,368	16,922
Amortised debt discount	(443)	-	(872)	-
Profit on disposal of fixed assets	(2,743)	(632)	(3,756)	(3,580)
Loss/(profit) on sale of investments	178	(1,454)	178	(2,507)
Cash flow from operations before changes in working capital	6,224	7,024	11,422	12,990
Working capital changes:				
Stocks	(40)	1,467	(167)	3,070
Debtors	(2,079)	(1,921)	(597)	146
Creditors	1,018	1,988	(169)	558
Translation of foreign subsidiaries and others	8	(1,411)	2,164	(4,854)
	5,131	7,147	12,653	11,910
Interest paid	(2,504)	(1,410)	(5,089)	(3,030)
Income taxes paid	(1,990)	(3,861)	(7,503)	(4,992)
<b>Net cash from operating activities</b>	<b>637</b>	<b>1,876</b>	<b>61</b>	<b>3,888</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(7,065)	(1,023)	(11,765)	(1,610)
Proceeds from disposal of fixed assets	15,350	1,435	20,181	10,789
Proceeds from distributions from associated company and joint venture	-	998	-	1,928
Net proceeds from disposal and capital distribution of investments	358	17,178	570	18,231
<b>Net cash from investing activities</b>	<b>8,643</b>	<b>18,588</b>	<b>8,986</b>	<b>29,338</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of term loans	(389)	(7,699)	(781)	(18,751)
Dividend paid to shareholders of the Company	(10,828)	(10,828)	(10,828)	(10,828)
<b>Net cash used in financing activities</b>	<b>(11,217)</b>	<b>(18,527)</b>	<b>(11,609)</b>	<b>(29,579)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(1,937)</b>	<b>1,937</b>	<b>(2,562)</b>	<b>3,647</b>
<b>Cash and cash equivalents as at beginning of period</b>	<b>39,661</b>	<b>165,163</b>	<b>40,093</b>	<b>164,242</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(26)</b>	<b>(352)</b>	<b>167</b>	<b>(1,141)</b>
<b>Cash and cash equivalents at end of period</b>	<b>37,698</b>	<b>166,748</b>	<b>37,698</b>	<b>166,748</b>

5a

**NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS**

5a. Bank balances, deposits and cash

	As at 30 Dec 11 \$'000	As at 30 Dec 10 \$'000
Bank balances, deposits and cash	36,009	79,564
Deposits with related parties	1,689	87,184
Cash and cash equivalents	37,698	166,748

## 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 2011.

## 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 2011. 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:

FRS 24 (Revised)	Related Party Disclosures
Amendments to FRS 107 Disclosures	Transfers of Financial Assets
Improvements to FRS (issued in 2010)	

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

For the second quarter, Group revenue of \$18.1 million was \$2.0 million above that of the comparable prior year quarter driven by an increase in revenue from investments and an increase in gains from the sale of equipment. Group operating profit was \$1.4 million for the quarter compared to \$874,000 in the corresponding prior year period. Group net profit attributable to shareholders was \$43.2 million compared to a loss of \$812,000 in the prior year mainly from the write-back of Group tax expenses. In addition, the improvement in results was driven by higher revenue offset in part by an increase in start-up costs at Helm as a result of equipment being prepared for new leases as well as other equipment repairs due to increased utilisation. Finance expenses increased by \$1.0 million due to the increase in borrowing costs related to the Helm refinancing in June 2011. Group EBITDA for second quarter of \$11.9 million increased by 5.2% compared to the prior year.

For the half year, Group revenue of \$33.0 million was 1.5% above that of the comparable prior year period due to an increase in revenue from investments offset in part by a decrease in revenue from transportation leasing related activities. Revenue from investment activities increased by \$2.7 million mainly attributable to investment income of \$5.3 million from the Group's investment in Guggenheim offset in part by a decline in proceeds from the sale of investments. Revenue from transportation leasing related activities of \$27.6 million was \$2.2 million lower than the comparable prior year period due to railcar end of lease earnings received in the prior year.

Group operating profit was \$504,000 for the half year compared to \$2.2 million in the corresponding prior year period. The decrease was driven by lower revenue from transportation leasing related activities in addition to an increase in start-up costs as a result of a significant number of locomotive units being prepared for new leases. Group EBITDA of \$20.4 million was \$1.7 million lower than the prior year.

At the pre-tax level, Group loss was \$581,000 compared to a profit of \$1.4 million in the previous year. Finance expenses increased by 45.9% driven by the increase in borrowing costs related to the Helm refinancing. Group foreign exchange gain of \$167,000 was the result of the strengthening of the US dollar during the period.

There was a write-back of Group tax provision of \$42.9 million. After taking into account income tax credit and non-controlling interests, net profit attributable to shareholders was \$42.3 million for the half year compared to a loss of \$3.0 million in the previous year. Profit per share was 1.95 cents.

In the opinion of the Directors, no factor has arisen between 31 December 2011 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 2011 was previously provided.

#### **12. PROSPECTS**

The Group's operating subsidiary, Helm Holding Corporation, has experienced increased utilisation of its equipment, although it is expected to be impacted by continued economic volatility in US markets. Helm will remain focused on overall fleet management delivering positive results on operating cash flow.

The Board has determined, after careful consideration, that due to difficulty in accessing additional capital in the market without being dilutive to shareholders, which would not be in the interest of the Company, the Company will not be making any new investments, but will focus its efforts on managing the current portfolio of assets of the Company and, at the appropriate time, realising such assets. The Board believes that this is the best course of action in the current circumstances, and will enable the Company to maximise value from the proceeds from any realisation of assets and to return the same to shareholders as appropriate. The Company has a strong balance sheet and sufficient cash to manage its current business.

#### **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 2011.

For the year ended 30 June 2011, 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 28 October 2011. The dividend was paid to the shareholders on 16 November 2011.

## 14. SEGMENT ANALYSIS

Half year ended 31 December 2011

	<u>Transportation Leasing</u> \$'000	<u>Investments</u> \$'000	<u>Total</u> \$'000
<b>Revenue</b>	<b>27,571</b>	<b>5,469</b>	<b>33,040</b>
<b>Segment Results</b>			
Operating (loss)/profit	(2,215)	2,719	504
Finance expenses	(5,620)	-	(5,620)
Foreign exchange gain	-	167	167
Share of results of associated company and joint ventures	<b>4,368</b>	-	<b>4,368</b>
(Loss)/profit before taxation	<b>(3,467)</b>	<b>2,886</b>	<b>(581)</b>
Taxation	<b>1,457</b>	<b>41,058</b>	<b>42,515</b>
(Loss)/profit for the period	<b>(2,010)</b>	<b>43,994</b>	<b>41,934</b>
Attributable to:			
Shareholders of the Company	<b>(1,610)</b>	<b>43,944</b>	<b>42,334</b>
Non-controlling interests	<b>(400)</b>	-	<b>(400)</b>
	<b>(2,010)</b>	<b>43,944</b>	<b>41,934</b>
<b>Other information</b>			
Segment assets	<b>484,471</b>	<b>220,271</b>	<b>704,742</b>
Segment liabilities	<b>267,321</b>	<b>9,647</b>	<b>276,968</b>
Net assets	<b>217,150</b>	<b>210,624</b>	<b>427,774</b>
Investment in associated company and joint ventures	<b>59,873</b>	-	<b>59,873</b>
Additions to non-current assets	<b>11,765</b>	-	<b>11,765</b>
Interest income	<b>3</b>	<b>26</b>	<b>29</b>
Depreciation and amortisation	<b>15,368</b>	-	<b>15,368</b>

### Geographical Information

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	<b>22</b>	<b>33,018</b>	-	<b>33,040</b>
Non-current assets	-	<b>638,122</b>	<b>18,028</b>	<b>656,150</b>

## Half year ended 31 December 2010

	Transportation Leasing \$'000	Investments \$'000	Total \$'000
<b>Revenue</b>	29,800	2,762	32,562
<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 revenue	73	255	328
Depreciation and amortisation	16,919	3	16,922

## Geographical Information

	Singapore \$'000	USA \$'000	Others \$'000	Total \$'000
External sales	197	29,858	2,507	32,562
Non-current assets	-	568,888	17,398	586,286

### Notes:

- (a) 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.
- (b) 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.
- (c) For the half year ended 31 December 2011, revenues from one customer attributable to the Transportation Leasing segment amounted to approximately \$3.94 million respectively. 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.

**15. REVIEW OF SEGMENT PERFORMANCE**

Not applicable.

**16. INTERESTED PERSON TRANSACTIONS**

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 28 October 2011. During the half year ended 31 December 2011, the following interested person transactions were entered into by the Group:

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.	
	1 Jul 11 to 30 Dec 11 \$'000	1 Jul 10 to 30 Dec 10 \$'000	1 Jul 11 to 30 Dec 11 \$'000	1 Jul 10 to 30 Dec 10 \$'000
<b>General Transactions</b>				
KCL Group*	-	-	658	666
Greenstreet Partners	-	-	2,151	1,595
<b>Corporate Treasury Transactions</b>				
KCL Group	-	-	1,702	87,381
<b>Total</b>	-	-	<b>4,511</b>	<b>89,642</b>

\* This amount includes the full financial year transaction with the interested person as per agreement.

**BY ORDER OF THE BOARD**

Kenny Lee & Winnie Mak  
Company Secretaries  
13 February 2012

**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 2011 financial results to be false or misleading in any material respect.

On behalf of the board of directors



**STEVEN JAY GREEN**  
Chairman

Singapore  
13 February 2012



**JEFFREY ALAN SAFCHIK**  
Director