

FIRST QUARTER FINANCIAL STATEMENT

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2006

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the first quarter ended 30 September 2006.

1. GROUP PROFIT AND LOSS ACCOUNTS for the first quarter ended 30 September 2006

	Note	1 Jul 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000	+/(-)%
<u>Continuing Operations</u>				
Revenue	1a	121,543	93,956	29.36
Raw materials & consumables used		(61,809)	(53,810)	14.87
Net carrying value of investments disposed		(5,000)	-	NM
Staff costs		(4,974)	(4,724)	5.29
Depreciation and amortisation		(12,377)	(13,276)	(6.77)
Other operating expenses		(9,692)	(9,117)	6.31
Operating profit		27,691	13,029	112.53
Finance expenses		(11,412)	(10,734)	6.32
Foreign exchange gain/(loss)		1,054	(288)	NM
Share of result of associated company and joint ventures		1,735	2,223	(21.95)
Profit before tax		19,068	4,230	350.78
Taxation		(5,212)	(2,248)	131.85
Profit from continuing operations		13,856	1,982	599.09
<u>Discontinued Operations</u>				
Profit from discontinued operations	1d	-	5,194	NM
Profit for the period		13,856	7,176	93.09
Attributable to :				
Shareholders of the Company		12,888	6,632	94.33
Minority interest		968	544	77.94
		13,856	7,176	93.09
EBITDA *		42,857	28,240	51.76
Earnings per ordinary share :				
Continuing and discontinued operations				
basic	1e	0.68 cts	0.35 cts	94.29
diluted	1e	0.65 cts	0.33 cts	96.97
Continuing operations				
basic	1e	0.68 cts	0.08 cts	750.00
diluted	1e	0.65 cts	0.07 cts	828.57

* EBITDA is defined as profit before tax, finance expenses, depreciation and amortisation for continuing operations.

** NM - Not Meaningful

Note :

Discontinued Operations reflects the Group's activities in The Gas Company, LLC ("GASCO"), the gas distribution business in Hawaii. The financial results in the prior period relating to GASCO, which was divested on 7 June 2006, has been reclassified as a single amount under "Profit from discontinued operations" in accordance with FRS 105 - Non Current Assets Held for Sale and Discontinued Operations. Refer to note 1d for details.

Notes to Group Profit and Loss Accounts

1a. Breakdown of revenue

	1 Jul 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000	+/(-)%
Continuing operations			
Revenue from retail gasoline operations	69,839	58,448	19.49
Revenue from transportation leasing	35,136	32,782	7.18
Proceeds from sale of investments	7,253	-	NM
Investment income	1,070	970	10.31
Interest income from :			
Related parties	3,444	90	NM
Others	824	168	390.48
Others	<u>3,977</u>	<u>1,498</u>	165.49
	<u>121,543</u>	<u>93,956</u>	29.36

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

	1 Jul 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000	+/(-)%
Continuing operations			
Profit on disposal of fixed assets	1,832	137	NM
Profit on sale of investments	2,253	-	NM
Fair value gain/(loss) - Derivatives	(366)	1,074	NM
Discontinued operations			
Provision for stock obsolescence	-	(40)	NM
Allowance for doubtful debts	-	(7)	NM

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

1d. Profit from discontinued operations

On 7 June 2006, the Group completed the sale of The Gas Company, LLC ("GASCO"), the gas distribution business in Hawaii. An analysis of the results of discontinued operations is as follows :

	1 Jul 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000
Revenue	-	59,942
Expenses	-	(50,028)
Operating profit	-	9,914
Finance expenses	-	(1,804)
Profit before tax	-	8,110
Taxation	-	(2,916)
Profit after tax	<u>-</u>	<u>5,194</u>

1e. Earnings per ordinary share

	GROUP		
	1 Jul 06 to 30 Sep 06	1 Jul 05 to 30 Sep 05	+ / (-) %
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	0.68 cts	0.35 cts	94.29
- Weighted average number of shares ('000)	1,897,528	1,888,488	0.48
(ii) On a fully diluted basis	0.65 cts	0.33 cts	96.97
- Adjusted weighted average number of shares ('000)	1,992,828	1,981,950	0.55
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	0.68 cts	0.08 cts	750.00
- Weighted average number of shares ('000)	1,897,528	1,888,488	0.48
(ii) On a fully diluted basis	0.65 cts	0.07 cts	828.57
- Adjusted weighted average number of shares ('000)	1,992,828	1,981,950	0.55

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

2. BALANCE SHEETS as at 30 September 2006

	Note	GROUP		COMPANY	
		As at	As at	As at	As at
		30 Sep 06 \$'000	30 Jun 06 \$'000	30 Sep 06 \$'000	30 Jun 06 \$'000
Share capital		393,213	393,213	393,213	393,213
Reserves		374,798	362,889	264,553	259,474
Share capital & reserves		768,011	756,102	657,766	652,687
Minority interests		47,743	46,618	-	-
Capital employed		815,754	802,720	657,766	652,687
Represented by :					
Fixed assets		587,218	540,944	218	241
Subsidiaries		-	-	203,855	203,855
Associated company and joint ventures		81,066	79,276	-	-
Available-for-sale investments		290,691	288,495	42,981	42,981
Other assets		10,978	11,535	-	-
Intangibles		248,351	248,865	-	-
		1,218,304	1,169,115	247,054	247,077
Current assets					
Stocks		16,737	14,684	-	-
Due from subsidiaries		-	-	138,944	137,762
Debtors		24,282	24,482	2,677	2,590
Available-for-sale investments		-	6,850	-	-
Bank balances, deposits and cash	3b	383,844	385,246	331,930	334,881
		424,863	431,262	473,551	475,233
Current liabilities					
Creditors		49,072	55,599	49,431	54,613
Amount owing to minority shareholders		24,872	24,510	-	-
Due to subsidiaries		-	-	10,060	11,662
Term loans		3,732	3,720	-	-
Provision for taxation		39,827	39,263	2,055	2,055
		117,503	123,092	61,546	68,330
Net current assets		307,360	308,170	412,005	406,903
Non-current liabilities					
Term loans		504,425	473,080	-	-
Deferred liabilities		3,328	3,713	-	-
Deferred taxation		202,157	197,772	1,293	1,293
		709,910	674,565	1,293	1,293
Net assets		815,754	802,720	657,766	652,687

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 06		As at 30 Jun 06	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,732	-	3,720	-

(ii) Amount repayable after one year

As at 30 Sep 06		As at 30 Jun 06	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
504,425	-	473,080	-

(iii) Details of any collateral

The term loans 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 \$935 million (June 2006 : \$901 million).

2b. Net asset value

	GROUP			COMPANY		
	As at 30 Sep 06	As at 30 Jun 06	+/(-)%	As at 30 Sep 06	As at 30 Jun 06	+/(-)%
Net asset value per Ordinary Share #	\$0.40	\$0.40	0.00	\$0.35	\$0.34	2.94
Net tangible asset value per Ordinary Share #	\$0.27	\$0.27	0.00	\$0.35	\$0.34	2.94

Based on issued share capital of 1,897,528,003 ordinary shares as at the end of the financial period (June 2006 : 1,897,528,003).

2c. Balance Sheet review

Group shareholders' funds increased from \$756.1 million as at 30 June 2006 to \$768 million as at 30 September 2006. The increase of \$11.9 million was mainly attributable to retained profits for the period.

Group total assets of \$1.64 billion as at 30 September 2006 were \$42.8 million higher than the previous year-end. The increase was primarily due to the purchase of railcars and locomotives by the transport leasing subsidiary, Helm Holding Corporation ("Helm").

Group total liabilities increased from \$797.7 million as at 30 June 2006 to \$827.4 million as at 30 September 2006. The increase of \$29.7 million was mainly attributable to additional term loans taken up by Helm to finance the purchase of locomotives and railcars.

3. CONSOLIDATED CASH FLOW STATEMENTS for the first quarter ended 30 September 2006

	Note	1 Jul 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit		27,691	22,943
Adjustments:			
Depreciation and amortisation		12,377	14,768
Investment income		(872)	(760)
Profit on disposal of fixed assets		(1,832)	(137)
Profit on sale of investments		(2,253)	-
Cash flow from operations before changes in working capital		<u>35,111</u>	<u>36,814</u>
Working capital changes :			
Stocks		(2,006)	(2,036)
Debtors		4,818	4,346
Creditors		(3,448)	(7,625)
Translation of foreign subsidiaries and others		537	(660)
Cash from operations		<u>35,012</u>	<u>30,839</u>
Interest paid		(14,957)	(6,225)
Income taxes paid		(1,321)	(257)
Net cash from operating activities		<u>18,734</u>	<u>24,357</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries	3a	-	(726,531)
Purchase of fixed assets		(58,090)	(39,545)
Proceeds from disposal of fixed assets		4,344	1,393
Net proceeds from disposal and capital distribution of investments		7,253	3,127
Purchase of investments		-	(972)
Net cash used in investing activities		<u>(46,493)</u>	<u>(762,528)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	2,062
Proceeds from term loans		31,760	587,739
Repayment of term loans		(1,970)	(993)
Net cash from financing activities		<u>29,790</u>	<u>588,808</u>
Increase in cash and cash equivalents		<u>2,031</u>	<u>(149,363)</u>
Cash and cash equivalents at beginning of period		<u>349,182</u>	<u>201,046</u>
Effects of exchange rate changes on cash and cash equivalents		<u>1,054</u>	<u>(289)</u>
Cash and cash equivalents at end of period	3b	<u>352,267</u>	<u>51,394</u>

Note : Certain figures have been adjusted to conform with changes in presentation in the current financial period.

Notes to Consolidated Cashflow Statements

3a. Acquisition of Subsidiaries

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

	1 Jul 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000
Fixed assets	-	539,975
Associated company and joint ventures	-	76,439
Available-for-sale investments	-	43,019
Debtors	-	57,926
Stocks	-	4,420
Intangibles	-	55,881
Other assets	-	13,731
Cash and cash equivalents	-	6,080
Creditors	-	(21,152)
Amount due to minority shareholder	-	(33,262)
Provision for taxation	-	(15,121)
Deferred taxation	-	(143,667)
Deferred liabilities	-	(597)
Minority Interest	-	(45,660)
Net assets acquired	-	538,012
Goodwill	-	194,599
Purchase consideration	-	732,611
Less : cash and cash equivalents acquired	-	(6,080)
Cash flow on acquisition, net of cash acquired	-	726,531

3b. Bank balances, deposits and cash

	Continuing operations		Discontinued operations		Total operations	
	1 Jul 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000
Bank balances, deposits and cash	335,578	29,965	-	14,805	335,578	44,770
Deposits with related parties	16,689	6,624	-	-	16,689	6,624
Cash and cash equivalents	352,267	36,589	-	14,805	352,267	51,394
Restricted cash held under escrow	31,577	33,889	-	-	31,577	33,889
	383,844	70,478	-	14,805	383,844	85,283

Restricted cash held under escrow is made up of :

- i. \$24.9 million (September 2005 : \$33.9 million) payable to the former shareholders of a subsidiary, which represents the minority interests of a subsidiary, as collateral for representations and warranties provided at the time of the acquisition,
- ii \$6.7 million (September 2005 : Nil) payable to a former subsidiary on certain obligations arising out of the settlement conditions with respect to the regulatory approval obtained on the sale of a subsidiary.

4. STATEMENTS OF CHANGES IN EQUITY

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

	Attributable to equity holders of the Company						
	Share capital 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
2006							
As at 1 July 2006	393,213	58,799	(24,706)	328,796	756,102	46,618	802,720
Fair value changes on available-for-sale investments	-	436	-	-	436	-	436
Fair value gain realised and transferred to profit and loss account upon disposal of investment	-	(1,850)	-	-	(1,850)	-	(1,850)
Fair value change on cashflow hedges	-	(843)	-	-	(843)	-	(843)
Exchange differences arising on consolidation	-	-	1,270	-	1,270	157	1,427
Currency translation loss realised and transferred to profit and loss account	-	-	8	-	8	-	8
	-	(2,257)	1,278	-	(979)	157	(822)
Profit for the period	-	-	-	12,888	12,888	968	13,856
Distribution from subsidiaries	-	-	-	-	-	-	-
As at 30 September 2006	393,213	56,542	(23,428)	341,684	768,011	47,743	815,754

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

	Attributable to equity holders of the Company							
	Share capital S\$'000	Share premium S\$'000	Capital reserves S\$'000	Translation reserves S\$'000	Revenue reserves S\$'000	Share capital & reserves S\$'000	Minority interests S\$'000	Capital employed S\$'000
2005								
As at 1 July 2005								
As previously reported	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
Fair value changes on available-for-sale investments	-	-	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 period	-	-	-	-	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

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

2006	Share capital S\$'000	Capital reserves S\$'000	Revenue reserves S\$'000	Total S\$'000
As at 1 July 2006	393,213	1,897	257,577	652,687
Fair value changes on available-for-sale investments	-	-	-	-
Fair value gain realised and transferred to profit and loss account upon disposal of investment	-	-	-	-
Exchange differences arising on net investment in a foreign entity	-	-	-	-
Profit for the period	-	-	5,079	5,079
As at 30 September 2006	393,213	1,897	262,656	657,766

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

2005	Share capital S\$'000	Share premium S\$'000	Capital reserves S\$'000	Translation reserves S\$'000	Revenue reserves S\$'000	Total S\$'000
As at 1 July 2005						
As previously reported	187,741	202,011	-	(2,629)	72,312	459,435
Effect of adopting FRS 21	-	-	-	2,629	(2,629)	-
As restated	187,741	202,011	-	-	69,683	459,435
Effect of adopting FRS 39	-	-	753	-	-	753
	187,741	202,011	753	-	69,683	460,188
Fair value changes on available-for-sale investments	-	-	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

4c. Share capital

Since 30 June 2006, there has been no change in the issued and fully paid ordinary shares of the Company. As at 30 September 2006, there were unexercised options for 315,000 (June 2006: 330,000) of unissued ordinary shares under the Keppel Marine Share Option Scheme 1990 and 268 million warrants (June 2006: 268 million) to subscribe for 268 million ordinary shares.

The issued share capital of the Company as at 30 September 2006 was 1,897,528,003 ordinary shares.

5. AUDIT

The financial statements have not been audited nor reviewed by our auditors.

6. AUDITORS' REPORT

Not applicable

7. ACCOUNTING POLICIES

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 2006.

8. CHANGES IN THE ACCOUNTING POLICIES

Not applicable

9. REVIEW OF GROUP PERFORMANCE

Profit attributable to shareholders (PATMI) for 1Q FY2007 was \$12.9 million, an increase of 94% over the prior corresponding period. Basic earnings per share (EPS) for the Group increased to 0.68 cents from 0.35 cents, a 94% increase over 1Q FY2006. The prior period results included GASCO which was accounted for as discontinued operations. Excluding the results from GASCO in the prior period, PATMI and EPS for continuing operations increased by 796% and 750%, respectively.

The Group recorded total revenue of \$121.5 million for continuing operations in the first quarter of FY2007 (1Q FY2007), representing an increase of 29% over 1Q FY2006. At the pre-tax level, Group profit of \$19.1 million was 351% higher than 1Q FY2006. Group EBITDA was \$42.9 million, representing an increase of 52% over the prior corresponding period.

The increase in revenue and earnings for 1Q FY 2007 was mainly attributable to the increased contributions from Helm, the Group's transportation leasing operations and Mid Pac Petroleum, LLC ("Mid Pac"), the Group's retail gas operations in Hawaii. The increase in interest income and the gain arising from redemption of a quoted investment also contributed to the improved results in 1Q FY 2007.

The Group's share of result of associated companies in 1Q FY2007 represented earnings from Helm's joint ventures and associated company.

In the opinion of the Directors, no factor has arisen between 30 September 2006 and the date of this report which would materially affect the results of the Group and the Company for the period just ended.

10. VARIANCE FROM PROSPECT STATEMENT

No variance from previous prospect statement.

11. PROSPECTS

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? No

12c Date Payable

Not applicable

12d Books Closure Date

Not applicable

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

No dividend has been declared for the quarter ended 30 September 2006.

For the year ended 30 June 2006, the Board of Directors had recommended a capital distribution of 6 cents per share without deduction for tax out of the Company's share capital. The capital distribution has been approved by shareholders at the Annual General Meeting held on 31 October 2006. Subject to the recording of the information lodged by the Company in the appropriate register by the Registrar of Companies, the Company plans to make the capital distribution to shareholders on or around 22 December 2006.

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.

	Continuing Operations				Total Operations	Discontinued Operations	Total Operations
	Energy \$'000	Transportation leasing \$'000	Investments \$'000	Elimination \$'000			
2006							
Revenue	70,656	39,366	12,562	(1,041)	121,543	-	121,543
Results							
Operating profit	4,324	18,057	6,351	(1,041)	27,691	-	27,691
Finance expenses	(1,041)	(11,412)	-	1,041	(11,412)	-	(11,412)
Foreign exchange gain	-	-	1,054	-	1,054	-	1,054
Share of results of associated company and joint ventures	-	1,735	-	-	1,735	-	1,735
Profit before taxation	3,283	8,380	7,405	-	19,068	-	19,068
Other information							
Segment assets	202,341	878,819	527,845	(49,415)	1,559,590	-	1,559,590
Investment in associated company and joint ventures	-	81,066	-	-	81,066	-	81,066
Tax recoverable	-	-	2,511	-	2,511	-	2,511
Total	202,341	959,885	530,356	(49,415)	1,643,167	-	1,643,167
Segment liabilities	69,603	550,422	14,819	(49,415)	585,429	-	585,429
Net tax provision & deferred taxation	31,148	167,807	43,029	-	241,984	-	241,984
Total	100,751	718,229	57,848	(49,415)	827,413	-	827,413
Net assets	101,590	241,656	472,508	-	815,754	-	815,754
Capital expenditure	1,232	56,857	1	-	58,090	-	58,090
Depreciation and amortisation	(799)	(11,543)	(35)	-	(12,377)	-	(12,377)

	Continuing Operations				Total \$'000	Discontinued Operations \$'000	Total Operations \$'000
	Energy \$'000	Transportation leasing \$'000	Investments \$'000	Elimination \$'000			
2005							
Revenue	<u>59,319</u>	<u>34,388</u>	<u>1,358</u>	<u>(1,109)</u>	<u>93,956</u>	<u>59,942</u>	<u>153,898</u>
Results							
Operating profit	1,290	13,169	(321)	(1,109)	13,029	9,914	22,943
Finance 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 and joint ventures	-	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 and joint ventures	-	79,148	-	-	79,148	-	79,148
Tax recoverable	<u>853</u>	<u>1,890</u>	<u>-</u>	<u>-</u>	<u>2,743</u>	<u>-</u>	<u>2,743</u>
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	<u>18,487</u>	<u>158,349</u>	<u>2,483</u>	<u>-</u>	<u>179,319</u>	<u>15,088</u>	<u>194,407</u>
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)

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.

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>China/ Hong Kong</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
2006					
Continuing operations					
External revenue	7,458	110,757	3,328	-	121,543
Segment assets	<u>21,781</u>	<u>1,523,251</u>	<u>4,354</u>	<u>10,204</u>	<u>1,559,590</u>
Capital expenditure	<u>1</u>	<u>58,089</u>	<u>-</u>	<u>-</u>	<u>58,090</u>
Discontinued operations					
External revenue	-	-	-	-	-
Segment assets	-	-	-	-	-
Capital expenditure	-	-	-	-	-

2005	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>China/ Hong Kong</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
Continuing operations					
External revenue	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 operations					
External revenue	-	59,942	-	-	59,942
Segment assets	-	264,369	-	-	264,369
Capital expenditure	-	2,394	-	-	2,394

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 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000	1 Jul 06 to 30 Sep 06 \$'000	1 Jul 05 to 30 Sep 05 \$'000
General transactions				
KCL Group	-	-	588	387
Greenstreet Partners *	-	-	3,791	4,020
Corporate treasury transactions				
KCL Group	-	-	20,133	19,569
Greenstreet Partners	-	-	-	4,285
Total	-	-	24,512	28,261

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

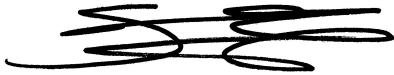
BY ORDER OF THE BOARD

Lawrence Chan
Company Secretary
7-Nov-2006

CONFIRMATION BY THE BOARD

We, STEVEN JAY GREEN and WONG YIP YAN, 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 first quarter ended 30 September 2006 financial results to be false or misleading.

On behalf of the board of directors



STEVEN JAY GREEN
Chairman

Singapore
7-Nov-2006



WONG YIP YAN
Deputy Chairman