Report to Shareholders

2016

Group Financial Highlights

	2016	2015	Change (%)
For the year ($ million)			
Revenue	**195.1**	60.6	221.8
Profit			
EBITDA	**144.4**	45.0	220.9
Before tax	**144.4**	31.7	354.8
Attributable	**140.6**	24.9	463.9
Operating cashflow	**158.6**	3.0	>500.0
Per share (cents)			
Basic earnings			
Before tax*	**33.33**	7.33	354.8
Attributable*	**32.45**	5.76	463.4
Net assets*	**48.0**	48.6	(1.2)
Net tangible assets*	**48.0**	48.6	(1.2)
At year-end ($ million)			
Shareholders' funds	**207.7**	210.3	(1.2)
Capital employed	**207.7**	210.3	(1.2)
Net cash	**53.7**	47.0	14.3
Return on shareholders' funds** (%)			
Profit before tax	**57.2**	13.8	314.5
Attributable profit	**55.7**	10.8	415.7

Group Quarterly Results ($ million)

	2016					2015				
	1Q	**2Q**	**3Q**	**4Q**	**Total**	1Q	2Q	3Q	4Q	Total
Revenue	**89.3**	**13.6**	**51.7**	**40.5**	**195.1**	2.9	51.5	3.1	3.1	60.6
EBITDA	**88.3**	**(7.5)**	**35.8**	**27.8**	**144.4**	3.9	35.1	5.9	0.1	45.0
Profit/(loss)										
Before tax	**88.3**	**(7.5)**	**35.8**	**27.8**	**144.4**	3.9	35.1	5.9	(13.2)	31.7
Attributable	**87.3**	**(8.5)**	**35.0**	**26.8**	**140.6**	3.0	31.0	5.0	(14.1)	24.9
Earnings/(loss) per share (cents)*	**20.17**	**(1.96)**	**8.07**	**6.17**	**32.45**	0.69	7.15	1.16	(3.24)	5.76

* Comparative figures have been adjusted for the share consolidation of every five existing issued ordinary shares into one ordinary share.

** Based on average shareholders' funds. Average shareholders' funds means the average of shareholders' funds during the financial year.

Chairman's Statement

Steven Jay Green
Chairman and CEO

The management will continue to focus on the execution of our stated strategy of actively managing the existing investments with the goal to monetise them when appropriate, and distribute surplus cash to drive shareholder value.

Dear Shareholders,

In FY2016 we continued to successfully execute upon our stated plan with respect to the monetisation of our investments, and the distribution of surplus cash to our shareholders. During the financial year, we paid out $162.4 million through dividend and capital reduction distributions, which increased cumulative distributions to $2.14 per share (adjusted for the share consolidation) or more than $904 million since Greenstreet Partners assumed management responsibilities.

I am pleased to report that in FY2016 we received cash distributions of US$125.8 million associated with our investment in Knowledge Universe Holdings ("KUH"), from which we have now received approximately US$223 million, or 3.9 times our original investment in KUH. We account for distributions received from KUH as investment income, and as a result, the carrying value of our investment in KUH remains US$4.8 million.

As we have previously announced, the operating businesses owned within the KUH platform have been sold. All of the cash received from the sales have been distributed except for approximately US$128 million of cash reserves, which are being held for potential contingent liabilities associated with the transactions. Aside from these reserves, the Group's sole remaining interest in the KUH platform is the Group's pro rata interest in the real estate assets.

In June 2016, the Group's interest in the remaining KUH assets, which consisted of the net cash reserves and the real estate assets, was restructured as a result of the sales of the operating businesses. As a result of this restructuring, we no longer hold an interest in KUH except for a direct pro rata interest in the real estate holding company, KUE 3 LP, in addition to a contractual right to receive our pro rata share of the net cash reserves that will ultimately be distributed. The Put Right is unchanged except for the fact that we agreed to extend the Put date to 31 March 2017.

Although we are working closely with the Managing Member of KUH regarding the monetisation of the real estate, we cannot at this time estimate the timing or amounts to be realised by virtue of the Group's interest in the remaining assets.

Guggenheim Capital LLC continues to focus on its core business platforms, and has over US$200 billion in assets under management. At this time we plan on holding our Guggenheim investment until maturity in June 2017. The Group continues to earn a 7% annual cash dividend on the Preferred Units, and total preferred distributions received since inception equaled US$35.1 million at June 30, 2016. In addition, the Group has received cumulative supplemental special cash distributions of approximately US$3.8 million related to our Preferred Units as a result of Guggenheim declaring dividends in excess of regular periodic dividends.

We intend to exercise our Put in accordance with the provisions contained within the definitive documents.

Group revenue of $195 million for FY2016 was above the prior year by 222% due mainly to investment income from KUH. Profit before tax of $144.4 million was $112.6 million higher than the prior year.

We are pleased with the results of our investments and the plan that has been put in place to manage them. The management will continue to focus on the execution of our stated strategy of actively managing the existing investments with the goal to monetise them when appropriate, and distribute surplus cash to drive shareholder value. Future dividend distributions are dependent upon the further monetisation of investments, and as such, we will continue to work closely with the management of our remaining group of companies in an effort to enhance shareholder value.

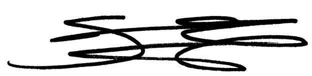
Due to personal commitments, I regret to inform you that I have decided not to place my name for re-election as a director of the Board, and will resign from my position of CEO effective with the conclusion of the upcoming AGM. I have coordinated my departure as Chairman and Director with the Board of Directors and management to make certain that the necessary steps are taken to ensure a smooth transition.

In this respect, I fully support the nomination of Professor Neo Boon Siong as Chairman. Professor Neo has guided our audit committee and has been an integral part of our achievements over the past few years. While continuing to serve as CFO, Mr Jeffrey Safchik will become the CEO and rejoin the Board as an Executive Director, further ensuring that the Board and the Company's shareholders continue to benefit from his unique knowledge and expertise with respect to the remaining investments.

I have immensely enjoyed the opportunity to lead this Company and work closely with Directors that understood and supported our joint mission. I especially thank the Directors for all of the guidance and insights over the years, and also the shareholders for placing confidence in our vision and for allowing me the opportunity to be part of an exceptional company.

My appreciation goes to the Board of Directors, shareholders and the management of k1 for the valued efforts and support.

Yours sincerely,



Steven Jay Green
Chairman and
Chief Executive Officer
5 October 2016

Board of Directors

Steven Jay Green age 71
Chairman and Chief Executive Officer

Date of first appointment as a director:
7 September 2001
Date of last re-election as a director:
29 October 2015
Length of service as a director
(as at 30 June 2016):
14 years 10 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
Honorary Doctorate degree from the School of Law of Florida International University

Present Directorships (as at 30 June 2016):
Listed companies
Nil

Other principal directorships
GFI II, L.P.; GFI III, L.P.; Green Family Foundation (Chairman); Greenstreet Capital Management, Inc.; Guggenheim International (Chairman); Guggenheim Capital (member of the Executive Committee)

Major Appointments (other than directorships):
US Ambassador to the Republic of Singapore 1997-2001; President's Export Council (Member of the Executive Committee & Chairman of Strategic Communications Committee); United States Navy Advisory Panel (Member); University of Miami (Trustee); Honorary Consul General of Singapore in Miami, Florida

Past Directorships held over the preceding 5 years (from 1 July 2011 to 30 June 2016):
D.L. Associates, L.P.; D.L. Enterprises, Inc.; Knowledge Schools Inc.; Vistage International, Inc.; GS Maritime Holdings, LLC (CEO); United Maritime Group (Chairman and CEO); GIC Real Estate Private Limited; Long Haul Holdings Corp.; Knowledge Universe Learning Group, LLC; Knowledge Universe Holdings, LLC; KU Education, Inc.

Others:
Former Chairman and CEO of Samsonite Corporation
Former Chairman of Culligan Water Technologies

Lee Suan Yew age 82
Non-Executive and Independent Director

Date of first appointment as a director:
8 August 2002
Date of last re-election as a director:
29 October 2015
Length of service as a director
(as at 30 June 2016):
13 years and 11 months

Board Committee(s) served on:
Nominating Committee (Chairman);
Remuneration Committee (Member)

Academic & Professional Qualification(s):
MBBChir from Cambridge University; Fellow of the Royal College of Physicians, Glasgow; Fellow of the College of Family Medicine Physician (Academy of Medicine Singapore); Fellow of the College of Physicians (Academy of Medicine Singapore)

Present Directorships (as at 30 June 2016):
Listed companies
Haw Par Corporation Ltd

Other principal directorships
Nil

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 July 2011 to 30 June 2016):
LSYPCL66 Pte Ltd

Others:
Conferred the Public Service Star in 1991;
Conferred Public Service Star (Bar) in 2002;
Past President of the Singapore Medical Council (2000-2004); Past Chairman of the National Medical Ethics Committee (2006-2008)

Alexander Vahabzadeh age 50
Non-Executive and Non-Independent Director

Date of first appointment as a director:
16 February 2011
Date of last re-election as a director:
29 October 2015
Length of service as a director
(as at 30 June 2016):
5 years 5 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
BBA in International Business from George Washington University

Present Directorships (as at 30 June 2016):
Listed companies
Nil

Other principal directorships
BV Global Partners Ltd.; BV Singapore Holdings Limited; BV Singapore Investments Limited; BV Unified Singapore Holdings Limited; Peracon, Inc.; Arctic Cat Property S.A.; Uddington Business Ltd

Major Appointments (other than directorships):
Co-Founder of Beaumont Partners SA and Beaumont Partners LLC

Past Directorships held over the preceding 5 years (from 1 July 2011 to 30 June 2016):
BV-NGP Equity I Ltd.; BV-NGP Equity II Ltd.; BV-NGP Equity III Ltd.; BV-NGP Equity IV Ltd.; BV-NGP Equity V Ltd.; BV-NGP Equity VI Ltd.; BV-NGP Finance I Ltd.; BV-NGP Finance II Ltd.; BV-NGP Finance III Ltd.; BV-NGP Holdings Inc.; BV-P Holding I, Ltd.; SAFANAD SA; SAFANAD Limited; SAFANAD Management Limited; SAFANAD Master Fund GP Limited; Willet Estates One ULC; Willet Estates Two ULC; HIM General Partner ULC; HIM Limited Partner ULC; N-HIM Sherbrooke Properties Inc.

Others:
Co-founder and managing partner of SAFANAD (2009 to March 2013)

Neo Boon Siong age 59
Non-Executive and Independent Director

Date of first appointment as a director:
16 February 2011
Date of last re-election as a director:
24 October 2013
Length of service as a director
(as at 30 June 2016):
5 years 5 months

Board Committee(s) served on:
Audit Committee (Chairman);
Nominating Committee (Member);
Remuneration Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Accountancy (Honours) from the National University of Singapore; MBA and PhD degrees from the University of Pittsburgh, USA; Certified Public Accountant (Singapore)

Present Directorships (as at 30 June 2016):
Listed companies
Keppel Telecommunications & Transportation Ltd; OUE Hospitality REIT Management Pte. Ltd. (the REIT Manager of OUE Hospitality Real Estate Investment Trust); OUE Hospitality Trust Management Pte. Ltd. (the Trustee-Manager of OUE Hospitality Business Trust)

Other principal directorships
J. Lauritzen Singapore Pte. Ltd.

Major Appointments (other than directorships):
Dean and Canon Professor of Business at the Nanyang Business School, Nanyang Technological University

Past Directorships held over the preceding 5 years (from 1 July 2011 to 30 June 2016):
Oversea-Chinese Banking Corporation Limited; Keppel Offshore & Marine Ltd; Great Eastern Holdings Limited; The Great Eastern Life Assurance Company Limited; The Overseas Assurance Corporation Limited

Board of Directors

Annie Koh age 62
Non-Executive and Independent Director

Date of first appointment as a director:
4 January 2013
Date of last re-election as a director:
28 October 2014
Length of service as a director
(as at 30 June 2016):
3 years and 6 months

Board Committee(s) served on:
Remuneration Committee (Chairman);
Audit Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Social Science & Economics (Honours) from National University of Singapore; M Phil and PhD in International Finance from New York University, USA

Present Directorships (as at 30 June 2016):
Listed companies
Health Management International Ltd

Other principal directorships
Nil

Major Appointments (other than directorships):
- Vice President for Office of Business Development at the Singapore Management University (SMU), Practice Professor of Finance at SMU;
- Academic Director of the Financial Training Institute (FTI), Center for Professional Studies (CPS), International Trading Institute (ITI) and Business Families Institute (BFI) at SMU;
- Chairman of the Asian Bond Fund 2 Supervisory Committee of the Monetary Authority of Singapore;
- Member of the Research and Publications Committee of the Singapore Chinese Chamber of Commerce & Industry;
- Board member and Audit Committee member of the Central Provident Fund of Singapore;
- MOE-WDA Skills Development Council Member

Past Directorships held over the preceding 5 years (from 1 July 2011 to 30 June 2016):
E-Cognition Pte Ltd

Others:
Former Dean of the Office of Executive and Professional Education, Singapore Management University (SMU), Singapore (2007-2012); Former Associate Dean of the Lee Kong Chian School of Business, SMU, Singapore (2003 – 2010); Recipient of Public Administration Medal (Bronze) in 2010

Tan Poh Lee Paul age 62
Non-Executive and Non-Independent Director

Date of first appointment as a director:
24 December 2014
Date of last re-election as a director:
29 October 2015
Length of service as a director
(as at 30 June 2016):
1 year and 7 months

Board Committee(s) served on:
Audit Committee (Member);
Nominating Committee (Member)

Academic & Professional Qualification(s):
Fellow, Association of Chartered and Certified Accountants; Associate member, Chartered Institute of Management Accountants

Present Directorships (as at 30 June 2016):
Listed companies
Nil

Other principal directorships
Kephinance Investment Pte Ltd;
Keppel Bay Pte Ltd

Major Appointments (other than directorships):
Council Member of Singapore Qualification Programme

Past Directorships held over the preceding 5 years (from 1 July 2011 to 30 June 2016):
Brightway Property Pte Ltd; KV Management Pte Ltd; The Vietnam Investment Fund (Singapore) Limited

Others:
Group Controller, Keppel Corporation Limited

Senior Management

The management team at k1 Ventures strives to deliver good returns to the Company's shareholders, drawing from its wealth of expertise and experience, strong investment skill sets and extensive business relationships.

Steven Jay Green
Chairman and
Chief Executive Officer

Jeffrey Alan Safchik
Chief Financial Officer and
Chief Operating Officer

Operating & Financial Review

Management Discussion & Analysis

Group revenue was $195.1 million for the year ended 30 June 2016 compared to $60.6 million in the prior year driven by investment income from Knowledge Universe Holdings ("KUH") of $174.9 million attributable mainly to the receipt of cash distributions from the sales of the US and international childcare operations.

Group profit before tax was $144.4 million for the year ended 30 June 2016 compared to $31.7 million in the previous year. The increase was mostly due to investment income from KUH, partly offset by an increase in other operating expenses. The increase in other operating expenses was mainly attributable to a foreign exchange loss of $19.9 million related to the voluntary liquidation of Focus Up Holdings Limited and the Greenstreet carried interest related to the cash proceeds received from KUH.

In the previous year, the Group recorded a profit of $27.4 million from the sale of China Auto and a foreign exchange gain of $5.4 million which was offset by an impairment loss of $13.2 million related to the Group's investment in K12, Inc ("K12"). Group EBITDA of $144.4 million was $99.4 million above the prior year driven by investment income from KUH.

The decrease in Group taxation for the year was mainly due to tax arising from the sale of China Auto in the prior year. Group profit attributable to shareholders for the year ended 30 June 2016 was $140.6 million compared to $24.9 million in the previous year, and earnings per share was 32.45 cents.

Group Overview

	2016 $ million	2015 $ million	% Increase/ (Decrease)
Revenue	**195.1**	60.6	221.8
Net carrying value of investment disposed	**(7.5)**	(18.2)	(58.8)
Staff costs	**(0.2)**	(0.2)	13.3
Investment impairment loss	**-**	(13.2)	nm
Other operating (expenses)/income	**(43.0)**	2.8	nm
Profit before tax	**144.4**	31.7	354.8
EBITDA*	**144.4**	45.0	220.9
Profit attributable to shareholders of the Company	**140.6**	24.9	463.9
Earnings per share (EPS)^ (cents)	**32.45**	5.76	463.4
Return on equity (ROE)** (%)	**55.7**	10.8	415.7

* EBITDA is defined as profit before tax, finance expenses, depreciation & amortisation and investment impairment loss.
^ Comparative figures for EPS have been adjusted for the share consolidation of every five existing issued ordinary shares into one ordinary share.
** ROE is based on profit after tax divided by average shareholders' funds.
nm = not meaningful

Review of Balance Sheet

Group shareholders' funds decreased from $210.3 million at 30 June 2015 to $207.7 million at 30 June 2016. The decrease was attributable to capital and dividend distributions paid to shareholders of $162.4 million partly offset by comprehensive income for the year of $159.8 million.

Comprehensive income for the year was driven by Group net profit, as a result of investment income from KUH pertaining to the receipt of cash distributions of approximately $174.9 million.

Group total assets decreased from $216.1 million at 30 June 2015 to $214.7 million at 30 June 2016 due mainly to a decrease in investments driven by the sale of the Group's investment in K12. Group cash increased by approximately $6.7 million driven by distributions received from KUH, offset in part by distributions paid to shareholders.

Group total liabilities increased from $5.8 million at 30 June 2015 to $7.0 million at 30 June 2016, as a result of an increase in creditors.

Operating & Financial Review

Review of Investments

01

Education

Knowledge Universe Holdings

The Group's 12.2% equity interest in Knowledge Universe Holdings, LLC ("KUH") was acquired at a cost of approximately US$57 million. In accordance with the terms of the KUH operating agreement, upon the Group receiving cumulative distributions from KUH of approximately US$97 million, the Group's interest was reduced to 10.2%.

During the current year, the Group received cash distributions totaling US$125.8 million from its investment in KUH arising from the sales of Knowledge Universe Education's ("KUE") US and international childcare operating businesses (the "Sales") and other residual assets held at various entities within the KUH platform. Consistent with the treatment of similar distributions in previous years, the Group accounted for the distributions as investment income. Total cash and property distributions received from inception are approximately US$223 million at 30 June 2016.

The Group has received its share of all cash proceeds arising from the Sales, except for approximately US$128 million of cash reserves being held by KUE for potential contingent liabilities associated with the transactions, and will receive its pro-rata share of the net available reserves as distributed. Aside from these reserves, the Group's sole remaining interest in the KUH platform is its interest in the real estate assets.

KUE 3 LP

In June 2016, the Group's interest in the remaining KUH assets was restructured such that the Group received its pro rata direct interest in KUE 3 LP, which is the holding company for the real estate assets, and maintains a contractual right to receive its share of the KUE net cash reserves as and when distributed. As a result of this restructuring, the Group no longer holds an interest in KUH. The Group's Put Right for the real estate investment has been extended until 31 March 2017 but is otherwise unaffected by the restructuring. The carrying value of the Group's interest remains US$4.8 million.

K12, Inc.

During 2016, the Group sold its 426,846 common shares of K12, Inc for approximately US$4.9 million.

Financial Services

Guggenheim Capital, LLC

In June 2011, the Group completed a US$100 million investment in Guggenheim

***01** The Group's interest in the remaining KUH assets was restructured under KUE 3 LP, which is the holding company for the real estate assets.*

Capital, LLC ("Guggenheim"), a US-based, privately held financial services firm with more than US$200 billion in assets under management. The US$100 million investment comprised 100,000 Series A Preferred Units ("Preferred Units"), 250,000 Common Units, and 11,111,111 Warrants to acquire common units issued by Guggenheim.

Guggenheim provides investment management, investment banking and capital markets services as well as insurance and investment advisory solutions for institutions, corporations, governments and agencies, investment advisors, family offices and individuals.

The Preferred Units, which are senior to all common equity in terms of liquidation preference, deliver a dividend rate of 7% per annum along with participation rights on an as-converted basis in common dividends in excess of regular periodic dividends. The Preferred Units may be redeemed by Guggenheim under certain circumstances at par value with full payment of any accumulated unpaid dividends. In addition, k1 Ventures also retains the right to require Guggenheim to repurchase all or any portion of the Preferred Units on the sixth anniversary of issuance, at par value with full payment of any accumulated unpaid dividends.

In connection with the Guggenheim investment, the Group received 250,000 Common Units. In the absence of a conversion of the Warrants, the Common Units cannot be sold prior to June 2017 without the approval of Guggenheim.

The 11,111,111 Warrants to acquire common units are convertible at an exercise price of US$9 per unit. k1 Ventures may elect to convert the Warrants at any time, and also has the right to require Guggenheim to repurchase all or any portion of the Warrants at their fair market value on the sixth anniversary of issuance. The Warrants may also be redeemed by Guggenheim under certain circumstances, and k1 has the right to require Guggenheim to repurchase any common units issued upon exercise of the Warrants under certain circumstances at the fair market value of such units. In addition, under certain circumstances k1 retains the right to receive an additional 1.85 million Common Units upon either a repurchase or redemption of the Warrants.

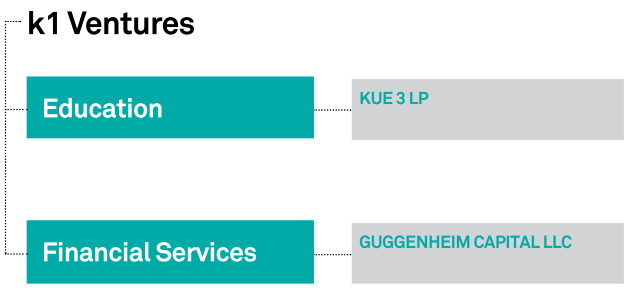
The Group has received approximately US$35.1 million of scheduled dividends since June 2011. In addition, the Group has received supplemental special distributions of approximately US$3.8 million related to the Preferred Units.

Other

NZC Guggenheim Fund

During the current year, the Group received a final cash distribution from NZC Guggenheim Fund ("NZC") which increased cumulative distributions received from NZC to approximately US$7.9 million. The Group received its interest in NZC as a distribution from KUH.

As at 30 June 2016, k1 Ventures' key investments are illustrated in the following chart:



Corporate Governance

The Board and Management of k1 Ventures Limited (the "Company") are committed to maintaining a high standard of corporate governance, and firmly believe that a genuine commitment to good corporate governance is essential to the sustainability of the business and performance of the Company and its subsidiaries (the "Group"). Accordingly, the Company is committed to ensure that effective self-regulatory corporate practices are in place to protect the interests of its shareholders and maximise long-term shareholder value. In addition, the Company ensures that the corporate practices it adopts are driven by principles rather than form, and takes into account the nature of the Company's existing businesses and operations.

The following describes the Company's corporate governance practices that were in place or implemented during the financial year ended 30 June 2016 with specific reference to the principles set out in the Code of Corporate Governance 2012 (the "2012 Code")[1]. Where there are deviations from the principles and guidelines of the 2012 Code, an explanation has been provided.

Board's Conduct of Affairs

Principle 1:

Effective Board to lead and control the Company

Role: The principal functions of the Board of Directors are to:

- Approve and review appropriate strategic plans and key operational and financial matters;
- Oversee the business and affairs of the Company, including monitoring the performance of Management;
- Oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes; and
- Assume responsibility for corporate governance.

Independent Judgement: All directors are expected to exercise independent judgement in the best interests of the Company.

Board Committees: To assist the Board in the discharge of its oversight function, various Board Committees, namely, the Audit Committee, the Nominating Committee and the Remuneration Committee, have been constituted with clear written terms of reference. The Board Committees are actively engaged and play an important role in ensuring good corporate governance. The terms of reference of the Audit Committee, the Nominating Committee and the Remuneration Committee are disclosed in this report at pages 15 to 21.

Meetings: The Board is scheduled to meet every quarter. In addition, ad hoc non-scheduled Board meetings may be convened when necessary to deliberate on urgent substantive matters. Telephonic attendance and conferences via audio-visual communication at Board meetings are allowed under Article 112A of the Company's Constitution. The Board and Board Committees also rely on circular resolutions and discussions conducted via telephonic and other forms of correspondence in the discharge of their duties.

Internal Limits of Authority: All new investments, divestments, commitment to loans and lines of credit from banks and financial institutions require the approval of the Board.

Director Orientation and Training: A formal letter is sent to newly-appointed Directors explaining their duties and obligations as Director. The Directors are provided with a Director's tool kit containing information on directors' duties, the relevant provisions of the Companies Act, Chapter 50 (the "Companies Act") and the Listing Manual of the Singapore Exchange Securities Trading Limited

The number of Board and Board Committee meetings held during the financial year, as well as the attendance of each Board member, are disclosed as follows:

Director	Board Meetings	Board Committee Meetings: Audit Committee	Board Committee Meetings: Nominating Committee	Board Committee Meetings: Remuneration Committee	Non-Executive Directors' Meeting (without presence of Management)
Steven Jay Green	2	-	-	-	n.a.
Lee Suan Yew	5	-	3	-	1
Alexander Vahabzadeh	5	-	-	-	1
Neo Boon Siong	5	4	2	-	1
Annie Koh	5	4	-	-	1
Tan Poh Lee Paul	5	4	3	-	1
No. of Meetings Held	**5**	**4**	**3**	**0**	**1**

[1] The Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore on 2 May 2012.

(the "SGX")(the "Listing Manual") and the Company's governance policies and practices.

Changes to laws, regulations, policies, accounting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on the Company and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via circulation of Board papers. The Directors are also provided with continuing education in areas such as Directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. Updates on relevant legal or regulatory developments may be provided to the Board by circulation or through seminars and presentations conducted or sponsored by the Company. Some Directors attended talks and forums on topics relating to governance, board leadership, finance and accounting standards, economic outlook and long term trends, among others.

Board Composition and Guidance

Principle 2:

Strong and independent element on the Board

Board Composition and Board Independence: The Board consists of six Directors, five of whom are non-executive and out of whom three are considered independent[2] by the Nominating Committee. The Board, taking into account the views of the Nominating Committee, determines on an annual basis whether or not a Director is independent, bearing in mind the 2012 Code's definition of who constitutes an independent Director and guidance as to relationships the existence of which would deem a director not to be independent. In this connection, the Nominating Committee takes into account, among other things, whether a Director has business relationships with the Company or any of its related companies, and if so, whether such relationships could interfere, with the exercise of the Director's independent judgement with a view to the best interests of the Company. The Nominating Committee (save for Dr Lee Suan Yew and Professor Neo Boon Siong who abstained from deliberation in this matter) noted that each of Dr Lee Suan Yew, Professor Neo Boon Siong and Professor Annie Koh has consistently shown himself/herself to be independent in character and judgement in his/her deliberation of the interests of the Company and all the shareholders of the Company as a whole, and his/her participation on the Board has benefited the Company given his/her expertise.

The 2012 Code states that the independence of any Director who has served on the Board beyond nine years from the date of first appointment should be subject to particularly rigorous review. In this regard, the Board, taking into account the views of the Nominating Committee (save for Dr Lee Suan Yew who abstained from deliberation in this matter), noted that Dr Lee Suan Yew was first appointed to the Board on 8 August 2002 and has therefore served on the Board for more than nine years. However, the Board, taking into account the views of the Nominating Committee which had considered in particular, Dr Lee Suan Yew's objective participation on the Board where he contributed by raising questions on issues relating to the Company's strategy, business and financial performance, results of the annual review of the independence of Dr Lee Suan Yew (which includes a review of whether he has any relationship with the Company, its related corporations or its officers that could interfere or reasonably be perceived to interfere with his independent judgement) and peer-review exercise, and Dr Lee Suan Yew's declaration and self-assessment of his own independence, considered that Dr Lee Suan Yew had demonstrated independent judgement at Board and Board committee meetings and was unanimously of the firm view that he has been exercising independent judgement in the best interests of the Company in the discharge of his duties as a Director. The Board therefore continued to deem Dr Lee Suan Yew as an independent Director. Over the years as a Director of the Company, Dr Lee Suan Yew has developed significant insights into the Group's business and operations and brings with him a wealth of useful and relevant experience which enable him to provide an invaluable contribution to the Company.

Taking into account the views of the Nominating Committee, the Board concurred that Dr Lee Suan Yew, Professor Neo Boon Siong and Professor Annie Koh are considered to be independent.

The Directors believe that the Board has sufficient independent Directors who can take a broader view of the Company's activities and bring independent judgement to bear on issues for the Board's consideration, particularly in view of the nature of the Company's business and the complex transactions in which it participates.

[2] The 2012 Code defines an "independent" director as one who has no relationship with the company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company. A related corporation in relation to a company includes its subsidiaries, fellow subsidiaries, or parent company and a 10% shareholder refers to a person who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the company.

Corporate Governance

The nature of the current Directors' appointments on the Board and details of their membership on Board Committees are set out below:

		Committee Membership		
Director	**Board Membership**	**Audit**	**Nominating**	**Remuneration**
Steven Jay Green	Executive Chairman	-	-	-
Lee Suan Yew	Independent	-	Chairman	Member
Alexander Vahabzadeh	Non-Executive	-	-	-
Neo Boon Siong	Independent	Chairman	Member	Member
Annie Koh	Independent	Member	-	Chairman
Tan Poh Lee Paul	Non-Executive	Member	Member	-

Board Size: The Board, in concurrence with the Nominating Committee, is of the view that, taking into account the nature and scope of the Company's activities, and the direction of the Company, a Board size of six members is appropriate. The independent Directors currently make up half of the Board. No individual or small group of individuals dominate the Board's decision making.

The nature of the Directors' appointments on the Board and details of their membership on Board committees are set out on page 14.

Board Competency: The Nominating Committee is of the view that the Board and Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender, knowledge of the Group, core competencies such as accounting or finance, business or management experience, or knowledge required for the Board and the Board committees to be effective.

Board Information: The Board and management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate. For this to happen, the Board, in particular the non-executive Directors, are kept well informed of the Company's businesses and affairs. Towards this end, the Company has adopted initiatives to ensure that the non-executive Directors are well supported with accurate, complete and timely information, and have unrestricted access to Management. These initiatives include the circulation of relevant information on prospective deals and potential developments at an early stage whenever possible before formal board approval is sought, as well as business initiatives, industry developments and analyst and press commentaries on matters in relation to the Company and/or the industries in which it operates. The non-executive Directors have unrestricted access to Management, and have sufficient time and resources to discharge their oversight function effectively. The non-executive Directors occasionally meet without the presence of Management, and from time to time communicate via telephonic conferences to discuss issues relating to board processes, corporate governance initiatives and other matters to be discussed during Board meetings.

Chairman and Chief Executive Officer

Principle 3:

Clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business

Mr Steven Jay Green is both the Chairman and Chief Executive Officer ("CEO") of the Company. The Board confirms that this has not unduly concentrated power in the hands of one individual or compromised accountability and independent decision-making. The Board believes that it is the person who fills the role that matters, rather than whether the roles are separate or combined *per se*. In this connection and in view that the independent Directors comprised half of the Board, and the direction of the Company, the Board had considered that for the financial year ended 30 June 2016, it is not necessary to appoint a lead independent Director. Mr Steven Jay Green will be retiring at the conclusion of the Company's Annual General Meeting on 27 October 2016, and will not be offering himself for re-appointment as a Director. The Board has announced its election of Professor Neo Boon Siong to succeed Mr Steven Jay Green as independent non-executive Chairman of the Board after the conclusion of the upcoming Annual General Meeting on 27 October 2016.

The Chairman, in consultation with Management and the Company Secretary, schedules meetings and prepares meeting agenda for the Board to perform its duties responsibly with regard to the Company's business activities. He ensures that adequate time is available for discussion of all agenda items, including strategic issues, and encourages open discussions and constructive relations between the Board and Management.

The Chairman monitors the flow of information from Management to the Board to ensure that all material information are provided in a timely manner to the Board for the Board to make informed decisions. In addition, he ensures that relevant information on industry developments and analyst and press commentaries on matters in relation to the Company, its investee companies or the industries in which they operate is circulated to the Board members so as to enable them to be updated and thereby enhance the effectiveness of the non-executive Directors and the Board as a whole. The Chairman takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretary and Management.

At annual general meetings and other shareholders' meetings, the Chairman ensures constructive dialogue between shareholders, the Board and Management.

Board Membership

Nominating Committee

Principle 4:

Formal and transparent process for the appointment and re-appointment of Directors to the Board

The Nominating Committee ("NC") comprises three Directors, namely, Dr Lee Suan Yew (Chairman of the NC), Professor Neo Boon Siong and Mr Tan Poh Lee Paul, two of whom (including the Chairman of the NC) are independent Directors. The NC had 3 meetings during the financial year ended 30 June 2016, which were attended by a majority of the members.

The terms of reference of the NC are as follows:

(a) recommend to the Board the appointment and/or re-appointment of Directors;
(b) annual review of balance and diversity of skills, experience, gender and knowledge required by the Board, and the size of the Board which would facilitate decision-making;
(c) annual review of independence of each Director, and to ensure that the Board comprises at least one-third independent Directors. In this connection, the NC should conduct particularly rigorous review of the independence of any Director who has served on the Board beyond 9 years from the date of his/her first appointment;
(d) decide, where a Director has other listed company board representation and/or other principal commitments, whether the Director is able to and has been adequately carrying out his/her duties as Director of the Company;
(e) recommend to the Board the process for the evaluation of the performance of the Board, the Board Committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director;
(f) annual assessment of the effectiveness of the Board as a whole and individual Directors;
(g) review the succession plans for the Board (in particular, the Chairman) and senior management (in particular, the CEO);
(h) review the training and professional development programs for Board members;
(i) report to the Board on material matters and recommendations;
(j) review the NC's terms of reference annually and recommend any proposed changes to the Board;
(k) perform such other functions as the Board may determine; and
(l) sub-delegate any of its powers within its terms of reference as listed above, from time to time as the NC may deem fit.

Process for appointment and re-appointment of Directors

The Directors are subject to retirement and re-election at regular intervals of at least once every three years. Pursuant to Article 86 of the Company's Constitution, one-third of the Directors retire from office at the Company's Annual General Meeting (the "AGM"). In addition, Article 93 of the Company's Constitution provides that a Director appointed to fill a casual vacancy or as an addition to the existing Directors must submit himself/herself for re-election at the AGM immediately following his/her appointment.

The process for the re-appointment of Directors is as follows:

(a) The NC evaluates the retiring Director's performance and contribution to the Board based on factors such as preparedness, participation and candour at meetings with reference to the peer-review of the Director.
(b) The NC makes recommendations to the Board for approval.

The NC has in place a formal process for the selection of new Directors to increase transparency of the nominating process in identifying and evaluating nominees for Directors. The NC leads the process and makes recommendations to the Board as follows:

(a) The NC evaluates the balance of skills, knowledge and experience on the Board and, in light of such evaluation and in consultation with Management, prepares a description of the role and the essential and desirable competencies for a particular appointment.
(b) External help (for example, Singapore Institute of Directors, search consultants, open advertisement) may be used to source for potential

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candidates, if need be. Directors and Management may also make suggestions.

(c) The NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.

(d) The NC makes recommendations to the Board for approval.

Criteria for appointment of new directors

All new appointments are subject to the recommendation of the NC based on the following objective criteria:

(1) Integrity
(2) Independent mindedness
(3) Diversity – possess core competencies that meet the current needs of the Company and complement the skills and competencies of the existing Directors on the Board
(4) Able to commit time and effort to carry out duties and responsibilities effectively – proposed director does not have more than six listed company board representations and/or other principal commitments
(5) Track record of making good decisions
(6) Experience in high-performing organisations
(7) Business acumen

All new appointments and re-appointments of Directors are subject to the recommendation of the NC.

Annual Review of Directors' Independence

The NC is also charged with determining the independence status of the Directors annually. Please refer to page 13 herein on the basis of the NC's determination as to whether a Director should or should not be deemed independent.

Annual Review of Directors' Time Commitments

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and have other principal commitments. As a guide, Directors should not have more than six listed company board representations and/or other principal commitments.

The NC determines annually whether a Director with other listed company board representations and/or other principal commitments is able to and has been adequately carrying out his/her duties as a Director. The NC takes into account the results of the assessment of the effectiveness of the individual Director, and the respective Directors' actual conduct on the Board, in making this determination. The NC was satisfied that in the financial year ended 30 June 2016, where a Director had other listed company board representations and/or other principal commitments, each Director was able and had been adequately carrying out his/her duties as a Director.

There were no alternate directors for the financial year ended 30 June 2016.

Key Information Regarding Directors

The following key information regarding directors is set out in the following pages of this Annual Report:

Pages 4 to 6: Academic and professional qualifications, Board committees served on (as a member or Chairman), date of first appointment as a Director, date of last re-election as Director, directorships or chairmanships both present and past held over the preceding five years in other listed companies and other major appointments, whether appointment is executive or non-executive, whether considered by the NC to be independent; and

Page 35: Shareholding in the Company as at 21 July 2016.

Board Performance

Principle 5:

Formal assessment of the effectiveness of the Board and Board Committees and the contribution by each Director to the effectiveness of the Board

Formal Process and Performance Criteria: The Board has implemented formal processes which are carried out by the NC annually for assessing the effectiveness of the Board as a whole and its Board committees and the contribution by the Chairman and each individual Director to the effectiveness of the Board. During the year, each Board member is required to complete a board evaluation questionnaire. The completed board evaluation questionnaires are collated and sent to the NC for its review, discussion and evaluation. The NC Chairman and members evaluate the returns and provide their comments and recommendations to the Board on the changes which should be made to help the Board discharge its duties more effectively.

The performance criteria for the Board evaluation are in respect of the board size and composition, board independence, board processes, board information and accountability, board performance in relation to discharging its principal functions, board committee performance in relation to discharging their responsibilities set out in their respective terms of reference. The Board is of the view that it has met its performance objectives.

Objectives and Benefits: The Board assessment exercise provides an opportunity to obtain constructive feedback from each Director and whether the Board's procedures and processes allow him/her to discharge his/her duties effectively and any changes which should be made to enhance the effectiveness of the Board as a whole. The assessment exercise also helps the Directors to focus on their key responsibilities.

The Board has deemed that the current measure of the Board's performance, which focuses on the ability of the Board to lend support to Management and to steer the Group in the right direction, is appropriate, especially in view of the nature of the Company's business. In addition, the Board, through the delegation of its authority to the NC, has used its best efforts to ensure that the Board comprises persons who represent the principal strategic shareholders of the Company as well as independent Directors who enhance governance in the interests of all shareholders and the Company.

The Board considers that financial performance criteria may not be entirely appropriate for tracking Board performance as it feels that such criteria does not evaluate a crucial element of the Board's role, namely, supervision and oversight. The Board therefore feels that its performance should be judged on the basis of accountability as a whole, rather than strict definitive financial performance criteria.

Where the Board is of the view that any changes should be made to enhance the effectiveness of the Board as a whole and its Board committees or to enhance the effectiveness of individual Directors, the Board will implement the changes accordingly. Any Board member may also give his feedback at any time to the Chairman of the NC and/or the Chairman of the Board with a view to enhancing the effectiveness of the Board and its Board committees or of the individual Directors.

Access To Information

Principle 6:

Board members to have complete, adequate and timely information

The Company recognises fully that the continual flow of relevant information on an accurate and timely basis is critical for the Board to be effective in the discharge of its duties. Board papers and related materials are circulated to the Board as early as practicable (and as a general rule, at least 7 days before the board meeting) so that members of the Board may better understand the matters prior to the board meeting and discussions may be focused on questions that the Board has about the board papers. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed.

The information provided to the Board includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of the performance, financial position and prospects of the Group, and the performance of its investments. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period.

The Board has separate and independent access to the Management and the Company Secretary at all times. The Company Secretary administers, attends and prepares minutes of board proceedings. The Company Secretary assists the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and its Board committees, and between Management and the Directors) are followed and regularly reviewed to ensure effective functioning of the Board and that the Company's constitution and relevant rules and regulations are complied with. The Company Secretary also assists the Chairman and the Board to implement corporate governance practices and processes. The Company Secretary is also the primary channel of communication between the Company and the SGX. The appointment and the removal of the Company Secretary are subject to the approval of the Board. Should the Directors, whether as a group or individually, require access to independent professional advice in the furtherance of their duties, the cost of such advice will be borne by the Company.

Remuneration Matters

Principle 7:

The procedure for developing policy on executive remuneration and for fixing remuneration packages of individual directors should be formal and transparent

Principle 8:

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company and appropriate to attract, retain and motivate Directors to provide good stewardship of the company, and key management personnel to successfully manage the company

Principle 9:

There should be clear disclosure of remuneration policy, level and mix of remuneration, and procedure for setting remuneration

Remuneration Committee

The Remuneration Committee ("RC") comprises three independent non-executive Directors, namely, Professor Annie Koh (Chairman of the RC), Dr Lee Suan Yew and Professor Neo Boon Siong. The aim of the RC is to motivate and retain Directors and executives, and ensure that the Company is able to attract the best talent in the market in order to maximise shareholder value. The RC has access to expert advice in the field of executive compensation where required. There was no RC meeting during the financial year ended 30 June 2016.

The terms of reference of the RC are as follows:

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(a) review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each Director as well as for the key management personnel;
(b) review the Company's obligations arising in the event of termination of the executive Directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous;
(c) consider whether Directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme);
(d) report to the Board on material matters and recommendations;
(e) review the RC's terms of reference annually and recommend any proposed changes to the Board;
(f) perform such other functions as the Board may determine; and
(g) sub-delegate any of its powers within its terms of reference as listed above, from time to time as the RC may deem fit.

For the financial year under review, the Company did not engage any remuneration consultant with regard to the remuneration of Directors.

Policy in respect of Non-Executive Directors' remuneration

The Directors' fees payable to non-executive Directors are paid in cash and/or fixed number of shares in the capital of the Company ("k1 Shares") as follows:

i. ***Cash Component:*** The non-executive Directors are paid Directors' fees in arrears, the amount of which is dependent on the level of responsibilities. Each Director is paid a basic fee. In addition, non-executive Directors who perform additional services through Board Committees are paid an additional fee for such services. The Chairman of the Board and of each Board Committee is also paid a higher fee compared with members of the Board and of such Board Committee in view of the greater responsibility carried by that office. Save as provided below, none of the Directors have any service contracts with the Company. The amount of Directors' fees payable is subject to shareholders' approval at the Company's AGMs.

ii. ***Share Component:*** At the AGM of the Company held in 2007, the shareholders approved the Board's recommendation relating to the remuneration of Directors to permit the Company to award a fixed number of k1 Shares, as shall from time to time be determined by an Ordinary Resolution of the Company, to non-executive Directors as part of their remuneration. The Company is therefore able to remunerate its non-executive Directors in the form of k1 Shares by the purchase of k1 Shares from the market for delivery to the non-executive Directors.

The Board believes that the incorporation of an equity component in the total remuneration of the non-executive Directors would achieve the objective of aligning the interests of the non-executive Directors with those of the shareholders and the long-term interests of the Company.

The Directors' fees payable to non-executive Directors is subject to shareholders' approval at the Company's AGMs.

For the financial year ended 30 June 2016, the Company is proposing to procure the purchase from the market of 45,000 k1 Shares solely for the purpose of the delivery of 9,000 k1 Shares to each non-executive Director as part of Directors' remuneration. This proposal will be subject to shareholders' approval at the AGM. The number of k1 Shares to be awarded to each non-executive director has been adjusted from the 45,000 k1 Shares awarded to each non-executive director in previous years, to take into account the share consolidation of every five (5) then existing ordinary shares of the Company into one ordinary share of the Company which took effect on 9 December 2015. The number of k1 Shares to be awarded may be reviewed from time to time for subsequent financial years, but any change is not expected to be significant.

Remuneration Policy in respect of Executive Director and other Key Management Personnel

The remuneration of the Directors and other key management personnel is under the purview of the RC.

The Company currently only has one executive Director, being

The framework for determining Directors' fees is as follows:

			Ratio to Retainer of $30,000
Chairman		$60,000 per annum	2.00
Director		$30,000 per annum	1.00
Audit Committee	Chairman	$25,000 per annum	0.83
	Member	$15,000 per annum	0.50
Other Board Committees	Chairman	$12,000 per annum	0.40
	Member	$8,000 per annum	0.27

Mr Steven Jay Green. Mr Steven Jay Green will be retiring at the conclusion of the Company's Annual General Meeting on 27 October 2016, and will not be offering himself for re-appointment as a Director. Mr Jeffrey Alan Safchik, the Company's Chief Financial Officer and Chief Operating Officer ("CFO and COO"), has been appointed as an executive Director and Chief Executive Officer of the Company with effect from 28 October 2016.

The appointments and discharge of the roles of Mr Steven Jay Green and Mr Jeffrey Alan Safchik are in connection with the consultancy and management services provided by Greenstreet Partners, L.P. ("Greenstreet") under the 2014 Restructured Management Agreements (as defined below).

Therefore, Mr Steven Jay Green and Mr Jeffrey Alan Safchik do not draw any salary from the Company.

Prior to 26 August 2014, Greenstreet provided the consultancy and management services to the Group under a second amended and restated management agreement dated 15 October 2010 and as approved in an extraordinary general meeting of the shareholders of the same date (the "2010 Management Agreement").

Pursuant to an internal restructuring of the Group in 2014, the 2010 Management Agreement was bifurcated into two management agreements as follows:

(1) a third amended and restated management agreement dated 26 August 2014 ("2014 Management Agreement") between the Company and Greenstreet, pursuant to which Greenstreet provides consultancy and management services to the Group (other than the services provided under the DFS Agreement (as defined below)); and

(2) a new agreement dated 26 August 2014 between DFS Holdings I Corp. ("DFS") (an indirect wholly-owned subsidiary of the Company) and Greenstreet pursuant to which Greenstreet provides consultancy services on investment opportunities for DFS and management services in respect of all other aspects of managing DFS and its business activities throughout the United States ("DFS Agreement"),

(together, the "2014 Restructured Management Agreements").

The 2014 Restructured Management Agreements do not contain any substantive change to the terms and arrangements under the 2010 Management Agreement. The fees paid under the 2014 Restructured Management Agreements are identical in amount as the fees paid under the 2010 Management Agreement save that the portion of the fees payable to Greenstreet relating to the services provided under the DFS Agreement shall be paid by DFS pursuant to the terms of the DFS Agreement. Accordingly, shareholders' approval was not required for the 2014 Restructured Management Agreements.

On 28 October 2014, shareholders' approval was obtained to enter into an amendment agreement to amend the 2014 Management Agreement pursuant to which Greenstreet would be entitled to a new carried interest component with respect to the investment by the Company and/or its affiliate(s) in Knowledge Universe Holdings, LLC ("Amendment Agreement").

More information on the 2014 Restructured Management Agreements and the Amendment Agreement can be found in the Directors' Statement on page 35 under the heading "Management Agreement".

The RC has however resolved that the executive Director would be compensated with Directors' fees based on the same framework as set out above under the section "Policy in respect of Non-Executive Directors' remuneration", subject to shareholders' approval at the Company's AGMs.

Level and Mix of Remuneration of Directors for the financial year ended 30 June 2016

The annual remuneration report for Directors is as follows:

	Below S$250,000			
Name of Director	**Base/ Fixed Salary**	**Variable Income/ Bonuses**	**Directors' Fees (S$)**	**Remuneration Shares[1]**
Steven Jay Green	–	–	60,000	-
Lee Suan Yew	–	–	50,000	9,000
Alexander Vahabzadeh	–	–	30,000	9,000
Neo Boon Siong	–	–	71,000	9,000
Annie Koh	–	–	57,000	9,000
Tan Poh Lee Paul	–	–	53,000	9,000

[1] The award of Remuneration Shares approved by shareholders during the Company's AGM held on 31 October 2007 is only applicable to non-executive Directors. The number of Remuneration Shares to be awarded to each non-executive Director has been adjusted from the 45,000 Remuneration Shares awarded to each non-executive Director in previous years, to take into account the share consolidation of every five (5) then existing ordinary shares of the Company into one ordinary share of the Company which took effect on 9 December 2015.

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Level and Mix of Remuneration of Key Management Personnel (who are not also Directors) for the year ended 30 June 2016

Save for the CEO (Mr Steven Jay Green) and the CFO and COO (Mr Jeffrey Alan Safchik), there are no other key management personnel of the Company.

Remuneration of Employees who are Immediate Family Members of a Director or the Executive Chairman

No employee of the Company and its subsidiaries was an immediate family member of a Director or the executive Chairman and whose remuneration exceeded $50,000 during the financial year ended 30 June 2016. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

The k1 Ventures Share Option Scheme 2000 had lapsed and there are no options to take up unissued shares of the Company or any corporation in the Group, and no unissued shares of the Company or any corporation in the Group under option. The Company currently has no other share schemes in place.

Accountability and Audit

Principle 10:

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects

Principle 12:

Establishment of Audit Committee with written terms of reference

The Board is responsible for providing a balanced and understandable assessment of the Company's and Group's performance, position and prospects, including interim and other price sensitive public reports and reports to regulators (if required). Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNet, press releases and the Company's website.

The Company's Annual Report is accessible on the Company's website. The Company also sends its Annual Report to all its shareholders.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the Company's and Group's performance, position and prospects on a monthly basis and as the Board may require from time to time. Such reports keep the Board members informed of the Company's and Group's performance, position and prospects.

Audit Committee

The Audit Committee ("AC") comprises three non-executive Directors, two of whom (including the Chairman) are independent Directors, namely, Professor Neo Boon Siong (Chairman of the AC), Professor Annie Koh and Mr Tan Poh Lee Paul. All members of the AC have recent and relevant accounting and/or related financial management expertise or experience.

The AC had 4 meetings during the financial year ended 30 June 2016, which were attended by all of the members.

The terms of reference of the AC are as follows:

(a) review financial statements and any formal announcements relating to financial performance, and review significant financial reporting issues and judgements contained in them, so as to ensure the integrity of such statements and announcements;

(b) review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

(c) review audit plans and reports of the external auditor and their evaluation of the systems of internal controls arising from their audit examination, and consider the effectiveness of actions or policies taken by Management on the recommendations and observations;

(d) review the scope and results of the external audit, and the independence and objectivity of the external auditors annually;

(e) review the nature and extent of non-audit services performed by the external auditors to ensure objectivity;

(f) meet with external auditors and internal auditors, without the presence of Management, at least once annually;

(g) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;

(h) review the adequacy and effectiveness of the Company's internal audit function, at least annually;

(i) ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, at least annually;

(j) approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting / auditing firm or corporation to which the internal audit function is outsourced;

(k) review the valuation of investments;

(l) review the policy and arrangements by which employees of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken;

(m) review interested person transactions;

(n) receive, as and when appropriate, reports and recommendations from Management on risk tolerance and strategy, and recommend to the Board for its determination the nature and extent of significant risks which the Group overall may take in achieving its strategic objectives and the overall Group's levels of risk tolerance and risk policies;

(o) review and discuss, as and when appropriate, with Management the Group's risk governance structure and its risk policies and risk mitigation and monitoring processes and procedures;

(p) receive and review at least quarterly reports from Management on major risk exposures and the steps taken to monitor, control and mitigate such risks;

(q) review the Group's capability to identify and manage new risk types;

(r) review and monitor Management's responsiveness to the findings and recommendations of the AC;

(s) provide timely input to the Board on critical risk issues;

(t) investigate any matters within the AC's purview, whenever it deems necessary;

(u) report to the Board on material matters, findings and recommendations;

(v) review the AC's terms of reference annually and recommend any proposed changes to the Board;

(w) perform such other functions as the Board may determine; and

(x) sub-delegate any of its powers within its terms of reference as listed above from time to time as the AC may deem fit.

The AC has explicit authority to investigate any matter within its terms or reference, full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

During the financial year ended 30 June 2016, the AC performed independent reviews of the financial statements of the Group before the announcement of the financial results. Changes to accounting standards and issues which have a direct impact on the financial statements were reported to the AC by Management and highlighted by the external auditors in their report to the AC. All audit findings and recommendations put up by the external auditors were forwarded and discussed at the AC meetings. During the year, the AC met with the external auditors two times to discuss audit matters relating to the Group. At least one of the meetings with the external auditors was held without the presence of Management.

The AC undertook a review of the independence and objectivity of the external auditors. No non-audit services were performed and accordingly no non-audit fees were payable to the external auditors for the financial year ended 30 June 2016. The AC concluded that the external auditors were independent. For details of the fees payable to the external auditors, broken down into audit services and non-audit services, please refer to Note 16 of the Notes to the Financial Statements on page 55.

The Company has complied with Rule 712, and Rule 715 read with Rule 716 of the Listing Manual in relation to its auditing firms.

The AC reviewed the Ethics Reporting Policy, which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. A set of guidelines, which was reviewed by the AC and approved by the Board, was also issued to assist the AC in managing allegations of fraud or other misconduct which may be made pursuant to the Ethics Reporting Policy, so that:

- investigations are carried out in an appropriate and timely manner;
- administrative, disciplinary, civil and/or criminal actions that are initiated following completion of investigations, are appropriate, balanced and fair; and
- action is taken to correct the weaknesses in the existing system of internal processes and policies which allowed the perpetration of the fraud and/or misconduct, and to prevent a recurrence.

Risk Management and Internal Controls

Principle 11:
Sound system of risk management and internal controls

The Board of Directors, supported by the AC, oversees the Company's system of risk management and internal controls.

The AC reviews the reports submitted by the external auditors relating to the adequacy and effectiveness of the Company's significant internal controls, including financial, operational, and compliance controls, and management of risks and fraud and other irregularities. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by Management on the recommendations made by the external auditors in this respect.

Corporate Governance

There are significant information technology infrastructure and related controls in place including access security, data management/computer operations, and change management. Access to certain reports, files and programs are password protected to prevent inappropriate access. In the accounting software, business process owners are restricted from having administrative access, which separates duties. Computer data is routinely backed-up so that if files and/or documents are lost or damaged, they may be easily restored. Financial reporting applications and operations are secured to prevent unauthorised use, disclosure, modification, damage or loss of data. Database access is limited to the information technology team. Changes and enhancements to financial applications are approved and then implemented by the information technology team, and then testing of changes is performed by business process owners.

The Company's risk management system is a continuous process of analysis and communication. The Company recognizes fully that it is crucial to provide timely input to the Board on critical risk issues. The Group has in place several processes towards ensuring the adequacy and effectiveness of the Group's system of internal controls and risk management. The Company is required to ensure good corporate governance through the implementation and management of policies and procedures relevant to the Group's business scope and environment. Such policies and procedures govern financial, operational, information technology and compliance matters and are reviewed and updated periodically. Significant risk areas of Group are identified and assessed, with systems, policies and processes put in place to manage and mitigate the identified risks. The implementation of policies such as the Ethics Reporting Policy establishes a clear tone at the top with regard to business and ethical conduct.

The Board has received assurance from the CEO and CFO:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;

(b) the internal controls of the Group are adequate and effective to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business scope and environment and that they are not aware of any material weakness in the system of internal controls; and

(c) they are of the view that the Group's risk management system is adequate and effective.

Based on the review of the Group's governing framework, system, policies and processes in addressing key risks identified and assessed, the monitoring and review of the Group's overall performance and representation from the Management, the Board, with the concurrence of the Audit Committee, is of the view that, as at 30 June 2016, the Group's risk management system is adequate and effective.

Based on the Group's framework of management control, the internal control policies and procedures established and maintained by the Group, and the annual review performed by the external auditors, the Board, with the concurrence of the AC, is of the opinion that, as at 30 June 2016, the Group's internal controls are adequate and effective to address the financial, operational, compliance risks and information technology risks which the Group considers relevant and material to its current business scope and environment.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Internal Audit

Principle 13:

Effective and independent internal audit function that is adequately resourced and independent of the activities it audits

The Board believes it is crucial to put in place a system of internal controls of the Group's procedures and processes to safeguard shareholders' interests and the Group's assets, and to manage risks.

The AC reviews, on an annual basis, the adequacy of the internal audit function. During its review in the financial year ended 30 June 2016, the AC concluded that as the Company no longer has any major operating subsidiaries and the Company's main activities relate to head office functions and have no operational risks, the appointment of an internal auditor for the Company was not necessary. Instead, the Company has put in place certain review procedures to monitor the key controls and procedures and ensure their effectiveness. To assist the AC to ensure that the Company maintains a sound system of internal controls, Management monitors and reviews all financial activities and all disbursements are approved by the CFO. The Management's assurances on the Company's internal controls are reviewed by the AC and updated periodically. Such procedures complement the AC's oversight and supervision of the Company's internal controls.

Communication with Shareholders

Principle 14:

Fair and equitable treatment of shareholders and protection of shareholders' rights

Principle 15:

Regular, effective and fair communication with shareholders

Principle 16:

Greater shareholder participation at general meetings

The Company believes that a high standard of disclosure is key to raising the level of corporate governance. The Company does not practise selective disclosure. Material and price-sensitive information is publicly released, and results and annual reports are announced or issued within the mandatory periods. The Company has also engaged the Group Corporate Communications Department of Keppel Corporation Limited to facilitate communication with shareholders, and to receive and attend to their queries and concerns.

Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports and/or circulars sent to all shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. Shareholders are also informed of the rules, including voting procedures, governing such meetings. If any shareholder who is not a "relevant intermediary" (as defined in the Companies Act) is unable to attend, he or she is allowed to appoint up to two proxies to vote on his or her behalf at the meeting through proxy forms sent in advance.

At shareholders' meetings, each distinct issue is proposed as a separate resolution. To ensure transparency, the Company conducts electronic poll voting for shareholders/proxies present at the meeting for all the resolutions proposed at the general meeting. A scrutineer is also appointed to count and validate the votes cast at the meetings. Votes cast for and against and the percentages, on each resolution will be displayed 'live' to shareholders/proxies immediately after each poll conducted. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the general meeting via SGXNET. External auditors are also present at such meetings to assist the Directors to address shareholders' queries, if necessary.

The Company will not be considering implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretary prepares minutes of shareholders' meetings, which incorporate substantial comments or queries from shareholders and responses from the Board and Management. These minutes are available to shareholders upon their request.

Investors' questions are also addressed over the phone and through email as part of the Company's continuous efforts to enhance shareholder communications. The Company provides investors with weblinks and other information regarding the Company's businesses and investments via its website (http://www.k1ventures.com.sg).

Securities Transactions

In compliance with Rule 1207(19) of the Listing Manual on best practices on dealing in securities, the Company issues circulars to its Directors and officers informing that the Company and its officers must not deal in listed securities of the Company one month before the announcement of the Company's full-year financial results and two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, as the case may be, and if they are in possession of unpublished material price-sensitive information. Directors and officers have also been informed of the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations.

Corporate Governance

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Yes, unless otherwise explained in the Corporate Governance Report.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Please see explanations in the Corporate Governance Report.
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	All new investments, divestments, commitment to loans and lines of credit from banks and financial institutions require the approval of the Board.
Members of the Board		
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	The Nominating Committee (NC) reviews annually the balance and diversity of skills, experience, gender and knowledge required by the Board, and the size of the Board which would facilitate decision-making. Thereafter, in consultation with Management, the NC prepares a description of the role and the essential and desirable competencies for a particular appointment.
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	The NC is of the view that the Board and Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender, knowledge of the Group, core competencies such as accounting or finance, business or management experience, or knowledge required for the Board and the Board committees to be effective.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	See above on the considerations for the appointment of new Directors. See also Guideline 4.6 below.
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	**For new directors** The NC has in place a formal process for the selection of new Directors to increase transparency of the nominating process in identifying and evaluating nominees for Directors. The NC leads the process and makes recommendations to the Board as follows: (a) The NC evaluates the balance of skills, knowledge and experience on the Board and, in light of such evaluation and in consultation with Management, prepares a description of the role and the essential and desirable competencies for a particular appointment. (b) External help (for example, Singapore Institute of Directors, search consultants, open advertisement) may be used to source for potential candidates if need be. Directors and Management may also make suggestions. (c) The NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required. (d) The NC makes recommendations to the Board for approval.

Guideline	Questions	How has the Company complied?
		For incumbent directors The Directors are subject to retirement and re-election at regular intervals of at least once every three years. Pursuant to Article 86 of the Company's Constitution, one-third of the Directors retire from office at the Company's Annual General Meeting (the "AGM"). In addition, Article 93 of the Company's Constitution provides that a Director appointed to fill a casual vacancy or as an addition to the existing Directors must submit himself/herself for re-election at the AGM immediately following his/her appointment. The process for the re-appointment of Directors is as follows: (a) The NC evaluates the retiring Director's performance and contribution to the Board based on factors such as preparedness, participation and candour at meetings with reference to the peer-review of the Director. (b) The NC makes recommendations to the Board for approval.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	Yes.
	(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	A formal letter is sent to newly-appointed Directors explaining their duties and obligations as Director. The Directors are provided with a Director's tool kit containing information on directors' duties, the relevant provisions of the Companies Act, Chapter 50 (the "Companies Act") and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX")(the "Listing Manual") and the Company's governance policies and practices. Changes to laws, regulations, policies, accounting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on the Company and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via circulation of Board papers. The Directors are also provided with continuing education in areas such as Directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. Updates on relevant legal or regulatory developments may be provided to the Board by circulation or through seminars and presentations conducted or sponsored by the Company.
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	Directors should not have more than six listed company board representations and/or other principal commitments. This serves as a guide and the NC takes into account other factors in deciding on the capacity of a director.
	(b) If a maximum number has not been determined, what are the reasons?	Not applicable.
	(c) What are the specific considerations in deciding on the capacity of directors?	The NC takes into account the results of the assessment of the effectiveness of the individual Director, and the respective Directors' actual conduct on the Board, in making this determination.

Corporate Governance

Guideline	Questions	How has the Company complied?
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	The Board has implemented formal processes which are carried out by the NC annually for assessing the effectiveness of the Board as a whole and its Board committees and the contribution by the Chairman and each individual Director to the effectiveness of the Board. During the year, each Board member is required to complete a board evaluation questionnaire. The completed board evaluation questionnaires are collated and sent to the NC for its review, discussion and evaluation. The NC Chairman and members evaluate the returns and provide their comments and recommendations to the Board on the changes which should be made to help the Board discharge its duties more effectively. The detailed process is set out on pages 16 and 17 of the Corporate Governance Report.
	(b) Has the Board met its performance objectives?	Yes
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	No.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Yes, Dr Lee Suan Yew has served on the Board for more than nine years from the date of his first appointment. The Board, taking into account the views of the Nominating Committee which had considered in particular, Dr Lee Suan Yew's objective participation on the Board where he contributed by raising questions on issues relating to the Company's strategy, business and financial performance, results of the annual review of the independence of Dr Lee Suan Yew (which includes a review of whether he has any relationship with the Company, its related corporations or its officers that could interfere or reasonably be perceived to interfere with his independent judgement) and peer-review exercise, and Dr Lee Suan Yew's declaration and self-assessment of his own independence, considered that Dr Lee Suan Yew had demonstrated independent judgement at Board and Board committee meetings and was unanimously of the firm view that he has been exercising independent judgement in the best interests of the Company in the discharge of his duties as a Director. The Board therefore continued to deem Dr Lee Suan Yew as an independent Director.

Guideline	Questions	How has the Company complied?
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Not applicable. Greenstreet Partners, L.P. provide consultancy and management services to the Group and in return receive a fee for their services under the 2014 Restructured Management Agreements (as defined in the Corporate Governance Report), as amended by the Amendment Agreement (as defined in the Corporate Governance Report). The details are set out on page 19 of the Corporate Governance Report.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Not applicable.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	See Guideline 9.3 above.
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	See Guideline 9.3 above.
	(c) Were all of these performance conditions met? If not, what were the reasons?	See Guideline 9.3 above.

Corporate Governance

Guideline	Questions	How has the Company complied?
Risk Management and Internal Controls		
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	The Company has adopted initiatives to ensure that the non-executive Directors are well supported with accurate, complete and timely information, and have unrestricted access to Management. These initiatives include the circulation of relevant information on prospective deals and potential developments at an early stage whenever possible before formal board approval is sought, as well as business initiatives, industry developments and analyst and press commentaries on matters in relation to the Company and/or the industries in which it operates. The information provided to the Board also includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of the performance, financial position and prospects of the Group, and the performance of its investments. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period. Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the Company's and Group's performance, position and prospects on a monthly basis and as the Board may require from time to time. Such reports keep the Board members informed of the Company's and Group's performance, position and prospects.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	No. During its review in the financial year ended 30 June 2016, the AC concluded that as the Company no longer has any major operating subsidiaries and the Company's main activities relate to head office functions and have no operational risks, the appointment of an internal auditor for the Company was not necessary. Instead, the Company has put in place certain review procedures to monitor the key controls and procedures and ensure their effectiveness. To assist the AC to ensure that the Company maintains a sound system of internal controls, Management monitors and reviews all financial activities and all disbursements are approved by the CFO. The Management's assurances on the Company's internal controls are reviewed by the AC and updated periodically. Such procedures complement the AC's oversight and supervision of the Company's internal controls.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board of Directors, supported by the AC, oversees the Company's system of risk management and internal controls. Further details are set out on pages 21 and 22 of the Corporate Governance Report. The Board's view on the adequacy and effectiveness of the Company's internal controls is based on the Group's framework of management control, the internal control policies and procedures established and maintained by the Group, and the annual review performed by the external auditors. The AC has concurred with this view. The Board's view on the adequacy and effectiveness of the Company's risk management system is based on the review of the Group's governing framework, system, policies and processes in addressing key risks identified and assessed, the monitoring and review of the Group's overall performance and representation from the Management. The Audit Committee has concurred with this view.

Guideline	Questions	How has the Company complied?
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	The Board has received assurance from the CEO and CFO on points (i) and (ii).
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	The estimated audit fees payable to the external auditors of the Company for the financial year ended 30 June 2016 is S$59,000. The external auditors did not provide any non-audit services during the financial year ended 30 June 2016 and therefore no non-audit fees were payable to the external auditors for the financial year ended 30 June 2016.
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	The external auditors did not provide any non-audit services during the financial year ended 30 June 2016.
Communication with Shareholders		
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Yes. Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports and/or circulars sent to all shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. Shareholders are also informed of the rules, including voting procedures, governing such meetings. Investors' questions are also addressed over the phone and through email as part of the Company's continuous efforts to enhance shareholder communications.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes, the role is performed by the Group Corporate Communications Department of Keppel Corporation Limited.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	The Company provides investors with weblinks and other information regarding the Company's businesses and investments via its website (http://www.k1ventures.com.sg).
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable.

Corporate Governance

Code of Corporate Governance 2012
Specific Principles and Guidelines for Disclosure

Relevant Guideline or Principle	Page Reference in Corporate Governance Report
Guideline 1.3 Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	Pages 12, 15 to 23
Guideline 1.4 The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	Page 12
Guideline 1.5 The type of material transactions that require board approval under guidelines	Page 12
Guideline 1.6 The induction, orientation and training provided to new and existing directors	Pages 12 and 13
Guideline 2.3 The Board should identify in the company's Annual Report each director it considers to be independent. Where the Board considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem a director not to be independent, the nature of the director's relationship and the reasons for considering him as independent should be disclosed	Page 13
Guideline 2.4 Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed	Page 13
Guideline 3.1 Relationship between the Chairman and CEO where they are immediate family members	Not applicable
Guideline 4.1 Names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board	Pages 15 and 16
Guideline 4.4 The maximum number of listed company board representations which directors may hold should be disclosed	Page 16
Guideline 4.6 Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	Pages 15 and 16
Guideline 4.7 Key information regarding directors, including which directors are executive, non-executive or considered by the NC to be independent	Pages 4 to 6 and 13
Guideline 5.1 The Board should state in the company's Annual Report how assessment of the Board, its board committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the company's Annual Report whether the external facilitator has any other connection with the company or any of its directors. This assessment process should be disclosed in the company's Annual Report	Pages 16 and 17
Guideline 7.1 Names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board	Pages 17 and 18
Guideline 7.3 Names and firms of the remuneration consultants (if any) should be disclosed in the annual remuneration report, including a statement on whether the remuneration consultants have any relationships with the company	Page 18
Principle 9 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration	Pages 17 to 20
Guideline 9.1 Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. The annual remuneration report should include the aggregate amount of any termination, retirement and post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	Pages 17 to 20
Guideline 9.2 Fully disclose the remuneration of each individual director and the CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives	Pages 17 to 20

Relevant Guideline or Principle	Page Reference in Corporate Governance Report
Guideline 9.3 Name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel	Pages 17 to 20
Guideline 9.4 Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S$50,000	Page 20
Guideline 9.5 Details and important terms of employee share schemes	Page 20
Guideline 9.6 For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met	Pages 17 to 20
Guideline 11.3 The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems The commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems The Board should also comment on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems	Pages 21 to 23
Guideline 12.1 Names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board	Pages 20 and 21
Guideline 12.6 Aggregate amount of fees paid to the external auditors for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	Page 21
Guideline 12.7 The existence of a whistle-blowing policy should be disclosed in the company's Annual Report	Page 21
Guideline 12.8 Summary of the AC's activities and measures taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements	Pages 20 to 23
Guideline 15.4 The steps the Board has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings	Page 23
Guideline 15.5 Where dividends are not paid, companies should disclose their reasons	Not applicable

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Directors' Statement & Financial Statements

Directors' Statement

For the financial year ended 30 June 2016

The directors present their statement together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2016.

In the opinion of the directors, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 38 to 61 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2016, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1. Directors

The directors of the Company in office at the date of this statement are:

Steven Jay Green (Chairman)
Lee Suan Yew
Alexander Vahabzadeh
Neo Boon Siong
Annie Koh
Tan Poh Lee Paul

2. Audit Committee

The Audit Committee of the Board of Directors comprises three members. Members of the Committee are:

Neo Boon Siong (Chairman)
Annie Koh
Tan Poh Lee Paul

Details of the Company's corporate governance practices are set out in the corporate governance section.

The Audit Committee carried out its functions in accordance with the Singapore Companies Act, including the review of the audit plans and scope of the audit examination of the auditors of the Company, their findings on the financial statements arising from their audit examination, as well as the nature and extent of non-audit services performed by them. In addition, the Audit Committee carried out the following functions:

- Reviewed the independence and objectivity of the external auditors annually;
- Nominated external auditors for re-appointment;
- Reviewed the accounts of the Company and the consolidated accounts of the Group before their submission to the Board of Directors;
- Reviewed the scope and results of internal audit procedures; and
- Reviewed interested person transactions.

The Audit Committee recommended to the Board of Directors the re-appointment of Deloitte & Touche LLP as external auditors of the Company at the forthcoming Annual General Meeting.

3. Internal controls and risk management

Based on the Group's framework of management control, the review procedures established and maintained by the Company to monitor the key controls and procedures to ensure their effectiveness, the annual reviews performed by the external auditors, the Board, with the concurrence of the Audit Committee, is of the view that the Group's internal controls, addressing financial, operational and compliance risks as at 30 June 2016 are adequate.

4. Arrangements to enable directors to acquire shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other corporate body.

5. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year and their interests in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act are as follows:

	Interest held at		
	01.07.15	**30.06.16** (1)	**21.07.16**
k1 Ventures Limited			
(Ordinary shares)			
Steven Jay Green (deemed interest)	305,332,800	61,066,560	61,066,560
Lee Suan Yew	300,000	69,000	69,000
Alexander Vahabzadeh	154,000	39,800	39,800
Alexander Vahabzadeh (deemed interest)	265,000,000	53,000,000	53,000,000
Neo Boon Siong	154,000	39,800	39,800
Annie Koh	68,000	22,600	22,600
Tan Poh Lee Paul	12,500	2,500	2,500

(1) During the year, the Company completed the share consolidation of every five existing issued ordinary shares into one ordinary share.

6. Management agreement

The Company entered into a Management Agreement dated 18 November 2003, which was amended and/or restated from time to time, with Greenstreet Partners, L.P. ("Greenstreet"), a limited partnership in which the Chairman of the Company has a substantial financial interest, pursuant to which Greenstreet will provide the Company with consultancy services on investment opportunities and management services in respect of all other aspects of managing the Company and its business activities throughout the world. Pursuant to an internal restructuring of the Group, the Second Amended and Restated Management Agreement dated 15 October 2010 ("2010 Management Agreement") was bifurcated into two separate management agreements being the Third Amended and Restated Management Agreement and the DFS Management Agreement dated 26 August 2014 (collectively, the "Agreements"). The Agreements do not contain any substantive change to the terms and arrangements under the 2010 Management Agreement, save for the portion of fees payable to Greenstreet were bifurcated between the Agreements. The Agreement provides for the Company or its affiliates to pay Greenstreet (i) a monthly fee of between US$50,000 to US$200,000 and (ii) a monthly management fee of 0.0625% of the aggregate amount of capital invested by the Company or its affiliates in any investment after 15 October 2010, provided that once such aggregate amount of capital invested is equal to the existing capital amount, then any new capital shall be subject to a monthly management fee of 0.125% thereof, provided however that the entire existing capital amount must be fully committed for such investments prior to the investment of any new capital. Greenstreet will also be entitled to receive a carried interest in respect of each new investment undertaken by the Company or its affiliates to be determined on a transaction-by-transaction basis. The carried interest payable shall be based upon the realised net profits, after the return of invested capital and management fees paid to Greenstreet generated with respect to each investment, whereby Greenstreet will receive a specified proportion of the realised net profits in excess of agreed rates of return for each new investment. The Company entered into the First Amendment to Third Amended and Restated Management Agreement dated 28 October 2014, pursuant to which Greenstreet will be entitled to receive a carried interest in respect of the investment by the Group in Knowledge Universe Holdings, LLC ("KUH"). The carried interest payable shall be based upon proceeds received by the Group from the KUH investment on or following 1 July 2014 (the "Relevant Date"), after the return of Invested Capital and management fees paid to Greenstreet with respect to the KUH investment following the Relevant Date, whereby Greenstreet will receive a specified portion of proceeds from the KUH investment in excess of agreed rates of return.

Except as disclosed in this statement and in the notes to the financial statements, no director of the Company has since the beginning of the financial year received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Companies Act by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

7. Share options

The k1 Ventures Share Option Scheme 2000 has lapsed and there are no options to take up unissued shares of the Company or any corporation in the Group, and no unissued shares of the Company or any corporation in the Group under option.

Directors' Statement

8. Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD

Steven Jay Green
Chairman

Neo Boon Siong
Director

Singapore
5 September 2016

Independent Auditors' Report

to the Members of k1 Ventures Limited
For the financial year ended 30 June 2016

Report on the Financial Statements
We have audited the accompanying financial statements of k1 Ventures Limited ("Company") and its subsidiaries ("Group") which comprise the balance sheets of the Group and the Company as at 30 June 2016, and the consolidated profit and loss account, consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 61.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements
In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Tay Boon Suan
Partner
Appointed on 24 October 2013

5 September 2016

Balance Sheets

As at 30 June 2016

	Note	Company		Group	
		30.06.16 $'000	30.06.15 $'000	**30.06.16 $'000**	30.06.15 $'000
Share capital	3	**163,955**	196,439	**163,955**	196,439
Reserves	4	**14,090**	10,720	**43,777**	13,873
Share capital and reserves		**178,045**	207,159	**207,732**	210,312
Capital employed		**178,045**	207,159	**207,732**	210,312
Represented by:					
Non-current assets					
Subsidiaries	6	**59,594**	90,664	**-**	-
Investments	7	**-**	-	**146,804**	155,111
Note receivable	8	**-**	67,948	**-**	-
		59,594	158,612	**146,804**	155,111
Current assets					
Amounts due from subsidiaries	9	**28**	26	**-**	-
Debtors	10	**10,991**	11,024	**14,211**	14,004
Note receivable	8	**67,943**	-	**-**	-
Deposits, bank balances and cash	11	**43,367**	41,367	**53,670**	46,983
		122,329	52,417	**67,881**	60,987
Current liabilities					
Creditors	12	**578**	570	**1,561**	573
Provision for taxation		**3,300**	3,300	**3,300**	3,300
		3,878	3,870	**4,861**	3,873
Net current assets		**118,451**	48,547	**63,020**	57,114
Non-current liabilities					
Deferred taxation	13	**-**	-	**2,092**	1,913
		-	-	**2,092**	1,913
Net assets		**178,045**	207,159	**207,732**	210,312

See accompanying notes to the financial statements.

Consolidated Profit and Loss Account

For the financial year ended 30 June 2016

	Note	30.06.16 $'000	30.06.15 $'000
Revenue	14	**195,081**	60,618
Net carrying value of investment disposed		**(7,507)**	(18,225)
Staff costs	15	**(238)**	(210)
Investment impairment loss		**-**	(13,244)
Other operating (expenses)/income		**(42,971)**	2,805
Profit before tax	16	**144,365**	31,744
Taxation	17	**(3,799)**	(6,815)
Profit for the year		**140,566**	24,929
Attributable to:			
Shareholders of the Company		**140,566**	24,929
Earnings per ordinary share (cents) *:	18		
- basic		**32.45**	5.76
- diluted		**32.45**	5.76

* Comparative figures for EPS have been adjusted for the share consolidation of every five existing issued ordinary shares into one ordinary share

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2016

	30.06.16 $'000	30.06.15 $'000
Profit for the year	**140,566**	24,929
Items that may be reclassified subsequently to profit and loss account:		
Fair value changes on available-for-sale investments, net of tax	**(622)**	762
Fair value changes on available-for-sale assets realised and transferred to profit and loss account	**658**	7,203
Exchange differences arising on consolidation	**(687)**	9,119
Reclassification of currency translation reserve to profit or loss on liquidation of subsidiary	**19,926**	(1,595)
Other comprehensive income for the year, net of tax	**19,275**	15,489
Total comprehensive income for the year	**159,841**	40,418
Attributable to:		
Shareholders of the Company	**159,841**	40,418

Statements of Changes in Equity

For the financial year ended 30 June 2016

	Share capital $'000	Fair value reserve $'000	Revenue reserves $'000	Total $'000
Company				
As at 1 July 2015	**196,439**	**-**	**10,720**	**207,159**
Total comprehensive income for the year				
Profit for the year	**-**	**-**	**133,307**	**133,307**
Total comprehensive income for the year	**-**	**-**	**133,307**	**133,307**
Transactions with owners, recognised directly in equity				
Distribution to owners (Note 19)				
Capital distribution	**(32,484)**	**-**	**-**	**(32,484)**
Dividends paid	**-**	**-**	**(129,937)**	**(129,937)**
As at 30 June 2016	**163,955**	**-**	**14,090**	**178,045**
As at 1 July 2014	196,439	(924)	6,512	202,027
Total comprehensive income for the year				
Profit for the year	-	-	90,833	90,833
Other comprehensive income	-	924	-	924
Total comprehensive income for the year	-	924	90,833	91,757
Transactions with owners, recognised directly in equity				
Distribution to owners				
Dividends paid	-	-	(86,625)	(86,625)
As at 30 June 2015	196,439	-	10,720	207,159

Statements of Changes in Equity

	Attributable to owners of the Company				
	Share capital $'000	Fair value reserve $'000	Foreign exchange translation account $'000	Revenue reserves $'000	Share capital & reserves $'000
Group					
As at 1 July 2015	**196,439**	**(155)**	**(13,391)**	**27,419**	**210,312**
Total comprehensive income for the year					
Profit for the year	**-**	**-**	**-**	**140,566**	**140,566**
Other comprehensive income	**-**	**36**	**19,239**	**-**	**19,275**
Total comprehensive income for the year	**-**	**36**	**19,239**	**140,566**	**159,841**
Transactions with owners, recognised directly in equity					
Distribution to owners (Note 19)					
Capital distribution	**(32,484)**	**-**	**-**	**-**	**(32,484)**
Dividends paid	**-**	**-**	**-**	**(129,937)**	**(129,937)**
As at 30 June 2016	**163,955**	**(119)**	**5,848**	**38,048**	**207,732**
Group					
As at 1 July 2014	196,439	(8,120)	(20,915)	89,115	256,519
Total comprehensive income for the year					
Profit for the year	-	-	-	24,929	24,929
Other comprehensive income	-	7,965	7,524	-	15,489
Total comprehensive income for the year	-	7,965	7,524	24,929	40,418
Transactions with owners, recognised directly in equity					
Distribution to owners					
Dividends paid	-	-	-	(86,625)	(86,625)
As at 30 June 2015	196,439	(155)	(13,391)	27,419	210,312

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2016

		30.06.16 $'000	30.06.15 $'000
Cash Flows from Operating Activities			
Profit before tax		**144,365**	31,744
Adjustments:			
Investment impairment loss		**-**	13,244
Accretion of interest income on held-to-maturity financial assets		**(2,715)**	(2,476)
Exchange loss on liquidation of subsidiary		**19,926**	-
Loss/(profit) on sale of investments		**642**	(27,359)
Unrealised foreign exchange differences		**(856)**	(6,488)
Cash flow from operations before changes in working capital		**161,362**	8,665
Working capital changes:			
Debtors		**(11)**	(1,264)
Creditors		**988**	(1,045)
Cash from operations		**162,339**	6,356
Income taxes paid, net of refunds received		**(3,708)**	(3,330)
Net cash generated from operating activities		**158,631**	3,026
Cash Flows from Investing Activities			
Disposal of subsidiary	**A**	**-**	11,935
Net proceeds from disposal and capital distribution of investments		**10,479**	46,034
Net cash from investing activities		**10,479**	57,969
Cash Flows from Financing Activities			
Capital distribution		**(32,484)**	-
Dividends paid to shareholders of the Company		**(129,937)**	(86,625)
Net cash used in financing activities		**(162,421)**	(86,625)
Net increase/(decrease) in cash and cash equivalents		**6,689**	(25,630)
Cash and cash equivalents at beginning of year		**46,983**	70,602
Effects of exchange rate changes on cash and cash equivalents		**(2)**	2,011
Cash and cash equivalents at end of year		**53,670**	46,983

A. This pertained to receipt of escrow receivables in FY 2015 from the disposal of Helm in FY 2014.

Notes to the Financial Statements

For the financial year ended 30 June 2016

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

The Company is incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its principal place of business and registered office is 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632.

The principal activities of the Company are to manage its investment portfolio.

The principal activities of the subsidiaries are detailed in Note 6 to the financial statements.

The consolidated financial statements of the Group for the financial year ended 30 June 2016 and the balance sheet and statement of changes in equity of the Company as at 30 June 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 5 September 2016.

2. Significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

<u>Adoption of New and Revised Standards</u>
In the current financial year, the Group adopted the new/revised FRS that are relevant to the Group and effective for annual periods beginning on or after 1 July 2015. The adoption of these new/revised did not result in any substantial changes to the Group's accounting policies or any significant impact on the financial statements.

<u>New accounting standards and interpretations</u>
Management anticipates that the adoption of the other FRS, INT FRS and Amendments to FRS that were issued but effective only in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

FRS 109 Financial Instruments
In December 2014, the Accounting Standards Council issued the final version of FRS 109 *Financial Instruments* which reflects all phases of the financial instruments project and replaces FRS 39 *Financial Instruments: Recognition and Measurement*. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The adoption of FRS 109 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities. The Group is currently evaluating the impact of the changes in the period of initial adoption.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The financial statements of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated financial statements from their respective dates of acquisition or disposal. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associated company or joint venture.

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except for deferred tax assets/liabilities, share-based related accounts and assets held for sale.

Notes to the Financial Statements

2. Significant accounting policies (continued)

c) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any impairment in value. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. Profits or losses on disposal of fixed assets are included in the profit and loss account.

Depreciation of fixed assets is calculated on a straight-line basis to write off the cost of the fixed assets over their estimated useful lives. The estimated useful lives of the fixed assets are as follows:

Plant, machinery & equipment	3 to 7 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

d) Subsidiaries

Investment in subsidiaries is stated in the financial statements of the Company at cost less accumulated impairment losses. On disposal of a subsidiary, the difference between net disposal proceeds and carrying amount of the investment is taken to profit or loss.

e) Investments

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Available-for-sale

Investments classified as available-for-sale investments are initially measured at fair value plus directly attributable transaction costs.

Investments are recognised and derecognised on the trade-date where the purchase or sale of an investment is under a contract whose terms require delivery of investment within the timeframe established by the market concerned.

Any resultant gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the profit and loss account.

The fair value of quoted investments is based on current bid prices. For investments where there is no active market, the fair value is determined using valuation techniques. Such techniques include using recent arm's length transactions, reference to the underlying net asset value of the investee companies, discounted cash flow analysis and option pricing models. For unquoted equity investments without quoted market prices in active markets whose fair values cannot be reliably measured by management using alternative valuation methods, such investments are carried at cost less any impairment loss.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Held-to-maturity

Investments with fixed or determinable payments and fixed maturity dates where the Group has a positive interest and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment with revenue recognised on an effective yield basis.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or

- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'other gains and losses' line in the statement of comprehensive income/profit and loss account.

f) Impairment of assets

Financial Assets
The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes an allowance for impairment when such evidence exists.

Loans and receivables
Significant financial difficulties of the debtor and default or significant delay in payment are objective evidence that the financial assets are impaired. The carrying amount of these assets is reduced through the use of an allowance account and the loss is recognised in the profit and loss account. When the asset becomes uncollectible, the carrying amount is written off against the allowance account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively measured, the previously recognised impairment loss is reversed to the extent that the carrying amount does not exceed the amortised cost had no impairment been recognised in the prior periods. The amount of reversal is recognised in the profit and loss account.

Investments
Significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account is removed from equity and recognised in the profit and loss account. For available-for-sale investments, impairment losses previously recognised in the profit and loss account are not reversed through the profit and loss account until the investments is disposed of.

Notes to the Financial Statements

2. Significant accounting policies (continued)

Non-Financial Assets
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets (excluding goodwill) to determine whether there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as impairment loss in the profit and loss account.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of impairment loss for an asset is recognised in the profit and loss account.

g) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

h) Revenue recognition

Revenue consists of proceeds from disposal of investments, investment income, interest income, and others.

Investment income is recognised when the shareholders' rights to receive payment have been established, and in the case of fixed interest bearing investments, on a time proportion basis using the effective interest method. Interest income is recognised on an accrual basis. Proceeds from disposal of investments, including that of subsidiaries, are recognised at the fair value of the consideration received or receivable.

i) Employee benefits

Defined contribution plan
The Group makes contributions to pension schemes as defined by the laws of the countries in which it has operations. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

j) Income taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation and amortisation, revaluation of investments, unremitted offshore income and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit and loss account, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

k) Financial assets

Financial assets include cash and bank balances, intercompany and other receivables and investments. Intercompany and other receivables are stated at their fair values as reduced by appropriate allowances for estimated irrecoverable amounts.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

l) Financial liabilities

Financial liabilities include intercompany and other payables. Intercompany and other payables are stated at their amortised cost.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

m) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

n) Foreign currencies

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency").

The financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Singapore Dollars, which is the functional currency of the Company.

Foreign currency transactions

Transactions in foreign currencies are translated at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates approximating those ruling at that date. Exchange differences arising from translation of monetary assets and liabilities are taken to the profit and loss account. Exchange differences on non-monetary items, such as available-for-sale investments, are included in other comprehensive income.

Foreign currency translation

For inclusion in the Group's financial statements, the assets and liabilities of foreign subsidiaries and associated companies that are in functional currencies other than Singapore Dollars are translated into Singapore Dollars at the exchange rates ruling at the balance sheet date. The trading results of foreign subsidiaries and associated companies are translated into Singapore Dollars using the average exchange rates for the financial year. Exchange differences due to such currency translation are recognised in other comprehensive income and accumulated in a separate component of equity. Goodwill and fair value adjustments arising on acquisition of a foreign entity are treated as non-monetary foreign currency assets and liabilities of the foreign operation and recorded at the closing exchange rate.

o) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with maturity of three months or less.

Notes to the Financial Statements

2. Significant accounting policies (continued)

p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of the new ordinary shares are deducted against the share capital account.

q) Critical accounting estimates and judgements

(i) Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described below.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Impairment of available-for-sale investments

Determining whether available-for-sale investments are other than temporarily impaired requires assumptions made regarding the duration or extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The fair value of available-for-sale investments is disclosed in Note 7.

Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant assumptions are required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due and derecognises liabilities when such obligations are no longer expected or discharged. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the balance sheet.

3. Share capital

	Company and Group			
	30.06.16		30.06.15	
	'000	**$'000**	'000	$'000
Issued and paid up Ordinary shares:				
At beginning of year	**2,165,618**	**196,439**	2,165,618	196,439
Share consolidation	**(1,732,494)**	**-**	-	-
Capital distribution (Note 19)	**-**	**(32,484)**	-	-
At end of the year	**433,124**	**163,955**	2,165,618	196,439

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends declared by the Company.

On 9 December 2015, the Company completed the share consolidation of every five existing issued ordinary shares into one ordinary share. This resulted in 433,123,585 consolidated shares as at 9 December 2015.

There are no outstanding share options of the Company as at the end of the financial year.

4. Reserves

	Company		Group	
	30.06.16 $'000	30.06.15 $'000	**30.06.16 $'000**	30.06.15 $'000
Fair value reserve	**-**	-	**(119)**	(155)
Foreign exchange translation account	**-**	-	**5,848**	(13,391)
Revenue reserves	**14,090**	10,720	**38,048**	27,419
	14,090	10,720	**43,777**	13,873

Movements in the Group's and the Company's reserves are set out in the Statements of Changes in Equity.

5. Fixed assets

	Plant, machinery & equipment $'000
Group	
30.06.16	
Cost:	
At beginning and end of year	**20**
Accumulated depreciation & impairment losses:	
At beginning and end of year	**20**
Net book value	**-**
30.06.15	
Cost:	
At beginning of year	90
Disposal of subsidiary	(76)
Exchange differences	6
At end of year	20
Accumulated depreciation & impairment losses:	
At beginning of year	90
Disposal of subsidiary	(76)
Exchange differences	6
At end of year	20
Net book value	-

As of 30 June 2016 and 2015, the net book value of the Company's fixed assets is nil (2015: nil).

Notes to the Financial Statements

6. Subsidiaries

	Company	
	30.06.16 **$'000**	30.06.15 $'000
Unquoted shares, at cost	**59,594**	90,664

Details of the subsidiaries are as follows:

	Effective equity interest		Cost of investment		Place of incorporation/ operation	Principal activities
	30.06.16 **%**	30.06.15 %	**30.06.16** **$'000**	30.06.15 $'000		
Subsidiaries						
Held by the Company						
Focus Up Holdings Ltd(1)	**100**	100	**8,001**	39,071	British Virgin Islands	Under liquidation
FSHCO Holdings Pte Ltd(2)	**100**	100	**51,593**	51,593	Singapore	Investment holding
			59,594	90,664		
Held by subsidiaries						
PRB Corp(1)	**100**	100	**-**	-	United States of America	Investment holding
Powder River, LLC(1)	**80.1**	80.1	**-**	-	United States of America	Investment holding
DFS Holdings I Limited(1)	**100**	100	**-**	-	British Virgin Islands	Investment holding
DFS Holdings II Limited(1)	**100**	100	**-**	-	British Virgin Islands	Investment holding
DFS Holdings I Corp(1)	**100**	100	**-**	-	United States of America	Investment holding

Notes:
(1) Audited by Deloitte & Touche LLP, Singapore for consolidation purposes as not required to be audited by law in its country of incorporation.
(2) Audited by Deloitte & Touche LLP, Singapore.

7. Investments

	Group 30.06.16 $'000	Group 30.06.15 $'000
Available-for-sale:		
Quoted investments, at fair value	**-**	7,265
Unquoted investments, at fair value (1)	**-**	2,031
	-	9,296
Unquoted equity investments, at cost (2), (3)	**8,066**	8,133
	8,066	17,429
Held-to-maturity:		
Held-to-maturity financial assets, at amortised cost (4)	**126,630**	125,572
Financial assets at fair value through profit or loss:		
Warrants	**12,108**	12,110
	146,804	155,111

(1) Based on net asset valuations with adjustments for market illiquidity.

(2) Stated at cost less impairment as the fair value cannot be reliably measured i.e. the variability in the range of reasonable fair value is significant and the probabilities of the various estimates cannot be reliably assessed. Included is an investment of $6.4 million (2015: $6.4 million) where the distributions received were recognised as income in the profit and loss statement.

(3) Unquoted equity investment includes a 10.2% interest in KUE 3 LP. In June 2016, the Group's interest in the remaining assets of KUH, which consisted of the real estate assets and cash reserves, was restructured as a result of the sales of the operating businesses. In exchange for the Group's interest in KUH, the Group received its pro rata interest in KUE 3 LP, which indirectly owns the real estate assets, and a contractual right to receive its pro rata share of the cash reserves as distributed. The Group's Put right for the real estate investment has been extended until 31 March 2017 but is otherwise unaffected by the restructuring.

(4) The average effective interest rate of the held-to-maturity investment is 9.33% (2015: 9.33%) per annum. As at 30 June 2016, the held-to-maturity investment has a nominal value amounting to US$100,000,000 (2015: US$100,000,000), with a coupon rate of 7% (2015: 7%) per annum. The investment may be redeemed under certain circumstances and has the right to be repurchased on the sixth anniversary of issuance.

8. Note receivable

	Company 30.06.16 Due within one year $'000	Company 30.06.16 Due after one year $'000	Company 30.06.15 Due within one year $'000	Company 30.06.15 Due after one year $'000
Loan to subsidiary	**67,943**	**-**	-	67,948
	67,943	**-**	-	67,948

Loan to a subsidiary is unsecured, bears interest at 2.25% per annum and matures in June 2017.

Notes to the Financial Statements

9. Amounts due from subsidiaries

	Company	
	30.06.16 $'000	30.06.15 $'000
Due from subsidiaries - non-trade	**28**	26

The amounts due from subsidiaries are unsecured, repayable on demand and interest-free.

Some of the Company's transactions and arrangements are between members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements.

10. Debtors

	Company		Group	
	30.06.16 $'000	30.06.15 $'000	30.06.16 $'000	30.06.15 $'000
Other debtors - non-trade	**3,301**	3,334	**3,695**	3,744
Escrow receivable from disposal of subsidiary	**7,690**	7,690	**9,633**	9,633
Prepayments and deposits	**-**	-	**244**	183
Tax recoverable	**-**	-	**639**	444
Total	**10,991**	11,024	**14,211**	14,004

11. Deposits, bank balances and cash

	Company		Group	
	30.06.16 $'000	30.06.15 $'000	30.06.16 $'000	30.06.15 $'000
Deposits, bank balances and cash	**38,752**	14,606	**49,055**	20,222
Deposits with related parties	**4,615**	26,761	**4,615**	26,761
Cash and cash equivalents	**43,367**	41,367	**53,670**	46,983

Fixed deposits with related parties mature on varying periods between 6 days to 2 months (2015: 2 days to 2 months) and bear interest ranging from 0.15% to 1.29% (2015: from 0.10% to 0.81%) per annum.

12. Creditors

	Company		Group	
	30.06.16 $'000	30.06.15 $'000	30.06.16 $'000	30.06.15 $'000
Accrued expenses	**212**	202	**1,195**	205
Sundry creditors	**366**	368	**366**	368
	578	570	**1,561**	573

13. Deferred taxation

	Company		Group	
	30.06.16 $'000	30.06.15 $'000	**30.06.16 $'000**	30.06.15 $'000
At beginning of year	**-**	-	**1,913**	1,761
Exchange difference	**-**	-	**-**	138
Charge for the year	**-**	-	**179**	14
At end of year	**-**	-	**2,092**	1,913
Deferred taxation recognised arises as a result of:				
Deferred tax liabilities:				
Offshore income and other provisions	**-**	-	**2,092**	1,913
	-	-	**2,092**	1,913
Net deferred tax liabilities	**-**	-	**2,092**	1,913

Deferred taxation does not include the Group's unutilised tax losses of $4.3 million (2015: $3.0 million) that can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation.

14. Revenue

	Group	
	30.06.16 $'000	30.06.15 $'000
Proceeds from sale of investments	**6,865**	45,584
Investment income	**187,875**	14,840
Interest income	**341**	194
	195,081	60,618

15. Staff costs

	Group	
	30.06.16 $'000	30.06.15 $'000
Salaries, wages and benefits	**238**	210

16. Profit before tax

Profit before tax is arrived at after charging/(crediting) the following:

	Group	
	30.06.16 $'000	30.06.15 $'000
Emoluments to Directors of the Company	**236**	217
Investment impairment loss	**-**	13,244
Auditors' remuneration:		
Auditors of the Company	**59**	67
Loss/(profit) on sale of investments	**642**	(27,359)
Foreign exchange translation loss/(gain) realised on liquidation of subsidiary	**19,926**	(1,595)
Foreign exchange loss/(gain)	**227**	(5,446)
Management fees	**20,384**	2,782
Non-audit fee:		
Auditors of the Company	**-**	4

Notes to the Financial Statements

17. Taxation

	Group	
	30.06.16 $'000	30.06.15 $'000
Current tax:		
Tax expense	**3,277**	6,516
Over provision for prior year	**(133)**	(71)
Others	**476**	356
	3,620	6,801
Deferred tax:		
Movements in temporary differences	**179**	14
	3,799	6,815

The income tax expense on the results of the Group differs from the amount of income tax expense determined by applying the Singapore standard rate of income tax of 17% to profit/(loss) before tax due to the following:

	Group	
	30.06.16 $'000	30.06.15 $'000
Profit before tax:	**144,365**	31,744
Tax expense calculated at tax rate of 17% (2015:17%)	**24,542**	5,396
Income not subject to tax	**(23,446)**	(6,447)
Effect of different tax rates in other countries	**1,988**	1,892
Expenses not deductible for tax purposes	**372**	5,689
Over provision for prior year	**(133)**	(71)
Others	**476**	356
	3,799	6,815

18. Earnings per share

	Group			
	30.06.16		30.06.15	
	Basic $'000	**Diluted $'000**	Basic $'000	Diluted $'000
Net profit attributable to shareholders of the Company	**140,566**	**140,566**	24,929	24,929
	30.06.16 Number of Shares '000		30.06.15 Number of Shares '000	
Weighted average number of ordinary shares	**433,124**	**433,124**	433,124	433,124
Weighted average number of ordinary shares used to compute earnings per share	**433,124**	**433,124**	433,124	433,124
Earnings per ordinary share (cents)	**32.45**	**32.45**	5.76	5.76

19. Dividends and capital distributions

	$'000
During the financial year, the following dividends and capital distribution were paid:	
Capital distribution of 7.5 cents per share on the issued and paid up ordinary shares in respect of the previous financial year	32,484
Interim tax exempt one-tier dividends of 21.0 cents and 9.0 cents per share on the issued and paid up ordinary shares in respect of the current financial year	129,937
	162,421

20. Significant related party transactions

Some of the Group's transactions and arrangements are with related parties and the effects of these on the basis determined between the parties are reflected in these financial statements.

Significant related party transactions

	Group	
	30.06.16 $'000	30.06.15 $'000
Revenue		
Substantial shareholder and its subsidiaries		
Interest income	**125**	144
	125	144
Expenses		
Substantial shareholder and its subsidiaries		
Professional fee, office rental and other expenses	**509**	510
Management fee	**20,384**	2,782
	20,893	3,292

21. Financial risk management

The activities of the Group are exposed to a variety of financial risks, including the effect of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group manages its risk through diversification of investments. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

Market risk

i) Interest rate risk

The Group has exposure to market risk for changes in interest rate and such exposure relates to investment in fixed deposits. The Group does not use derivative financial instruments to hedge investment in fixed deposits.

Notes to the Financial Statements

21. Financial risk management (continued)

Sensitivity analysis for interest rate risk
A change of 0.5% (2015: 0.5%) in interest rate at the reporting date would increase/decrease profit/(loss) for the year by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit/(loss) for the year	
	0.5% increase $'000	0.5% decrease $'000
Group		
30.06.16		
Deposits with financial institutions	**227**	**(227)**
Deposits with related parties	**20**	**(20)**
30.06.15		
Deposits with financial institutions	91	(91)
Deposits with related parties	111	(111)

ii) Currency risk
The Group has currency deposits and transactions denominated in foreign currencies arising from its investing activities, primarily the US dollar. The Group's foreign currency exposures arise mainly from the exchange rate movement of these foreign currencies against the Singapore dollar, which is the Group's reporting currency. The Group does not use derivative financial instruments to hedge such risk.

The Company has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. Exchange differences arising from the translation are recognised in other comprehensive income and accumulated in a separate component of equity.

At the reporting date, the carrying amounts of unhedged monetary assets and liabilities denominated in foreign currencies other than the respective Group entities' functional currencies are as follows:

	30.06.16 USD $'000	30.06.15 USD $'000
Group		
Financial Assets		
Debtors and other receivables	**7,690**	7,720
Deposits, bank balances and cash	**39,120**	14,894
Company		
Financial Assets		
Notes receivable	**67,943**	67,948
Debtors and other receivables	**7,690**	7,720
Deposits, bank balances and cash	**39,120**	14,894
Amounts due from subsidiaries – non-trade	**16**	17

Sensitivity analysis for currency risk
If the relevant foreign currency change against SGD by 5% (2015: 5%) with all other variables held constant, the effects will be as follows:

	Profit/(loss)		Equity	
	30.06.16 $'000	30.06.15 $'000	**30.06.16 $'000**	30.06.15 $'000
Group				
USD against SGD				
- Strengthened	**2,341**	1,132	**-**	-
- Weakened	**(2,341)**	(1,132)	**-**	-
Company				
USD against SGD				
- Strengthened	**5,737**	4,528	**-**	-
- Weakened	**(5,737)**	(4,528)	**-**	-

Price risk
The Group is exposed to equity securities price risk arising from equity investments classified as available-for-sale investments.

Sensitivity analysis for price risk
If prices for quoted investments increase/decrease by 5% (2015: 5%) with all other variables held constant, the Group's fair value reserve in equity would have been higher/lower by nil (2015: $236,000) as result of higher/lower fair value gains on available-for-sale investments.

Liquidity risk
Prudent liquidity risk management requires the Group to maintain sufficient cash and marketable securities, internally generated cash flows, and the availability of funding resources through an adequate amount of committed credit facilities. Due to the dynamic nature of business, the Group maintains flexibility in funding by ensuring that ample working capital lines are available at any one time.

Investment risk
The Group's activities expose it to the effects of changes in debt and equity market prices, resulting from economic and non-economic events. Its overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Investment risk exists as a result of changes in economic, industry or geographical factors. The Group's portfolio of financial investments is broadly diversified along industry and product lines, with the objective of mitigating significant concentration of investment risk.

Capital risk
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2016 and 30 June 2015.

Notes to the Financial Statements

21. Financial risk management (continued)

Fair value of financial instruments

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset and liability that are not based on observable market data (unobservable inputs)

The following table presents the assets measured at fair value at 30 June 2016.

	Level 1 $'000	Level 3 $'000	Total $'000
Group			
30.06.16			
Available-for-sale investments	**-**	**-**	**-**
Financial assets at fair value through profit or loss	**-**	**12,108**	**12,108**
	-	**12,108**	**12,108**
30.06.15			
Available-for-sale investments	7,265	2,031	9,296
Financial assets at fair value through profit or loss	-	12,110	12,110
	7,265	14,141	21,406
Company			
30.06.16			
Available-for-sale investments	**-**	**-**	**-**
30.06.15			
Available-for-sale investments	-	-	-

The following table presents the reconciliation of available-for-sale investments measured at fair value based on significant unobservable inputs (Level 3).

	Company		Group	
	30.06.16 $'000	30.06.15 $'000	**30.06.16 $'000**	30.06.15 $'000
At beginning of year	**-**	1,698	**2,031**	5,541
Fair value gain recognised in other comprehensive income	**-**	-	**90**	1,061
Distributions	**-**	(1,698)	**(2,121)**	(4,571)
At end of year	**-**	-	**-**	2,031

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 30 June 2016 $'000	Valuation techniques	Unobservable input	Range of unobservable input
Financial assets at fair value through profit or loss	12,108	N/A*	N/A*	Not applicable

* Lack of a reliable valuation technique that includes inputs that reasonably measure the risk return factors and the inherent restrictions on marketability.

22. Segment analysis

Geographical Information

Financial year ended 30 June 2016

	Singapore $'000	USA $'000	Others $'000	Total $'000
External sales	**120**	**194,956**	**5**	**195,081**
Non-current assets	**-**	**146,804**	**-**	**146,804**

Financial year ended 30 June 2015

	Singapore $'000	USA $'000	Others $'000	Total $'000
External sales	140	11,880	48,598	60,618
Non-current assets	-	155,111	-	155,111

The Group has only one reportable operating segment: Investments. The Group's investment activities consist of the Group's investments in quoted and unquoted investments.

The Group's operating segment operates in three main geographical areas. The operating activities and investment activities are predominantly in the USA. Singapore is the home country of the Company and its assets are mainly cash and cash equivalents.

For the years ended 30 June 2016 and 30 June 2015, no single external customer accounted for 10% or more of the Group's revenue.

23. Subsequent events

Capital Distribution
On 3 August 2016, the Board of Directors announced the proposed capital distribution of 7.5 cents per share (2015: 7.5 cents per share) out of the Company's share capital account. The capital distribution will be subject to the approval of shareholders at an Extraordinary General Meeting and made pursuant to relevant sections of the Companies Act (Chapter 50).

Interested Person Transactions

Interested persons as defined by the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual") are the Directors, the chief executive officer, or controlling shareholders of the Company, or the associates of any such Director, chief executive officer or controlling shareholder.

Interested person transactions carried out during the financial year pursuant to the Shareholders' Mandate obtained under Chapter 9 of the Listing Manual by the Group are as follows:

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 of the SGX Listing Manual)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	1 Jul 15 to 30 Jun 16 $'000	1 Jul 14 to 30 Jun 15 $'000	**1 Jul 15 to 30 Jun 16 $'000**	1 Jul 14 to 30 Jun 15 $'000
General Transactions				
KCL Group	**-**	-	**509**	510
Greenstreet Partners	**-**	-	**20,384**	2,782
Corporate Treasury Transactions				
KCL Group	**-**	-	**4,740**	26,904
Total	**-**	-	**25,633**	30,196

Saved as disclosed above, in the Directors' Statement and in the Financial Statements, the Company and its subsidiaries did not enter into any material contracts involving the interests of the Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Statistics of Shareholdings

As at 8 September 2016

Issued and fully paid-up capital : S$163,954,370.76
No. of Shares issued : 433,123,585
Class of Shares : Ordinary Shares with equal voting rights
No. of Treasury Shares : Nil

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 99	135	1.49	3,978	0.00
100 - 1,000	1,447	15.99	982,495	0.23
1,001 - 10,000	5,464	60.38	24,270,081	5.60
10,001 - 1,000,000	1,991	22.00	82,936,545	19.15
1,000,001 & above	13	0.14	324,930,486	75.02
Total	9,050	100.00	433,123,585	100.00

Top Twenty Largest Shareholders as at 8 September 2016

Name of Shareholders	No. of Shares	% of Shares
Kephinance Investment Pte Ltd	156,076,138	36.04
UOB Kay Hian Pte Ltd	115,538,280	26.68
DBS Nominees Pte Ltd	17,603,865	4.06
Citibank Nominees S'pore Pte Ltd	9,084,818	2.10
Lee Pineapple Company Pte Ltd	8,000,000	1.85
RHB Securities Singapore Pte Ltd	4,337,450	1.00
United Overseas Bank Nominees Pte Ltd	4,270,274	0.99
OCBC Nominees Singapore Pte Ltd	2,864,115	0.66
Heng Yong Seng	2,000,000	0.46
Hong Joo Co Pte Ltd	1,700,000	0.39
Raffles Nominees (Pte) Ltd	1,297,446	0.30
Chua Geok Lin	1,101,000	0.25
Phillip Securities Pte Ltd	1,057,100	0.24
Chow Swee Liang	991,600	0.23
Morph Investments Ltd	924,000	0.21
Maybank Kim Eng Securities Pte Ltd	757,165	0.17
OCBC Securities Private Ltd	747,849	0.17
Oo Soon Hee	702,800	0.16
DBS Vickers Securities (S) Pte Ltd	624,200	0.14
HSBC (Singapore) Nominees Pte Ltd	619,458	0.14
Total	330,297,558	76.24

Substantial Shareholders

Name of shareholders	Direct Interest No. of shares	%	Deemed Interest No. of shares	%	Total interest No. of shares	%
Kephinance Investment Pte Ltd	156,076,138	36.04	-	-	156,076,138	36.04
Keppel Corporation Limited ("KCL")	-	-	156,076,138	36.04	156,076,138	36.04
Temasek Holdings (Private) Limited ("Temasek")	-	-	156,076,138	36.04	156,076,138	36.04
Greenstreet Partners L.P.	35,200,000	8.13	-	-	35,200,000	8.13
Green Family Foundation, Inc ("GFF")	25,866,560	5.97	-	-	25,866,560	5.97
Steven Jay Green	-		61,066,560	14.10	61,066,560	14.10
Alexander Vahabzadeh	39,800	0.01	53,000,000	12.24	53,039,800	12.25
Kamal Bahamdan	27,000	0.01	53,000,000	12.24	53,027,000	12.24
BV Singapore Holdings Limited	53,000,000	12.24	-	-	53,000,000	12.24

Notes:
1. The deemed interests of KCL arise from its interest in Kephinance Investment Pte Ltd, a wholly-owned subsidiary of KCL.
2. The deemed interests of Temasek arise from its shareholdings in KCL. Please also refer to Note 1 above.
3. The deemed interest of Steven Jay Green arises from his interests in Greenstreet Partners L.P. and GFF.
4. The interests of Alexander Vahabzadeh and Kamal Bahamdan arise from their direct interests as well as their interests in BV Singapore Holdings Limited.

Public Shareholders
Based on the information available to the Company as at 8 September 2016, approximately 37.58% of the issued shares of the Company is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the ordinary shares of the Company is at all times held by the public.

Treasury Shares
As at 8 September 2016, there are no treasury shares held.

Financial Calendar

FY 2016

Financial year-end	30 June 2016
Announcement of 2016 1Q results	28 October 2015
Announcement of 2016 2Q results	27 January 2016
Announcement of 2016 3Q results	27 April 2016
Announcement of 2016 full year results	3 August 2016
Despatch of Annual Report to shareholders	5 October 2016
Annual General Meeting	27 October 2016

FY 2017

Financial year-end	30 June 2017
Announcement of 2017 1Q results	October 2016
Announcement of 2017 2Q results	January 2017
Announcement of 2017 3Q results	April 2017
Announcement of 2017 full year results	August 2017

Corporate Information

Board of Directors
Steven Jay Green (Chairman & CEO)
Lee Suan Yew
Alexander Vahabzadeh
Neo Boon Siong
Annie Koh
Tan Poh Lee Paul

Audit Committee
Neo Boon Siong (Chairman)
Annie Koh
Tan Poh Lee Paul

Remuneration Committee
Annie Koh (Chairman)
Lee Suan Yew
Neo Boon Siong

Nominating Committee
Lee Suan Yew (Chairman)
Neo Boon Siong
Tan Poh Lee Paul

Company Secretary
Winnie Mak

Registered Office
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Tel no. : (65) 6438 8898
Fax no. : (65) 6413 6352
Email : info@k1ventures.com
Website : www.k1ventures.com.sg

Share Registrar
B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

Auditors
Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809
Audit Partner: Tay Boon Suan
(Year appointed: 2013)

Notice of Annual General Meeting

k1 Ventures Limited
Co. Reg. No. 197000535W
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of k1 Ventures Limited (the "Company") will be held at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 on Thursday, 27 October 2016 at 2.30 p.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 30 June 2016. **Resolution 1**

2. To re-elect the following directors, each of whom will retire pursuant to Article 86 of the Company's Constitution and who, being eligible, offer themselves for re-election pursuant to Article 87 (see Note 2).

   (a) Prof Neo Boon Siong **Resolution 2(a)**

   (b) Prof Annie Koh **Resolution 2(b)**

3. To re-appoint Dr Lee Suan Yew, who will retire under the resolution passed at the Annual General Meeting of the Company held on 29 October 2015 pursuant to Section 153 of the Companies Act, Chapter 50 of Singapore ("Companies Act") (which was then in force), to hold office from the date of this Annual General Meeting of the Company (see Note 2). **Resolution 3**

4. To approve the remuneration of the directors of the Company for the financial year ended 30 June 2016, comprising the following: **Resolution 4**

   (a) the payment of directors' fees of S$321,000 in cash (2015: S$321,000) (see Note 3).

   (b) (1) the award of an aggregate number of 45,000 existing ordinary shares of the Company (the "Remuneration Shares") to non-executive directors, namely Dr Lee Suan Yew, Mr Alexander Vahabzadeh, Prof Neo Boon Siong, Prof Annie Koh and Mr Tan Poh Lee Paul as payment in part of their respective remuneration for the financial year ended 30 June 2016 as follows:

      (i) 9,000 Remuneration Shares to Dr Lee Suan Yew;

      (ii) 9,000 Remuneration Shares to Mr Alexander Vahabzadeh;

      (iii) 9,000 Remuneration Shares to Prof Neo Boon Siong;

      (iv) 9,000 Remuneration Shares to Prof Annie Koh; and

      (v) 9,000 Remuneration Shares to Mr Tan Poh Lee Paul.

   (2) the directors of the Company and/or the Chief Financial Officer be and are hereby authorised to instruct a third party agency to purchase from the market 45,000 existing shares at such price as the directors may deem fit ("Remuneration Shares Purchase Price") and deliver the Remuneration Shares to each non-executive director in the manner as set out in (1) above; and

   (3) any director, the Chief Financial Officer or the Company Secretary be authorised to do all things necessary or desirable to give effect to the above (see Note 4).

Notice of Annual General Meeting

5. To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company for the financial year ending 30 June 2017, and to authorise the directors to fix their remuneration. **Resolution 5**

As Special Business

To consider and, if thought fit, approve with or without modification, the following resolutions as Ordinary Resolutions:

6. That pursuant to Section 161 of the Companies Act, Rule 806 of the listing manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST") and Article 5 of the Company's Constitution, authority be and is hereby given to the directors of the Company to: **Resolution 6**

(a) (1) issue shares of the Company ("Shares"), whether by way of rights, bonus or otherwise, and including any capitalisation pursuant to Article 137 of the Company's Constitution of any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or

(2) make or grant offers, agreements or options that might or would require Shares to be issued (including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares) (collectively "Instruments"),

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority so conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the directors while the authority was in force;

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed 50 per cent. of the total number of issued Shares (excluding treasury Shares) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed 20 per cent. of the total number of issued Shares (excluding treasury Shares) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury Shares) at the time this Resolution is passed, after adjusting for:

(I) new Shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which are outstanding or subsisting as at the time this Resolution is passed; and

(II) any subsequent bonus issue, consolidation or sub-division of Shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier (see Note 5).

7. That: **Resolution 7**

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST ("Chapter 9"), for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in Appendix 1 to this Notice of Annual General Meeting ("Appendix 1"), with any person who falls within the classes of Interested Persons described in Appendix 1, provided that such transactions are made on arm's length basis and on normal commercial terms and in accordance with the review procedures for Interested Person Transactions as set out in Appendix 1 (the "Shareholders' Mandate");

(b) the Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier;

(c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

(d) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders' Mandate and/or this Resolution (see Note 6).

8. That: **Resolution 8**

(a) for the purposes of the Companies Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

    (1) market purchase(s) on the SGX-ST (each a "Market Purchase"); and/or

    (2) off-market purchase(s) in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act (each an "Off-Market Purchase");

    and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buy-Back Mandate");

(b) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

    (1) the date on which the next Annual General Meeting of the Company is held;

    (2) the date by which the next Annual General Meeting of the Company is required by law to be held; or

    (3) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated;

Notice of Annual General Meeting

(c) in this Resolution:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) consecutive Market Days (a "Market Day" being a day on which the SGX-ST is open for trading in securities), on which Shares are transacted on the SGX-ST:

(1) in the case of Market Purchases, immediately preceding the date of Market Purchase by the Company; or

(2) in the case of Off-Market Purchases, immediately preceding the date on which the Company makes an announcement of its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase,

and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five day period;

"Maximum Limit" means that number of issued Shares representing 10 per cent. of the total number of issued Shares as at the date of the passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury Shares that may be held by the Company from time to time);

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which is:

(1) in the case of a Market Purchase, 105 per cent. of the Average Closing Price of the Shares; and

(2) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent. of the Average Closing Price of the Shares;

"Relevant Period" means the period commencing from the date of the passing of this Resolution and expiring on the date the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

(d) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he/she may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution (see Note 7).

BY ORDER OF THE BOARD

Winnie Mak
Company Secretary
Singapore, 5 October 2016

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting ("AGM"). Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than one proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

   A proxy need not be a member of the Company. The proxy form must be deposited at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, not less than 48 hours before the time appointed for holding the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

2. Detailed information about these directors can be found in the "Board of Directors" and "Senior Management" sections of the Company's Annual Report 2016.

   Prof Neo Boon Siong will upon re-election serve as Chairman of the Board and continue to serve as a non-executive and independent director of the Company, chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. Prof Neo is the Dean and Canon Professor of Business at the Nanyang Business School, Nanyang Technological University. In addition, Prof Neo is also an independent director of Keppel Telecommunications & Transportation Ltd, OUE Hospitality REIT Management Pte. Ltd. (the Manager of OUE Hospitality Real Estate Investment Trust) and OUE Hospitality Trust Management Pte. Ltd. (the Trustee-Manager of OUE Hospitality Business Trust).

   Prof Annie Koh will upon re-election continue to serve as a non-executive and independent director of the Company, chairman of the Remuneration Committee and a member of the Audit Committee. Prof Koh is the Practice Professor of Finance at the Singapore Management University (SMU) and the Vice President for Office of Business Development at SMU. In addition, Prof Koh is also a Board member of the Central Provident Fund of Singapore and an independent director of Health Management International Limited, a company listed on the Mainboard of the SGX-ST.

   Resolution 3 is to re-appoint Dr Lee Suan Yew who is over 70 years old and who is retiring under the resolution passed at the annual general meeting of the Company held on 29 October 2015, as pursuant to Section 153(6) of the Companies Act which was then in force, such resolution could only permit the re-appointment of the director to hold office until this AGM. If passed, Resolution 3 will approve and authorise the continuation of Dr Lee as a director of the Company from the date of this AGM onwards, save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution.

   Dr Lee Suan Yew will upon re-appointment continue to serve as a non-executive and independent director of the Company, chairman of the Nominating Committee and a member of the Remuneration Committee. Dr Lee was formerly a Director of the Board of Singapore General Hospital, Hotel Properties Ltd and was a past President of the Singapore Medical Council and past Chairman of the National Medical Ethics Committee. Dr Lee was appointed a Justice of Peace in 1998 and was conferred the Public Service Star in 1991 and the Public Service Star (Bar) in 2002 for his contribution towards public service. Dr Lee is a non-executive director of Haw Par Corporation Ltd.

   Mr Steven Jay Green, who is over 70 years old, will also be retiring under the resolution passed at the annual general meeting of the Company held on 29 October 2015, as pursuant to Section 153(6) of the Companies Act which was then in force, such resolution could only permit the re-appointment of the director to hold office until this AGM. Mr Green has decided not to offer himself for re-appointment.

3. The framework of directors' fees is set out in the Company's Corporate Governance Report on pages 18 and 19 of the Company's Annual Report 2016.

4. The proposed award of Remuneration Shares to the non-executive directors forms part of the ordinary remuneration of the non-executive directors for the financial year ended 30 June 2016, and is in addition to the proposed directors' fees in cash referred to in Resolution 4. The Remuneration Shares to be awarded to the non-executive directors will rank *pari passu* with the then existing issued Shares at the time of the award. The non-executive directors will each, subject to shareholders' approval, be awarded 9,000 Remuneration Shares as part of their remuneration for the financial year ended 30 June 2016. The number of Remuneration Shares to be awarded to each non-executive director has been adjusted from the 45,000 Remuneration Shares awarded to each non-executive director in previous years, to take into account the share consolidation of every five (5) then existing Shares into one Share which took effect on 9 December 2015. The non-executive directors will abstain from voting, and will procure that their respective associates shall abstain from voting, in respect of Resolution 4.

5. Resolution 6 is to empower the directors from the date of the passing of Resolution 6 until the date of the next annual general meeting to issue Shares and Instruments in the Company, up to a number not exceeding 50% of the total number of Shares (excluding treasury Shares) (with a sub-limit of 20% of the total number of Shares (excluding treasury Shares) in respect of Shares to be issued other than on a *pro rata* basis to shareholders). For the purpose of determining the total number of Shares (excluding treasury Shares) that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares) at the time that Resolution 6 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities, (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 6 is passed, and (c) any subsequent bonus issue, consolidation or sub-division of Shares.

6. Resolution 7 is to renew a mandate which was originally approved by shareholders on 23 June 1997 (last amended on 31 October 2007) and was last approved at the annual general meeting of the Company on 29 October 2015, allowing the Company, its subsidiaries and associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the SGX-ST. Please refer to Appendix 1 to this Notice of AGM for details.

7. Resolution 8 is to renew the Share Buy-Back Mandate, which was originally approved by shareholders on 30 April 1999 (last amended on 31 October 2006) and was last approved at the annual general meeting of the Company on 29 October 2015. Please refer to Appendix 2 to this Notice of AGM for details.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

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k1 Ventures Limited
Co. Reg. No. 197000535W
(Incorporated in the Republic of Singapore)

IMPORTANT

1. Relevant Intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), may appoint more than two proxies to attend and vote at the Annual General Meeting.
2. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares of k1 Ventures Limited ("Shares") through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy
By submitting an instrument appointing proxy or proxies and/or representative(s), a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 October 2016.

ANNUAL GENERAL MEETING

Proxy Form

I/We ______________________________ (Name) ________________ (NRIC/Passport/UEN Number)

of ____ (Address)

being a member(s) of k1 Ventures Limited (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies to attend, speak and vote on my/our behalf at the Annual General Meeting of the Company to be held at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 on Thursday, 27 October 2016 at 2.30 p.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting and at any adjournment thereof.

Resolutions	Number of Votes For *	Number of Votes Against *
Ordinary Business		
1. Adoption of Directors' Statement and Audited Financial Statements		
2(a). Re-election of Prof Neo Boon Siong as director		
2(b). Re-election of Prof Annie Koh as director		
3. Re-appointment of Dr Lee Suan Yew as director		
4. Approval of remuneration to directors comprising payment of directors' fees in cash and award of Remuneration Shares		
5. Re-appointment of Auditors		
Special Business		
6. Authority to issue shares and convertible instruments		
7. To approve the proposed renewal of the Shareholders' Mandate for Interested Person Transactions		
8. To approve the proposed renewal of the Share Buy-Back Mandate		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✔) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this __________ day of ________________ 2016

Total Number of Shares held	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

Fold and glue firmly along dotted line

Fold and glue firmly along dotted line

Fold and glue firmly along dotted line

Notes:

1. Please insert the total number of Shares of the Company held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you only have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. However, if you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all of the Shares held by you.

2. (a) A member of the Company entitled to attend and vote at a meeting of the Company, and who is not a Relevant Intermediary, is entitled to appoint not more than two proxies to attend, speak and vote instead of him. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding.

   (b) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's form of proxy appoints more than one proxy, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of Shares, class of Shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF/SRS investors as its proxies shall comply with this Note.

   (c) "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.

Fold along this line (1)

Affix
Postage
Stamp

The Company Secretary
k1 Ventures Limited
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Fold along this line (2)

4. Completion and return of instrument appointing a proxy or proxies shall not preclude a member from attending and voting in person at the Annual General Meeting. Any appointment of a proxy or proxies will be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies to the Annual General Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 not less than 48 hours before the time appointed for the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its officer or attorney duly authorised in writing. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing a proxy or proxies. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Notes

Notes

k1 Ventures Limited
(Incorporated in the Republic of Singapore)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Tel: (65) 6438 8898
Fax: (65) 6413 6352
www.k1ventures.com.sg

Co Reg No: 197000535W