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PRESS RELEASE

k1 Ventures Limited Unaudited Results for the First Quarter ended 30 September 2012

Singapore, 6 November 2012 - The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the first quarter ended 30 September 2012.

For more information, please contact

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K1 VENTURES LIMITED

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

FIRST QUARTER 2013 FINANCIAL STATEMENTS

TABLE OF CONTENTS

<u>Paragraph</u>	<u>Description</u>	<u>Page</u>
	FINANCIAL STATEMENTS	1 - 14
1	GROUP PROFIT AND LOSS ACCOUNT	1
2	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
3	BALANCE SHEETS	4
4	STATEMENTS OF CHANGES IN EQUITY	6
5	CONSOLIDATED STATEMENT OF CASH FLOWS	8
6	AUDIT	9
7	AUDITORS' REPORT	9
8	ACCOUNTING POLICIES	9
9	CHANGES IN THE ACCOUNTING POLICIES	9
10	REVIEW OF GROUP PERFORMANCE	9
11	VARIANCE FROM FORECAST STATEMENT	10
12	PROSPECTS	10
13	DIVIDEND	10
14	SEGMENT ANALYSIS	11
15	REVIEW OF SEGMENT PERFORMANCE	13
16	INTERESTED PERSON TRANSACTIONS	13
	CONFIRMATION BY THE BOARD	14

K1 VENTURES LIMITED

FIRST QUARTER 2013 FINANCIAL STATEMENTS

UNAUDITED RESULTS FOR FIRST QUARTER ENDED 30 SEPTEMBER 2012

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the first quarter ended 30 September 2012.

1. GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 30 September 2012

	Note	1 Jul 12 to 30 Sep 12 \$'000	1 Jul 11 to 30 Sep 11 \$'000	+ / (-) %
Revenue	1a	19,857	15,357	29.3
Raw materials and consumables used		(3,253)	(370)	>500.0
Staff costs		(2,299)	(2,537)	(9.4)
Depreciation and amortisation		(6,484)	(7,545)	(14.1)
Other operating expenses		(5,479)	(5,810)	(5.7)
Operating profit/(loss)		2,342	(905)	NM
Finance expenses		(2,775)	(2,746)	1.1
Foreign exchange (loss)/gain		(29)	193	NM
Share of results of associated company and joint ventures		1,701	1,657	2.7
Profit/(loss) before taxation		1,239	(1,801)	NM
Taxation		(536)	522	NM
Profit/(loss) for the period		703	(1,279)	NM
Attributable to:				
Shareholders of the Company		802	(883)	NM
Non-controlling interests		(99)	(396)	(75.0)
		703	(1,279)	NM
EBITDA *		10,498	8,490	23.7
Profit/(loss) per ordinary share				
- basic	1d	0.04 cts	(0.04) cts	NM
- diluted	1d	0.04 cts	(0.04) cts	NM

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

** NM - Not meaningful

NOTES TO GROUP PROFIT AND LOSS ACCOUNT

1a. Breakdown of revenue

	1 Jul 12 to 30 Sep 12 \$'000	1 Jul 11 to 30 Sep 11 \$'000	+ / (-) %
Revenue from transportation leasing	15,029	10,859	38.4
Proceeds from sale of investments	963	-	NM
Investment income	2,643	2,597	1.8
Interest income from:			
- Related parties	1	8	(87.5)
- Others	9	5	80.0
Others	<u>1,212</u>	<u>1,888</u>	(35.8)
	<u>19,857</u>	<u>15,357</u>	29.3

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

	1 Jul 12 to 30 Sep 12 \$'000	1 Jul 11 to 30 Sep 11 \$'000	+ / (-) %
Profit on disposal of fixed assets	368	1,013	(63.7)
Profit on sale of investments	963	-	NM
(Provision)/write-back of provision for doubtful debts	(100)	6	NM

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

1d. Profit/(loss) per ordinary share

	GROUP		
	1 Jul 12 to 30 Sep 12	1 Jul 11 to 30 Sep 11	+ / (-) %
Profit/(loss) per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-			
(i) Based on weighted average number of shares	0.04 cts	(0.04) cts	NM
- Weighted average number of shares ('000)	2,165,618	2,165,618	-
(ii) On a fully diluted basis	0.04 cts	(0.04) cts	NM
- Adjusted weighted average number of shares ('000)	2,165,618	2,165,618	-

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

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the first quarter ended 30 September 2012

	1 Jul 12 to 30 Sep 12 \$'000	1 Jul 11 to 30 Sep 11 \$'000	+ / (-) %
Profit/(loss) for the period	<u>703</u>	<u>(1,279)</u>	NM
Items that may be reclassified subsequently to profit or loss:			
Fair value changes on available-for-sale investments	(2,115)	(14,481)	(85.4)
Fair value changes on available-for-sale assets realised & transferred to profit and loss account	(765)	-	NM
Exchange differences arising on consolidation	(9,721)	22,949	NM
Share of other comprehensive income/(expense)	<u>14</u>	<u>(316)</u>	NM
Other comprehensive (expense)/income for the period	<u>(12,587)</u>	<u>8,152</u>	NM
Total comprehensive (expense)/income for the period	<u>(11,884)</u>	<u>6,873</u>	NM
Attributable to:			
Shareholders of the Company	(10,822)	4,608	NM
Non-controlling interests	<u>(1,062)</u>	<u>2,265</u>	NM
	<u>(11,884)</u>	<u>6,873</u>	NM

3. BALANCE SHEETS as at 30 September 2012

	Group		Company	
	As at 30 Sep 12 \$'000	As at 30 Jun 12 \$'000	As at 30 Sep 12 \$'000	As at 30 Jun 12 \$'000
Share capital	196,439	196,439	196,439	196,439
Reserves	131,451	142,273	117,528	118,707
Share capital & reserves	327,890	338,712	313,967	315,146
Non-controlling interests	30,171	31,233	-	-
Capital employed	358,061	369,945	313,967	315,146
Represented by:				
Fixed assets	192,902	184,830	-	-
Subsidiaries	-	-	295,685	295,685
Associated company and joint ventures	60,651	63,198	-	-
Investments	189,180	197,279	17,195	17,960
Other assets	5,410	5,932	-	-
Intangibles	112,209	115,895	-	-
	560,352	567,134	312,880	313,645
Current assets				
Stocks	7,297	10,120	-	-
Amounts due from:				
- subsidiaries	-	-	9	9
Debtors	5,451	5,974	22	22
Bank balances, deposits & cash	32,817	41,446	2,468	2,868
	45,565	57,540	2,499	2,899
Current liabilities				
Creditors	11,152	9,882	931	780
Amounts due to:				
- subsidiaries	-	-	481	588
- associated company and joint ventures	194	258	-	-
Term loans	1,473	1,518	-	-
Provision for taxation	4,529	3,683	-	-
	17,348	15,341	1,412	1,368
Net current assets	28,217	42,199	1,087	1,531
Non-current liabilities				
Term loans	143,606	148,396	-	-
Deferred liabilities	949	715	-	-
Deferred taxation	85,953	90,277	-	30
	230,508	239,388	-	30
Net assets	358,061	369,945	313,967	315,146

NOTES TO BALANCE SHEETS

3a. Group's borrowings and debt securities

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

As at 30 Sep 12		As at 30 Jun 12	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,473	-	1,518	-

(ii) Amount repayable after one year

As at 30 Sep 12		As at 30 Jun 12	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
143,606	-	148,396	-

(iii) Details of any collateral

The term loans pertain to debt financing taken up by Helm and are pledged against the assets of Helm. The net book value of the fixed assets and other assets pledged to financial institutions amounted to \$282 million (30 June 2012: \$291 million).

3b. Net asset value

	GROUP			COMPANY		
	As at 30 Sep 12	As at 30 Jun 12	+/(-)%	As at 30 Sep 12	As at 30 Jun 12	+/(-)%
Net asset value per ordinary share #	\$0.15	\$0.16	(6.3)	\$0.14	\$0.15	(6.7)
Net tangible asset value per ordinary share #	\$0.11	\$0.11	-	\$0.14	\$0.15	(6.7)

Based on issued share capital of 2,165,618,003 ordinary shares as at the end of the financial period (30 June 2012: 2,165,618,003).

3c. Balance sheet review

Group shareholders' funds decreased from \$338.7 million at 30 June 2012 to \$327.9 million at 30 September 2012. The decrease was attributable to an unrealised currency translation loss resulting from the weakening of the US dollar in the amount of \$8.8 million and a downward revaluation of the Group's investment in McMoRan Exploration Co. ("MMR") partially offset by profit for the period of \$802,000.

Group total assets of \$605.9 million at 30 September 2012 were \$18.8 million less than the previous year end also driven by the impact of currency movements resulting from the weakening of the US dollar, the downward revaluation of the Group's investment in MMR and depreciation of fixed assets. The decrease in Group cash was mostly attributable to purchases of rail equipment and upgrades related to the Helm GP38-2 locomotive rebuild programme.

Group total liabilities of \$247.9 million at 30 September 2012 were \$6.9 million lower than the previous year end principally due to currency movements and a decrease in deferred taxation resulting from the decline in fair value of the Group's investment in MMR.

4. STATEMENTS OF CHANGES IN EQUITY for the first quarter ended 30 September 2012

4a. Group Statement of Changes in Equity

	Attributable to equity holders of the Company						
	Share Capital	Capital Reserves	Foreign	Revenue Reserves	Share Capital & Reserves	Non- controlling Interests	Capital Employed
			Exchange Translation Account				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2012							
As at 1 July 2012	196,439	8,873	(72,450)	205,850	338,712	31,233	369,945
Total comprehensive (expense)/ income for the period							
Profit/(loss) for the period	-	-	-	802	802	(99)	703
Other comprehensive (expense)/income*	-	(2,869)	(8,755)	-	(11,624)	(963)	(12,587)
Total comprehensive (expense)/ income for the period	-	(2,869)	(8,755)	802	(10,822)	(1,062)	(11,884)
As at 30 September 2012	196,439	6,004	(81,205)	206,652	327,890	30,171	358,061
2011							
As at 1 July 2011	196,439	19,421	(81,726)	204,827	338,961	41,323	380,284
Total comprehensive (expense)/ income for the period							
Loss for the period	-	-	-	(883)	(883)	(396)	(1,279)
Other comprehensive (expense)/income*	-	(14,734)	20,225	-	5,491	2,661	8,152
Total comprehensive (expense)/ income for the period	-	(14,734)	20,225	(883)	4,608	2,265	6,873
As at 30 September 2011	196,439	4,687	(61,501)	203,944	343,569	43,588	387,157

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

4b. Company Statement of Changes in Equity

	<u>Share Capital</u> \$'000	<u>Capital Reserves</u> \$'000	<u>Revenue Reserves</u> \$'000	<u>Total</u> \$'000
2012				
As at 1 July 2012	196,439	(295)	119,002	315,146
Total comprehensive expense for the period				
Loss for the period	-	-	(414)	(414)
Other comprehensive expense	-	(765)	-	(765)
Total comprehensive expense for the period	<u>-</u>	<u>(765)</u>	<u>(414)</u>	<u>(1,179)</u>
As at 30 September 2012	<u>196,439</u>	<u>(1,060)</u>	<u>118,588</u>	<u>313,967</u>
2011				
As at 1 July 2011	196,439	(1,590)	89,357	284,206
Total comprehensive expense for the period				
Loss for the period	-	-	(700)	(700)
Total comprehensive expense for the period	<u>-</u>	<u>-</u>	<u>(700)</u>	<u>(700)</u>
As at 30 September 2011	<u>196,439</u>	<u>(1,590)</u>	<u>88,657</u>	<u>283,506</u>

4c. Share capital

Since 30 June 2012, there was no issue of ordinary shares by the Company. As at 30 September 2012, there were no unexercised options for unissued ordinary shares (30 September 2011: nil) under the K1 Ventures Share Option Scheme 2000.

The issued share capital of the Company as at 30 September 2012 was 2,165,618,003 ordinary shares (30 September 2011: 2,165,618,003 ordinary shares).

As at 30 September 2012, the Company was not holding any treasury shares (30 September 2011: nil).

5. CONSOLIDATED STATEMENT OF CASH FLOWS for the first quarter ended 30 September 2012

	Note	1 Jul 12 to 30 Sep 12 \$'000	1 Jul 11 to 30 Sep 11 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit/(loss)		2,342	(905)
Adjustments:			
Depreciation and amortisation		6,484	7,545
Accretion of interest income on held to maturity financial assets		(460)	(429)
Profit on disposal of fixed assets		(368)	(1,013)
Profit on sale of investments		(963)	-
Cash flow from operations before changes in working capital		<u>7,035</u>	<u>5,198</u>
Working capital changes:			
Stocks		2,871	(127)
Debtors		366	1,482
Creditors		1,707	(1,187)
Translation of foreign subsidiaries and others		(1,305)	2,156
		<u>10,674</u>	<u>7,522</u>
Interest paid		(2,381)	(2,585)
Income taxes refund/(paid)		<u>18</u>	<u>(5,513)</u>
Net cash from/(used in) operating activities		<u>8,311</u>	<u>(576)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(20,544)	(4,700)
Proceeds from disposal of fixed assets		576	4,831
Proceeds from distributions from associated company and joint venture		2,331	-
Net proceeds from disposal and capital distribution of investments		<u>1,094</u>	<u>212</u>
Net cash (used in)/from investing activities		<u>(16,543)</u>	<u>343</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term loans		(368)	(392)
Net cash used in financing activities		<u>(368)</u>	<u>(392)</u>
Net decrease in cash and cash equivalents		<u>(8,600)</u>	<u>(625)</u>
Cash and cash equivalents as at beginning of period		<u>41,446</u>	<u>40,093</u>
Effects of exchange rate changes on cash and cash equivalents		<u>(29)</u>	<u>193</u>
Cash and cash equivalents at end of period	5a	<u>32,817</u>	<u>39,661</u>

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

5a. Bank balances, deposits and cash

	As at 30 Sep 12 \$'000	As at 30 Sep 11 \$'000
Bank balances, deposits and cash	31,725	26,330
Deposits with related parties	<u>1,092</u>	<u>13,331</u>
Cash and cash equivalents	<u>32,817</u>	<u>39,661</u>

6. AUDIT

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

7. AUDITORS' REPORT

Not applicable

8. ACCOUNTING POLICIES

Except as disclosed in paragraph 9 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 30 June 2012.

9. CHANGES IN THE ACCOUNTING POLICIES

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2012. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

Amendments to FRS 1	Presentation of Items of Other Comprehensive Income
Amendments to FRS 12	Deferred Taxes: Recovery of Underlying Assets

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

10. REVIEW OF GROUP PERFORMANCE

Group revenue of \$19.9 million for the first quarter was \$4.5 million above that of the comparable prior year quarter driven by an increase in revenue from transportation leasing related activities of \$3.5 million, which includes gross proceeds from held for sale locomotives of \$3.4 million and higher railcar leasing revenue driven by an increase in utilisation. In addition, proceeds from the sale of investments increased by \$963,000 compared to the prior year period.

Group revenue includes gross proceeds from the sale of inventory and held for sale locomotives, with the cost of such equipment reflected in operating costs. In prior year interim reporting periods, Group revenue included the net profit from the sale of inventory and held for sale equipment. The change in presentation is consistent with the presentation of year end results and has no impact on Group operating results for the prior year period.

Group operating profit was \$2.3 million for the quarter compared to an operating loss of \$905,000 in the corresponding prior year period. The improvement in operating results was driven by the above-mentioned increase in revenue and a reduction in Helm operating expenses, including lower depreciation and amortisation. Group operating profit for the first quarter includes a net profit of \$585,000 from held for sale locomotives. Group EBITDA of \$10.5 million increased by \$2.0 million compared to the first quarter of the prior year.

At the pre-tax level, Group profit was \$1.2 million compared to a loss of \$1.8 million in the previous year. Group foreign exchange loss of \$29,000 for the first quarter was the result of the weakening of the US dollar during the period. Group taxation was \$536,000 for the first quarter compared to a taxation benefit of \$522,000 in the prior year.

After taking into account income tax and non-controlling interests, net profit attributable to shareholders was \$802,000 for the first quarter compared to a loss of \$883,000 in the previous year. Profit per share was 0.04 cents.

In the opinion of the Directors, no factor has arisen between 30 September 2012 and the date of this report which would materially affect the results of the Group and the Company for the period just ended.

11. VARIANCE FROM FORECAST STATEMENT

No forecast for the first quarter ended 30 September 2012 was previously provided.

12. PROSPECTS

The Group's operating subsidiary, Helm Corporation, is expected to be impacted by continued economic volatility in US markets and continued weakness in the six-axle locomotive leasing market, which has decreased the overall demand for Helm's group of equipment. As a result, Helm has begun to dispose of the off lease six-axle locomotives, which could result in the disposition of substantially the entire off lease six-axle fleet. Helm remains focused on overall fleet management.

The Board has determined that the Company will not be making any new investments, but will focus its efforts on managing the current portfolio of assets and, at the appropriate time, realising such assets. The Board believes that this is the best course of action in the current circumstances, and will enable the Company to maximise value from the proceeds from any realisation of assets and to return the same to shareholders as appropriate.

13. DIVIDEND

13a. Current Financial Period Reported On

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

13b. Corresponding Period of the Immediately Preceding Financial Year

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

13c. Date Payable

Not applicable

13d. Books Closure Date

Not applicable

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

No dividend has been declared for the quarter ended 30 September 2012.

For the year ended 30 June 2012, the Board of Directors had recommended a tax exempt one-tier final dividend of 0.5 cents per share. The dividend has been approved by shareholders at the Annual General Meeting held on 16 October 2012. The dividend will be paid to the shareholders on 14 November 2012.

14. SEGMENT ANALYSIS

First quarter ended 30 September 2012

	<u>Transportation Leasing</u> \$'000	<u>Investments</u> \$'000	<u>Total</u> \$'000
Revenue	16,241	3,616	19,857
Segment Results			
Operating profit	211	2,131	2,342
Finance expenses	(2,775)	-	(2,775)
Foreign exchange loss	-	(29)	(29)
Share of results of associated company and joint ventures	1,701	-	1,701
(Loss)/profit before taxation	(863)	2,102	1,239
Taxation	364	(900)	(536)
(Loss)/profit for the period	(499)	1,202	703
Attributable to:			
Shareholders of the Company	(400)	1,202	802
Non-controlling interests	(99)	-	(99)
	(499)	1,202	703
Other information			
Segment assets	390,846	215,071	605,917
Segment liabilities	239,237	8,619	247,856
Net assets	151,609	206,452	358,061
Investment in associated company and joint ventures	60,651	-	60,651
Additions to non-current assets	20,544	-	20,544
Interest income	-	10	10
Depreciation and amortisation	6,484	-	6,484

Geographical Information

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	1	19,103	753	19,857
Non-current assets	-	543,157	17,195	560,352

First quarter ended 30 September 2011

	<u>Transportation Leasing</u> \$'000	<u>Investments</u> \$'000	<u>Total</u> \$'000
Revenue	12,747	2,610	15,357
Segment Results			
Operating (loss)/profit	(2,336)	1,431	(905)
Finance expenses	(2,746)	-	(2,746)
Foreign exchange gain	-	193	193
Share of results of associated company and joint ventures	1,657	-	1,657
(Loss)/profit before taxation	(3,425)	1,624	(1,801)
Taxation	1,438	(916)	522
(Loss)/profit for the period	(1,987)	708	(1,279)
Attributable to:			
Shareholders of the Company	(1,591)	708	(883)
Non-controlling interests	(396)	-	(396)
	(1,987)	708	(1,279)
Other information			
Segment assets	487,625	218,450	706,075
Segment liabilities	268,584	50,334	318,918
Net assets	219,041	168,116	387,157
Investment in associated company and joint ventures	57,509	-	57,509
Additions to non-current assets	4,700	-	4,700
Interest income	-	13	13
Depreciation and amortisation	7,545	-	7,545

Geographical Information

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	8	15,349	-	15,357
Non-current assets	-	640,621	17,086	657,707

Notes:

- (a) The Group is organised into business units based on their products and services and has two reportable operating segments: Transportation Leasing and Investments. The Transportation Leasing segment represents Helm's locomotive and railcar leasing business in North America. The Group's Investment activities consist of the Group's investments in quoted and unquoted investments.
- (b) The Group's two operating segments operate in three main geographical areas. The operating activities and investment activities are predominantly in the USA. There are also investment activities in Hong Kong. Singapore is the home country of the Company and its assets are mainly cash and cash equivalents.
- (c) For the first quarter ended 30 September 2012, revenues from one customer attributable to the Transportation Leasing segment amounted to approximately \$2.1 million. For the first quarter ended 30 September 2011, revenues from one customer attributable to the Transportation Leasing segment amounted to approximately \$1.9 million.

15. REVIEW OF SEGMENT PERFORMANCE

Not applicable.

16. INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 16 October 2012. During the financial period, the following interested person transactions were entered into by the Group:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual.	
	1 Jul 12 to 30 Sep 12 \$'000	1 Jul 11 to 30 Sep 11 \$'000	1 Jul 12 to 30 Sep 12 \$'000	1 Jul 11 to 30 Sep 11 \$'000
General Transactions				
KCL Group*	-	-	577	580
Greenstreet Partners	-	-	1,068	1,049
Corporate Treasury Transactions				
KCL Group	-	-	1,093	13,339
Total	-	-	2,738	14,968

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

BY ORDER OF THE BOARD

Kenny Lee & Winnie Mak
Company Secretaries
6 November 2012

CONFIRMATION BY THE BOARD

We, STEVEN JAY GREEN and JEFFREY ALAN SAFCHIK, being two directors of k1 Ventures Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the first quarter ended 30 September 2012 financial results to be false or misleading in any material respect.

On behalf of the board of directors



STEVEN JAY GREEN
Chairman

Singapore
6 November 2012



JEFFREY ALAN SAFCHIK
Director