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## **MEDIA RELEASE**

### **k1 Ventures Limited Unaudited Results for the First Quarter 2016 ended 30 September 2015**

**Singapore, 28 October 2015** - The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the first quarter 2016 ended 30 September 2015.

#### **For more information, please contact**

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# K1 VENTURES LIMITED

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

## FIRST QUARTER 2016 FINANCIAL STATEMENTS

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# K1 VENTURES LIMITED

## FIRST QUARTER 2016 FINANCIAL STATEMENTS

### UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the first quarter ended 30 September 2015.

#### 1. GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 30 September 2015

	Note	1 Jul 15 to 30 Sep 15 \$'000	1 Jul 14 to 30 Sep 14 \$'000	+ / (-) %
<b>Revenue</b>	1a	<b>89,289</b>	2,877	>500.0
Staff costs		(45)	(38)	18.4
Other operating (expenses)/income		<u>(6,169)</u>	<u>592</u>	NM
<b>Operating profit</b>		<b>83,075</b>	3,431	>500.0
Foreign exchange gain		<u>5,240</u>	<u>476</u>	>500.0
<b>Profit before tax</b>	1b	<b>88,315</b>	3,907	>500.0
Taxation	1c	<u>(983)</u>	<u>(890)</u>	10.4
<b>Profit for the period</b>		<b><u>87,332</u></b>	<b><u>3,017</u></b>	>500.0
<b>Attributable to:</b>				
Shareholders of the Company		<u>87,332</u>	<u>3,017</u>	>500.0
		<b><u>87,332</u></b>	<b><u>3,017</u></b>	>500.0
<b>EBITDA *</b>		<b>88,315</b>	3,907	>500.0
<b>Earnings per ordinary share</b>				
- basic	1d	<b>4.03 cts</b>	0.14 cts	>500.0
- diluted	1d	<b>4.03 cts</b>	0.14 cts	>500.0

\* EBITDA is defined as profit before tax, finance expenses, depreciation and amortisation  
NM - Not meaningful

## NOTES TO GROUP PROFIT AND LOSS ACCOUNT

### 1a. Breakdown of revenue

	<b>1 Jul 15 to 30 Sep 15 \$'000</b>	1 Jul 14 to 30 Sep 14 \$'000	+/( <sup>-</sup> ) %
Investment income	<b>89,175</b>	2,836	>500.0
Interest income	<b>114</b>	41	178.0
	<b><u>89,289</u></b>	<b><u>2,877</u></b>	>500.0

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

	<b>1 Jul 15 to 30 Sep 15 \$'000</b>	1 Jul 14 to 30 Sep 14 \$'000	+/( <sup>-</sup> ) %
Gain on liquidation of subsidiary	-	1,586	NM

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

### 1d. Earnings per ordinary share

	<b>GROUP</b>		
	<b>1 Jul 15 to 30 Sep 15</b>	1 Jul 14 to 30 Sep 14	+/( <sup>-</sup> ) %
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-			
(i) Based on weighted average number of shares	<b>4.03 cts</b>	0.14 cts	>500.0
- Weighted average number of shares ('000)	<b>2,165,618</b>	2,165,618	-
(ii) On a fully diluted basis	<b>4.03 cts</b>	0.14 cts	>500.0
- Adjusted weighted average number of shares ('000)	<b>2,165,618</b>	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 2015

	1 Jul 15 to 30 Sep 15 \$'000	1 Jul 14 to 30 Sep 14 \$'000	+/(-) %
<b>Profit for the period</b>	<u>87,332</u>	<u>3,017</u>	>500.0
<b>Items that may be reclassified subsequently to profit &amp; loss account:</b>			
Fair value changes on available-for-sale investments	(127)	(3,826)	(96.7)
Fair value changes on available-for-sale assets realised & transferred to profit and loss account	37	(93)	NM
Exchange differences arising on consolidation	7,345	3,784	94.1
Realisation of reserves transferred to profit and loss account upon liquidation of subsidiary	-	(1,586)	NM
<b>Other comprehensive income for the period</b>	<u>7,255</u>	<u>(1,721)</u>	NM
<b>Total comprehensive income for the period</b>	<u>94,587</u>	<u>1,296</u>	>500.0
<b>Attributable to:</b>			
Shareholders of the Company	<u>94,587</u>	<u>1,296</u>	>500.0
	<u>94,587</u>	<u>1,296</u>	>500.0

*NM - Not meaningful*

### 3. BALANCE SHEETS as at 30 September 2015

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Sep 15 \$'000</b>	<b>As at 30 Jun 15 \$'000</b>	<b>As at 30 Sep 15 \$'000</b>	<b>As at 30 Jun 15 \$'000</b>
<b>Share capital</b>	<b>196,439</b>	196,439	<b>196,439</b>	196,439
<b>Reserves</b>	<b>108,460</b>	13,873	<b>15,820</b>	10,720
<b>Share capital &amp; reserves</b>	<b>304,899</b>	210,312	<b>212,259</b>	207,159
<b>Represented by:</b>				
<b>Subsidiaries</b>	-	-	<b>90,664</b>	90,664
<b>Investments</b>	<b>162,464</b>	155,111	-	-
<b>Note receivable</b>	-	-	<b>71,877</b>	67,948
	<b>162,464</b>	155,111	<b>162,541</b>	158,612
<b>Current assets</b>				
Debtors	<b>14,639</b>	14,004	<b>11,695</b>	11,024
Amounts due from subsidiaries	-	-	<b>26</b>	26
Bank balances, deposits and cash	<b>135,062</b>	46,983	<b>42,178</b>	41,367
	<b>149,701</b>	60,987	<b>53,899</b>	52,417
<b>Current liabilities</b>				
Creditors	<b>1,715</b>	573	<b>690</b>	570
Provision for taxation	<b>3,527</b>	3,300	<b>3,491</b>	3,300
	<b>5,242</b>	3,873	<b>4,181</b>	3,870
<b>Net current assets</b>	<b>144,459</b>	57,114	<b>49,718</b>	48,547
<b>Non-current liabilities</b>				
Deferred taxation	<b>2,024</b>	1,913	-	-
	<b>2,024</b>	1,913	-	-
<b>Net assets</b>	<b>304,899</b>	210,312	<b>212,259</b>	207,159

## NOTES TO BALANCE SHEETS

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

As at 30 September 2015, the Group did not have any borrowing (30 June 2015: Nil).

### 3b. Net asset value

	GROUP			COMPANY		
	As at 30 Sep 15	As at 30 Jun 15	+/(-)%	As at 30 Sep 15	As at 30 Jun 15	+/(-)%
Net asset value per ordinary share #	<b>\$0.14</b>	\$0.10	40.0	<b>\$0.10</b>	\$0.10	-
Net tangible asset value per ordinary share #	<b>\$0.14</b>	\$0.10	40.0	<b>\$0.10</b>	\$0.10	-

# Based on issued share capital of 2,165,618,003 ordinary shares as at the end of the financial period (30 June 2015: 2,165,618,003).

### 3c. Balance sheet review

Group shareholders' funds increased from \$210.3 million at 30 June 2015 to \$304.9 million at 30 September 2015. The increase was attributable to net profit for the period of \$87.3 million and currency translation adjustments of \$7.3 million. The profit for the period was the result of investment income from Knowledge Universe Holdings LLC ("KUH") pertaining to the receipt of a cash distribution of approximately \$85.6 million.

Group total assets increased from \$216.1 million at 30 June 2015 to \$312.2 million at 30 September 2015 due to the receipt of above-mentioned cash distribution from KUH, and an increase in investments attributable to the strengthening of the US dollar.

Group total liabilities increased from \$5.8 million at 30 June 2015 to \$7.3 million at 30 September 2015, due mainly to an increase in creditors.

#### 4. STATEMENTS OF CHANGES IN EQUITY for the first quarter ended 30 September 2015

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

	Attributable to owners of the Company				
	Share	Capital	Foreign	Revenue	Share
	<u>Capital</u>	<u>Reserves</u>	Exchange	<u>Reserves</u>	<u>Capital &amp;</u>
			Translation		<u>Reserves</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>Account</u>	<u>\$'000</u>	<u>\$'000</u>
			<u>\$'000</u>	<u>\$'000</u>	
<b>2016</b>					
<b>As at 1 July 2015</b>	196,439	(155)	(13,391)	27,419	210,312
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	87,332	87,332
Other comprehensive income*	-	(90)	7,345	-	7,255
<b>Total comprehensive income for the period</b>	-	(90)	7,345	87,332	94,587
<b>As at 30 September 2015</b>	<b>196,439</b>	<b>(245)</b>	<b>(6,046)</b>	<b>114,751</b>	<b>304,899</b>
<b>2015</b>					
<b>As at 1 July 2014</b>	196,439	(8,120)	(20,915)	89,115	256,519
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	3,017	3,017
Other comprehensive income*	-	(3,919)	2,198	-	(1,721)
<b>Total comprehensive income for the period</b>	-	(3,919)	2,198	3,017	1,296
<b>As at 30 September 2014</b>	<b>196,439</b>	<b>(12,039)</b>	<b>(18,717)</b>	<b>92,132</b>	<b>257,815</b>

\* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.



4b. Statement of Changes in Equity of the Company

	<u>Share Capital</u> \$'000	<u>Capital Reserves</u> \$'000	<u>Revenue Reserves</u> \$'000	<u>Total</u> \$'000
<b>2016</b>				
<b>As at 1 July 2015</b>	196,439	-	10,720	207,159
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	5,100	5,100
<b>Total comprehensive income for the period</b>	-	-	5,100	5,100
<b>As at 30 September 2015</b>	<u>196,439</u>	<u>-</u>	<u>15,820</u>	<u>212,259</u>
<b>2015</b>				
<b>As at 1 July 2014</b>	196,439	(924)	6,512	202,027
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	56,486	56,486
<b>Total comprehensive income for the period</b>	-	-	56,486	56,486
<b>As at 30 September 2014</b>	<u>196,439</u>	<u>(924)</u>	<u>62,998</u>	<u>258,513</u>

4c. Share capital

Since 30 June 2015, there was no issue of ordinary shares by the Company.

As at 30 September 2015, there was no option (30 September 2014: nil) to take up unissued ordinary shares of the Company.

The issued share capital of the Company as at 30 September 2015 was 2,165,618,003 ordinary shares (30 September 2014: 2,165,618,003 ordinary shares).

As at 30 September 2015, the Company was not holding any treasury shares (30 September 2014: nil).

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS for the first quarter ended 30 September 2015

	Note	1 Jul 15 to 30 Sep 15 \$'000	1 Jul 14 to 30 Sep 14 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating profit		83,075	3,431
Adjustments:			
Amortised debt discount		(693)	(661)
<b>Cash flow from operations before changes in working capital</b>		<b>82,382</b>	<b>2,770</b>
Working capital changes:			
Debtors		(554)	774
Creditors		1,142	(1,214)
Translation of foreign subsidiaries and others		2,327	(1,095)
<b>Cash from operations</b>		<b>85,297</b>	<b>1,235</b>
Income taxes paid, net of refunds received		(683)	(447)
<b>Net cash generated from operating activities</b>		<b>84,614</b>	<b>788</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net proceeds from disposal and capital distribution of investments		2,279	2,493
<b>Net cash from investing activities</b>		<b>2,279</b>	<b>2,493</b>
<b>Net increase in cash and cash equivalents</b>		<b>86,893</b>	<b>3,281</b>
<b>Cash and cash equivalents as at beginning of period</b>		<b>46,983</b>	<b>70,602</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>1,186</b>	<b>476</b>
<b>Cash and cash equivalents at end of period</b>	5a	<b>135,062</b>	<b>74,359</b>

### NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

#### 5a. Deposits, bank balances and cash

	As at 30 Sep 15 \$'000	As at 30 Sep 14 \$'000
Bank balances, deposits and cash	108,282	27,501
Deposits with related parties	26,780	46,858
<b>Cash and cash equivalents</b>	<b>135,062</b>	<b>74,359</b>

**6. AUDIT**

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

**7. AUDITORS' REPORT**

Not applicable

**8. ACCOUNTING POLICIES**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 30 June 2015.

**9. CHANGES IN THE ACCOUNTING POLICIES**

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 and revised FRSs did not result in any substantial impact on the financial statements of the Group.

**10. REVIEW OF GROUP PERFORMANCE**

Group revenue was \$89.3 million for the first quarter ended 30 September 2015 compared to \$2.9 million in the prior year period driven by an increase in investment income from KUH, attributable to the receipt of a cash distribution of approximately \$85.6 million.

Group operating profit was \$83.1 million for the quarter ended 30 September 2015 compared to \$3.4 million in the corresponding prior year period, and Group profit before tax was \$88.3 million compared to \$3.9 million in the previous year. The increase in Group profit before tax was due to the above-mentioned increase in investment income from KUH and a foreign exchange gain of \$5.2 million, partially offset by an increase in Group operating expenses. The Group foreign exchange gain of \$5.2 million for the quarter includes a gain of \$3.9 million from the revaluation of assets that were distributed upon the voluntary liquidation of a wholly-owned subsidiary, K-1 Holdings Equity Inc. The increase in Group operating expenses was mainly attributable to the Greenstreet carried interest related to the proceeds received by the Group from the KUH investment. Group EBITDA of \$88.3 million was \$84.4 million above the prior year period driven by investment income from KUH.

Group taxation was \$983,000 for the first quarter compared to \$890,000 in the prior year period. Group profit attributable to shareholders was \$87.3 million compared to \$3.0 million in the previous year, and earnings per share were 4.03 cents.

In the opinion of the Directors, no factor has arisen between 30 September 2015 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 2015 was previously provided.

**12. PROSPECTS**

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, realizing such assets. This will enable the Company to maximize value from the proceeds from any realization 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

For the preceding financial period, a tax exempt one-tier interim dividend of 2.5 cents per share in respect of the financial year ended 30 June 2015 was paid on 14 November 2014.

13c. Date Payable

Not applicable.

13d. Books Closure Date

Not applicable.

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

No dividend has been declared for the quarter ended 30 September 2015.

For the year ended 30 June 2015, the Board of Directors had proposed a capital distribution of 1.5 cents per share out of the Company's share capital. The capital distribution will be subject to the approval of shareholders at the Extraordinary General Meeting to be held on 29 October 2015 and the Court sanction. Subject to the above conditions being satisfied, the capital distribution to shareholders is expected to be made on or around 3 December 2015.

## 14. SEGMENT ANALYSIS

### Geographical Information

#### First quarter ended 30 September 2015

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Total</u> \$'000
External sales	48	89,241	89,289
Non-current assets	-	162,464	162,464

#### First quarter ended 30 September 2014

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	31	2,844	2	2,877
Non-current assets	-	157,375	17,204	174,579

#### Notes:

- (a) The Group is organised into business units based on their products and services, and has only one reportable operating segment: Investments. The Group's Investment activities consist of the Group's investments in quoted and unquoted investments.
- (b) 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.
- (c) For the quarters ended 30 September 2015 and 30 September 2014, no single external customer accounted for 10% or more of the Group's revenue.

**15. REVIEW OF SEGMENT PERFORMANCE**

Not applicable.

**16. INTERESTED PERSON TRANSACTIONS**

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 28 October 2014. During the quarter ended 30 September 2015, 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 15 to 30 Sep 15 \$'000	1 Jul 14 to 30 Sep 14 \$'000	1 Jul 15 to 30 Sep 15 \$'000	1 Jul 14 to 30 Sep 14 \$'000
<b>General Transactions</b>				
KCL Group*	-	-	406	595
Greenstreet Partners	-	-	4,896	689
<b>Corporate Treasury Transactions</b>				
KCL Group	-	-	26,828	46,891
<b>Total</b>	-	-	<b>32,130</b>	48,175

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

**BY ORDER OF THE BOARD**

Winnie Mak  
Company Secretary  
28 October 2015

**CONFIRMATION BY THE BOARD**

We, STEVEN JAY GREEN and NEO BOON SIONG, 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 2015 financial results to be false or misleading in any material respect.

On behalf of the board of directors



**STEVEN JAY GREEN**  
Chairman

Singapore  
28 October 2015



**NEO BOON SIONG**  
Director