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MEDIA RELEASE

k1 Ventures Limited Unaudited Results for the First Quarter 2017 ended 30 September 2016

Singapore, 26 October 2016 - The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the first quarter 2017 ended 30 September 2016.

For more information, please contact

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K1 VENTURES LIMITED

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

FIRST QUARTER 2017 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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K1 VENTURES LIMITED

FIRST QUARTER 2017 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the first quarter ended 30 September 2016.

1. GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 30 September 2016

	Note	1 Jul 16 to 30 Sep 16 \$'000	1 Jul 15 to 30 Sep 15 \$'000	+ / (-) %
Revenue	1a	12,306	89,289	(86.2)
Staff costs		(51)	(45)	13.3
Other operating expenses		<u>(777)</u>	<u>(929)</u>	(16.4)
Profit before tax	1b	11,478	88,315	(87.0)
Taxation	1c	<u>(981)</u>	<u>(983)</u>	(0.2)
Profit for the period		<u>10,497</u>	<u>87,332</u>	(88.0)
Attributable to:				
Shareholders of the Company		<u>10,497</u>	<u>87,332</u>	(88.0)
EBITDA *		11,478	88,315	(87.0)
Earnings per ordinary share **				
- basic	1d	2.42 cts	20.16 cts	(88.0)
- diluted	1d	2.42 cts	20.16 cts	(88.0)

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

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

NOTES TO GROUP PROFIT AND LOSS ACCOUNT

1a. Breakdown of revenue

	1 Jul 16 to 30 Sep 16 \$'000	1 Jul 15 to 30 Sep 15 \$'000	+ / (-) %
Investment income	12,244	89,175	(86.3)
Interest income	62	114	(45.6)
	<u>12,306</u>	<u>89,289</u>	(86.2)

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

	1 Jul 16 to 30 Sep 16 \$'000	1 Jul 15 to 30 Sep 15 \$'000	+ / (-) %
Foreign exchange gain	1,411	5,240	(73.1)
Foreign exchange translation realised on liquidation of subsidiary	168	-	NM

NM – Not meaningful

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

1d. Earnings per ordinary share

	GROUP		
	1 Jul 16 to 30 Sep 16	1 Jul 15 to 30 Sep 15	+ / (-) %
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-			
Based on weighted average number of shares*	2.42 cts	20.16 cts	(88.0)
- Weighted average number of shares ('000)	433,124	433,124	-

The fully diluted earnings per ordinary share is the same as the basic earnings per ordinary share as there is no dilutive potential ordinary shares.

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

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the first quarter ended 30 September 2016

	1 Jul 16 to 30 Sep 16 \$'000	1 Jul 15 to 30 Sep 15 \$'000	+ / (-) %
Profit for the period	<u>10,497</u>	<u>87,332</u>	(88.0)
Items that may be reclassified subsequently to profit & loss account:			
Fair value changes on available-for-sale investments	-	(127)	NM
Fair value changes on available-for-sale assets realised & transferred to profit and loss account	-	37	NM
Exchange differences arising on consolidation	1,248	7,345	(83.0)
Reclassification of currency translation reserve to profit and loss on liquidation of subsidiary	(168)	-	NM
Other comprehensive income for the period	<u>1,080</u>	<u>7,255</u>	(85.1)
Total comprehensive income for the period	<u>11,577</u>	<u>94,587</u>	(87.8)
Attributable to:			
Shareholders of the Company	<u>11,577</u>	<u>94,587</u>	(87.8)

NM - Not meaningful

3. BALANCE SHEETS as at 30 September 2016

	Group		Company	
	As at 30 Sep 16 \$'000	As at 30 Jun 16 \$'000	As at 30 Sep 16 \$'000	As at 30 Jun 16 \$'000
Share capital	163,955	163,955	163,955	163,955
Reserves	55,354	43,777	23,516	14,090
Share capital & reserves	219,309	207,732	187,471	178,045
Represented by:				
Subsidiaries	-	-	59,594	59,594
Investments	149,397	146,804	-	-
	149,397	146,804	59,594	59,594
Current assets				
Debtors	13,800	14,211	11,139	10,991
Amounts due from subsidiaries	-	-	28	28
Notes receivable	-	-	68,837	67,943
Bank balances, deposits and cash	63,380	53,670	51,932	43,367
	77,180	67,881	131,936	122,329
Current liabilities				
Creditors	1,723	1,561	715	578
Provision for taxation	3,363	3,300	3,344	3,300
	5,086	4,861	4,059	3,878
Net current assets	72,094	63,020	127,877	118,451
Non-current liabilities				
Deferred taxation	2,182	2,092	-	-
	2,182	2,092	-	-
Net assets	219,309	207,732	187,471	178,045

NOTES TO BALANCE SHEETS

3a. Group's borrowings and debt securities

As at 30 September 2016, the Group did not have any borrowing (30 June 2016: Nil).

3b. Net asset value

	GROUP			COMPANY		
	As at 30 Sep 16	As at 30 Jun 16	+/(-)%	As at 30 Sep 16	As at 30 Jun 16	+/(-)%
Net asset value per ordinary share #	\$0.51	\$0.48	6.3	\$0.43	\$0.41	4.9
Net tangible asset value per ordinary share #	\$0.51	\$0.48	6.3	\$0.43	\$0.41	4.9

Based on issued share capital of 433,123,585 ordinary shares as at the end of the financial period (30 June 2016: 433,123,585).

3c. Balance sheet review

Group shareholders' funds increased from \$207.7 million at 30 June 2016 to \$219.3 million at 30 September 2016. The increase was attributable mainly to net profit for the period of \$10.5 million driven by investment income pertaining to the receipt of a cash distribution of approximately \$9.2 million associated with the Group's investment in Knowledge Universe Holdings LLC ("KUH").

Group total assets increased from \$214.7 million at 30 June 2016 to \$226.6 million at 30 September 2016 principally due to the above-mentioned cash distribution received from KUH, and a strengthening of the US dollar.

Group total liabilities increased from \$7.0 million at 30 June 2016 to \$7.3 million at 30 September 2016, due mainly to an increase in creditors.

4. STATEMENTS OF CHANGES IN EQUITY for the first quarter ended 30 September 2016

4a. Group Statement 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
2017					
As at 1 July 2016	163,955	(119)	5,848	38,048	207,732
Total comprehensive income for the period					
Profit for the period	-	-	-	10,497	10,497
Other comprehensive income*	-	-	1,080	-	1,080
Total comprehensive income for the period	-	-	1,080	10,497	11,577
As at 30 September 2016	163,955	(119)	6,928	48,545	219,309
2016					
As at 1 July 2015	196,439	(155)	(13,391)	27,419	210,312
Total comprehensive income for the period					
Profit for the period	-	-	-	87,332	87,332
Other comprehensive income*	-	(90)	7,345	-	7,255
Total comprehensive income for the period	-	(90)	7,345	87,332	94,587
As at 30 September 2015	196,439	(245)	(6,046)	114,751	304,899

* 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>Fair Value Reserve</u> \$'000	<u>Revenue Reserves</u> \$'000	<u>Total</u> \$'000
2017				
As at 1 July 2016	163,955	-	14,090	178,045
Total comprehensive income for the period				
Profit for the period	-	-	9,426	9,426
Total comprehensive income for the period	-	-	9,426	9,426
As at 30 September 2016	163,955	-	23,516	187,471
2016				
As at 1 July 2015	196,439	-	10,720	207,159
Total comprehensive income for the period				
Profit for the period	-	-	5,100	5,100
Total comprehensive income for the period	-	-	5,100	5,100
As at 30 September 2015	196,439	-	15,820	212,259

4c. Share capital

Since 30 June 2016, there was no issue of ordinary shares by the Company.

As at 30 September 2016, the total number of issued shares was 433,123,585 (30 September 2015: 2,165,618,003 before share consolidation).

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. The share consolidation was effected pursuant to the approval of shareholders at an Extraordinary General Meeting held on 29 October 2015.

As at 30 September 2016, there was no option (30 September 2015: nil) to take up unissued ordinary shares of the Company.

As at 30 September 2016, the Company was not holding any treasury shares (30 September 2015: nil).

5. **CONSOLIDATED STATEMENT OF CASH FLOWS for the first quarter ended 30 September 2016**

	Note	1 Jul 16 to 30 Sep 16 \$'000	1 Jul 15 to 30 Sep 15 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		11,478	88,315
Adjustments:			
Amortised debt discount		(728)	(693)
Exchange gain on liquidation of subsidiary		(168)	-
Unrealised foreign exchange differences		(1,332)	(2,913)
Cash flow from operations before changes in working capital		<u>9,250</u>	<u>84,709</u>
Working capital changes:			
Debtors		132	(554)
Creditors		149	1,142
Cash from operations		<u>9,531</u>	<u>85,297</u>
Income taxes paid, net of refunds received		(539)	(683)
Net cash generated from operating activities		<u>8,992</u>	<u>84,614</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds from disposal and capital distribution of investments		68	2,279
Net cash from investing activities		<u>68</u>	<u>2,279</u>
Net increase in cash and cash equivalents		9,060	86,893
Cash and cash equivalents as at beginning of period		53,670	46,983
Effects of exchange rate changes on cash and cash equivalents		650	1,186
Cash and cash equivalents at end of period	5a	<u>63,380</u>	<u>135,062</u>

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

5a. Deposits, bank balances and cash

	As at 30 Sep 16 \$'000	As at 30 Sep 15 \$'000
Bank balances, deposits and cash	22,821	108,282
Deposits with related parties	40,559	26,780
Cash and cash equivalents	<u>63,380</u>	<u>135,062</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

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 2016.

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 2016. 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 \$12.3 million for the first quarter ended 30 September 2016 compared to \$89.3 million in the prior year period due to a decrease in investment income from KUH.

Group profit before tax was \$11.5 million for the quarter ended 30 September 2016 compared to \$88.3 million in the corresponding previous year period. The decrease was due to lower investment income from KUH and lower foreign exchange gain, partially offset by a decrease in Group operating expenses. The decrease in Group operating expenses was mainly attributable to a lower Greenstreet carried interest driven by a reduction in the proceeds received from KUH. Group EBITDA of \$11.5 million was \$76.8 million below the prior year period due to a decrease in investment income from KUH.

Group taxation was \$981,000 for the first quarter compared to \$983,000 in the prior year period. Group profit attributable to shareholders was \$10.5 million compared to \$87.3 million in the previous year, and earnings per share were 2.42 cents.

In the opinion of the Directors, no factor has arisen between 30 September 2016 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 2016 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? Yes

Name of Dividend	Interim
Dividend type	Cash
Dividend per share	2.0 cents
Tax rate	Tax exempt

The Board of Directors is pleased to declare a tax exempt one-tier interim dividend of 2.0 cents per share (2016: nil). The dividend will be paid to shareholders on 5 December 2016.

Capital distribution

As announced on 3 August 2016, for the year ended 30 June 2016, the Board of Directors had proposed a capital distribution of 7.5 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 27 October 2016 and the Court sanction. Subject to the above conditions being satisfied, as stated in the Circular dated 5 October 2016 to shareholders, the actual date of payment of the capital distribution will be announced in due course by way of SGXNET announcement(s) released on the SGX-ST.

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

5 December 2016

13d. Books Closure Date

Notice is hereby given that, the Share Transfer Books and Register of Members of the Company will be closed on 23 November 2016 at 5.00 p.m. for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 23 November 2016 will be registered to determine shareholders' entitlement to the interim dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 23 November 2016 will be entitled to the interim dividend.

14. SEGMENT ANALYSIS

Geographical Information

First quarter ended 30 September 2016

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Total</u> \$'000
External sales	49	12,257	12,306
Non-current assets	-	149,397	149,397

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

Notes:

- (a) 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.
- (b) The Group's operating segment operates in two 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 2016 and 30 September 2015, 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 29 October 2015. During the quarter ended 30 September 2016, 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 16 to 30 Sep 16 \$'000	1 Jul 15 to 30 Sep 15 \$'000	1 Jul 16 to 30 Sep 16 \$'000	1 Jul 15 to 30 Sep 15 \$'000
General Transactions				
KCL Group*	-	-	406	406
Greenstreet Partners	-	-	2,053	4,896
Corporate Treasury Transactions				
KCL Group	-	-	40,608	26,828
Total	-	-	43,067	32,130

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

17. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Winnie Mak
Company Secretary
26 October 2016

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 2016 financial results to be false or misleading in any material respect.

On behalf of the board of directors



STEVEN JAY GREEN
Chairman



NEO BOON SIONG
Director

Singapore
26 October 2016