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MEDIA RELEASE

k1 Ventures Limited Unaudited Results for the Second Quarter and Half Year 2016 ended 31 December 2015

Singapore, 27 January 2016 - The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the second quarter and half year 2016 ended 31 December 2015.

For more information, please contact

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K1 VENTURES LIMITED

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

SECOND QUARTER 2016 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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K1 VENTURES LIMITED

SECOND QUARTER 2016 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

UNAUDITED RESULTS FOR SECOND QUARTER AND HALF YEAR ENDED 31 DECEMBER 2015

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the second quarter and half year ended 31 December 2015.

1. GROUP PROFIT AND LOSS ACCOUNT for the second quarter and half year ended 31 December 2015

	Note	Second Quarter			Half Year		
		1 Oct 15 to 31 Dec 15 \$'000	1 Oct 14 to 31 Dec 14 \$'000	+ / (-) %	1 Jul 15 to 31 Dec 15 \$'000	1 Jul 14 to 31 Dec 14 \$'000	+ / (-) %
Revenue	1a	13,604	51,535	(73.6)	102,893	54,412	89.1
Net carrying value of investment disposed		-	(18,225)	NM	-	(18,225)	NM
Staff costs		(95)	(79)	20.3	(140)	(117)	19.7
Other operating (expenses)/income		(21,011)	1,830	NM	(21,940)	2,898	NM
Profit/(loss) before tax	1b	(7,502)	35,061	NM	80,813	38,968	107.4
Taxation	1c	(971)	(4,106)	(76.4)	(1,954)	(4,996)	(60.9)
Profit/(loss) for the period		(8,473)	30,955	NM	78,859	33,972	132.1
Attributable to:							
Shareholders of the Company		(8,473)	30,955	NM	78,859	33,972	132.1
		(8,473)	30,955	NM	78,859	33,972	132.1
EBITDA *		(7,502)	35,061	NM	80,813	38,968	107.4
Earnings/(loss) per ordinary share **							
- basic	1d	(1.96) cts	7.15 cts	NM	18.21 cts	7.84 cts	132.3
- diluted	1d	(1.96) cts	7.15 cts	NM	18.21 cts	7.84 cts	132.3

* EBITDA is defined as profit/(loss) before tax, finance expenses, depreciation and amortization

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

NM - Not meaningful

NOTES TO GROUP PROFIT AND LOSS ACCOUNT

1a. Breakdown of revenue

	Second Quarter			Half Year		
	1 Oct 15 to 31 Dec 15 \$'000	1 Oct 14 to 31 Dec 14 \$'000	+ / (-) %	1 Jul 15 to 31 Dec 15 \$'000	1 Jul 14 to 31 Dec 14 \$'000	+ / (-) %
Proceeds from sale of investments	-	45,584	NM	-	45,584	NM
Investment income	13,473	5,917	127.7	102,648	8,753	>500.0
Interest income	131	34	285.3	245	75	226.7
	13,604	51,535	(73.6)	102,893	54,412	89.1

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

	Second Quarter			Half Year		
	1 Oct 15 to 31 Dec 15 \$'000	1 Oct 14 to 31 Dec 14 \$'000	+ / (-) %	1 Jul 15 to 31 Dec 15 \$'000	1 Jul 14 to 31 Dec 14 \$'000	+ / (-) %
Profit on sale of investments	-	27,359	NM	-	27,359	NM
Foreign exchange translation realised on liquidation of subsidiary	(17,633)	-	NM	(17,633)	1,586	NM
Foreign exchange (loss)/gain	(753)	2,987	NM	4,487	3,463	29.6

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

1d. Earnings per ordinary share

	1 Oct 15 to 31 Dec 15	1 Oct 14 to 31 Dec 14	+ / (-) %	1 Jul 15 to 31 Dec 15	1 Jul 14 to 31 Dec 14	+ / (-) %
Earnings/(loss) per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-						
(i) Based on weighted average number of shares *	(1.96) cts	7.15 cts	NM	18.21 cts	7.84 cts	132.3
- Weighted average number of shares ('000)	433,124	433,124	-	433,124	433,124	-
(ii) On a fully diluted basis *	(1.96) cts	7.15 cts	NM	18.21 cts	7.84 cts	132.3
- Adjusted weighted average number of shares ('000)	433,124	433,124	-	433,124	433,124	-

* 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 second quarter and half year ended 31 December 2015

	Second Quarter			Half Year		
	1 Oct 15 to 31 Dec 15 \$'000	1 Oct 14 to 31 Dec 14 \$'000	+ / (-) %	1 Jul 15 to 31 Dec 15 \$'000	1 Jul 14 to 31 Dec 14 \$'000	+ / (-) %
Profit/(loss) for the period	(8,473)	30,955	NM	78,859	33,972	132.1
Items that may be reclassified subsequently to profit or loss:						
Fair value changes on available-for-sale investments	(2,195)	(2,428)	(9.6)	(2,322)	(6,254)	(62.9)
Fair value changes on available-for-sale assets realised & transferred to profit and loss account	(1)	872	NM	36	779	(95.4)
Exchange differences arising on consolidation	(1,729)	3,414	NM	5,616	7,198	(22.0)
Reclassification of currency translation reserve to profit or loss on liquidation of subsidiary	17,633	-	NM	17,633	(1,586)	NM
Other comprehensive income for the period	13,708	1,858	>500.0	20,963	137	>500.0
Total comprehensive income for the period	5,235	32,813	(84.0)	99,822	34,109	192.7
Attributable to:						
Shareholders of the Company	5,235	32,813	(84.0)	99,822	34,109	192.7
	5,235	32,813	(84.0)	99,822	34,109	192.7

NM - Not meaningful

3. BALANCE SHEETS as at 31 December 2015

	Group		Company	
	As at 31 Dec 15 \$'000	As at 30 Jun 15 \$'000	As at 31 Dec 15 \$'000	As at 30 Jun 15 \$'000
Share capital	163,955	196,439	163,955	196,439
Reserves	113,695	13,873	102,994	10,720
Share capital & reserves	277,650	210,312	266,949	207,159
Represented by:				
Subsidiaries	-	-	85,248	90,664
Investments	158,031	155,111	-	-
Note receivable	-	-	71,357	67,948
	158,031	155,111	156,605	158,612
Current assets				
Debtors	15,250	14,004	11,943	11,024
Amounts due from subsidiaries	-	-	30	26
Bank balances, deposits and cash	111,371	46,983	102,350	41,367
	126,621	60,987	114,323	52,417
Current liabilities				
Creditors	1,527	573	473	570
Amount due to subsidiary	-	-	40	-
Provision for taxation	3,466	3,300	3,466	3,300
	4,993	3,873	3,979	3,870
Net current assets	121,628	57,114	110,344	48,547
Non-current liabilities				
Deferred taxation	2,009	1,913	-	-
	2,009	1,913	-	-
Net assets	277,650	210,312	266,949	207,159

NOTES TO BALANCE SHEETS

3a. Group's borrowings and debt securities

As at 31 December 2015, the Group did not have any borrowing (30 June 2015: Nil).

3b. Net asset value

	GROUP			COMPANY		
	As at 31 Dec 15	As at 30 Jun 15	+/(-)%	As at 31 Dec 15	As at 30 Jun 15	+/(-)%
Net asset value per ordinary share #	\$0.64	\$0.49	30.6	\$0.62	\$0.48	29.2
Net tangible asset value per ordinary share #	\$0.64	\$0.49	30.6	\$0.62	\$0.48	29.2

Based on issued share capital of 433,123,585 ordinary shares as at the end of the financial period (30 June 2015: 433,123,585). The comparative figures for net asset value per ordinary share and net tangible asset per ordinary share have been adjusted for the share consolidation.

3c. Balance sheet review

Group shareholders' funds increased from \$210.3 million at 30 June 2015 to \$277.7 million at 31 December 2015. The increase was attributable to comprehensive income for the period of \$99.8 million partially offset by a capital distribution to shareholders of \$32.5 million. Comprehensive income for the period was mainly driven by Group net profit, as a result of investment income from Knowledge Universe Holdings LLC ("KUH") pertaining to a receipt of cash distribution of approximately \$95.9 million, and net currency translation adjustments of \$5.6 million, partly offset by a downward revaluation of the Group's investment in K12, Inc. of \$2.3 million.

Group total assets increased from \$216.1 million at 30 June 2015 to \$284.7 million at 31 December 2015 due to \$95.9 million of distributions received from KUH, partially offset by the above-mentioned capital distribution to shareholders.

Group total liabilities increased from \$5.8 million at 30 June 2015 to \$7.0 million at 31 December 2015, as a result of an increase in creditors.

Company total assets increased from \$211.0 million at 30 June 2015 to \$270.9 million at 31 December 2015. The increase was mainly attributable to cash of approximately \$93.6 million received from the voluntary liquidation of its wholly-owned subsidiary, Focus Up Holdings Limited, partially offset by a capital distribution of \$32.5 million to shareholders.

4. STATEMENTS OF CHANGES IN EQUITY
for the second quarter and half year ended 31 December 2015

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
2016					
As at 1 July 2015	196,439	(155)	(13,391)	27,419	210,312
Total comprehensive income for first quarter					
Profit for first quarter	-	-	-	87,332	87,332
Other comprehensive income*	-	(90)	7,345	-	7,255
Total comprehensive income for first quarter	-	(90)	7,345	87,332	94,587
As at 30 September 2015	196,439	(245)	(6,046)	114,751	304,899
Total comprehensive income for second quarter					
Loss for second quarter	-	-	-	(8,473)	(8,473)
Other comprehensive income*	-	(2,196)	15,904	-	13,708
Total comprehensive income for second quarter	-	(2,196)	15,904	(8,473)	5,235
Transactions with owners, recognised directly in equity					
Capital distribution	(32,484)	-	-	-	(32,484)
As at 31 December 2015	163,955	(2,441)	9,858	106,278	277,650
2015					
As at 1 July 2014	196,439	(8,120)	(20,915)	89,115	256,519
Total comprehensive income for first quarter					
Profit for first quarter	-	-	-	3,017	3,017
Other comprehensive income*	-	(3,919)	2,198	-	(1,721)
Total comprehensive income for first quarter	-	(3,919)	2,198	3,017	1,296
As at 30 September 2014	196,439	(12,039)	(18,717)	92,132	257,815
Total comprehensive income for second quarter					
Profit for second quarter	-	-	-	30,955	30,955
Other comprehensive income*	-	(1,556)	3,414	-	1,858
Total comprehensive income for second quarter	-	(1,556)	3,414	30,955	32,813
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(54,140)	(54,140)
As at 31 December 2014	196,439	(13,595)	(15,303)	68,947	236,488

* 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
2016				
As at 1 July 2015	196,439	-	10,720	207,159
Total comprehensive income for first quarter				
Profit for first quarter	-	-	5,100	5,100
Total comprehensive income for first quarter	-	-	5,100	5,100
As at 30 September 2015	196,439	-	15,820	212,259
Total comprehensive income for second quarter				
Profit for second quarter	-	-	87,174	87,174
Total comprehensive income for second quarter	-	-	87,174	87,174
Transactions with owners, recognised directly in equity				
Capital distribution	(32,484)	-	-	(32,484)
As at 31 December 2015	163,955	-	102,994	266,949
2015				
As at 1 July 2014	196,439	(924)	6,512	202,027
Total comprehensive income for first quarter				
Profit for first quarter	-	-	56,486	56,486
Total comprehensive income for first quarter	-	-	56,486	56,486
As at 30 September 2014	196,439	(924)	62,998	258,513
Total comprehensive income for second quarter				
Profit for second quarter	-	-	29,763	29,763
Other comprehensive income	-	924	-	924
Total comprehensive income for second quarter	-	924	29,763	30,687
Transactions with owners, recognised directly in equity				
Dividend paid	-	-	(54,140)	(54,140)
As at 31 December 2014	196,439	-	38,621	235,060

4c. Share capital

There were no shares issued during the period 30 September 2015 to 31 December 2015.

As at 31 December 2015, the total number of issued shares was 433,123,585 (30 June 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 31 December 2015, there was no option (31 December 2014: nil) to take up unissued ordinary shares of the Company.

As at 31 December 2015, the Company was not holding any treasury shares (31 December 2014: nil).

5. CONSOLIDATED STATEMENT OF CASH FLOWS
for the second quarter and half year ended 31 December 2015

	Note	Second Quarter		Half Year	
		1 Oct 15 to 31 Dec 15 \$'000	1 Oct 14 to 31 Dec 14 \$'000	1 Jul 15 to 31 Dec 15 \$'000	1 Jul 14 to 31 Dec 14 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating profit/(loss)		(6,749)	32,074	76,326	35,505
Adjustments:					
Amortised debt discount		(700)	(527)	(1,393)	(1,188)
Loss on liquidation of subsidiary		17,633	-	17,633	-
Profit on sale of investments		-	(27,359)	-	(27,359)
Cash flow from operations before changes in working capital		10,184	4,188	92,566	6,958
Working capital changes:					
Debtors		-	(586)	(554)	188
Creditors		(188)	(511)	954	(1,725)
Translation of foreign subsidiaries and others		(1,135)	154	1,192	(941)
Cash from operations		8,861	3,245	94,158	4,480
Income taxes paid, net of refunds received		(1,661)	(920)	(2,344)	(1,367)
Net cash from operating activities		7,200	2,325	91,814	3,113
CASH FLOWS FROM INVESTING ACTIVITIES					
Net proceeds from disposal and capital distribution of investments		1,750	43,310	4,029	45,803
Net cash from investing activities		1,750	43,310	4,029	45,803
CASH FLOWS FROM FINANCING ACTIVITIES					
Capital distribution		(32,484)	-	(32,484)	-
Dividend paid to shareholders of the Company		-	(54,140)	-	(54,140)
Net cash used in financing activities		(32,484)	(54,140)	(32,484)	(54,140)
Net (decrease)/increase in cash and cash equivalents		(23,534)	(8,505)	63,359	(5,224)
Cash and cash equivalents as at beginning of period		135,062	74,359	46,983	70,602
Effects of exchange rate changes on cash and cash equivalents		(157)	649	1,029	1,125
Cash and cash equivalents at end of period	5a	111,371	66,503	111,371	66,503

NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

5a. Deposits, bank balances and cash

	As at 31 Dec 15 \$'000	As at 31 Dec 14 \$'000
Bank balances, deposits and cash	109,436	53,084
Deposits with related parties	1,935	13,419
Cash and cash equivalents	111,371	66,503

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

For the second quarter, Group revenue of \$13.6 million was \$37.9 million below the comparable prior year quarter due to revenue of \$45.6 million in the prior year from the sale of the Group's investment in China Grand Automotive ("China Auto"), partially offset by higher investment income. Group operating results for the quarter were below prior year due to an increase in other operating expenses, driven by an exchange loss of \$17.6 million upon the voluntary liquidation of Focus Up Holdings Limited ("Focus Up"), and a gain in the prior year of \$27.4 million from the sale of China Auto. Group results attributable to shareholders decreased by \$39.4 million compared to the corresponding prior year quarter due to the prior year profit from the sale of China Auto, and the exchange loss related to the voluntary liquidation of Focus Up.

Group revenue was \$102.9 million for the half year ended 31 December 2015 compared to \$54.4 million in the prior year period driven by investment income from KUH of \$95.9 million, partially offset by \$45.6 million from the prior year sale of China Auto.

Group profit before tax was \$80.8 million for the half year ended 31 December 2015 compared to \$39.0 million in the corresponding prior year period. The increase was due to a net profit of \$89.3 million from the Group's investment in KUH, partially offset by higher Group operating expenses and a prior year gain of \$27.4 million from the sale of China Auto. The increase in Group operating expenses was mainly attributable to an exchange loss of \$17.6 million related to the voluntary liquidation of Focus Up, and the Greenstreet carried interest related to the proceeds received by the Group from the KUH investment. Group EBITDA of \$80.8 million was \$41.8 million above the prior year period driven by investment income from KUH.

The decrease in Group taxation for first half was mainly due to a tax reserve associated with the prior year sale of China Auto. Group profit attributable to shareholders for the first half was \$78.9 million compared to \$34.0 million in the previous year, and earnings per share was 18.21 cents.

In the opinion of the Directors, no factor has arisen between 31 December 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 half year ended 31 December 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? Yes.

Name of Dividend	Interim
Dividend type	Cash
Dividend per share	21.0 cents
Tax rate	Tax exempt

The Board of Directors is pleased to declare a tax exempt one-tier interim dividend of 21.0 cents per share (2015: 7.5 cents per share, adjusted for the share consolidation). The dividend, which arose from the realization of assets, will be paid to shareholders on 18 February 2016.

13b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	Interim
Dividend type	Cash
Dividend per share	7.5 cents
Tax rate	Tax exempt

13c. Date Payable

18 February 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 4 February 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 4 February 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 4 February 2016 will be entitled to the interim dividend.

14. SEGMENT ANALYSIS

Geographical Information

Half year ended 31 December 2015

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	86	102,806	1	102,893
Non-current assets	-	158,031	-	158,031

Half year ended 31 December 2014

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	51	5,763	48,598	54,412
Non-current assets	-	150,820	3,242	154,062

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 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 half year ended 31 December 2015 and 31 December 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 29 October 2015. 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 15 to 31 Dec 15 \$'000	1 Jul 14 to 31 Dec 14 \$'000	1 Jul 15 to 31 Dec 15 \$'000	1 Jul 14 to 31 Dec 14 \$'000
General Transactions				
KCL Group*	-	-	486	487
Greenstreet Partners	-	-	7,088	1,395
Corporate Treasury Transactions				
KCL Group	-	-	2,022	13,474
Total	-	-	9,596	15,356

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

BY ORDER OF THE BOARD

Winnie Mak
Company Secretary
27 January 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 second quarter ended 31 December 2015 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
27 January 2016