



k1 Ventures Limited
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Tel: (65) 6438 8898
Fax: (65) 6413 6352
Co. Reg. No. 197000535W

MEDIA RELEASE

k1 Ventures Limited Unaudited Results for the Second Quarter and Half Year 2017 ended 31 December 2016

Singapore, 01 February 2017 - The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the second quarter and half year 2017 ended 31 December 2016.

For more information, please contact

Ms Ivana Chua
Assistant General Manager
Group Corporate Communications
Keppel Corporation
Tel: (65) 6413 6436
Fax: (65) 6413 6453
Email: ivana.chua@kepcorp.com

K1 VENTURES LIMITED

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

SECOND QUARTER 2017 FINANCIAL STATEMENTS

TABLE OF CONTENTS

<u>Paragraph</u>	<u>Description</u>	<u>Page</u>
	FINANCIAL STATEMENTS	1 - 13
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	9
6	AUDIT	10
7	AUDITORS' REPORT	10
8	ACCOUNTING POLICIES	10
9	CHANGES IN THE ACCOUNTING POLICIES	10
10	REVIEW OF GROUP PERFORMANCE	10
11	VARIANCE FROM FORECAST STATEMENT	10
12	PROSPECTS	11
13	DIVIDEND	11
14	SEGMENT ANALYSIS	12
15	REVIEW OF SEGMENT PERFORMANCE	13
16	INTERESTED PERSON TRANSACTIONS	13
17	CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)	13
	CONFIRMATION BY THE BOARD	14

K1 VENTURES LIMITED

SECOND QUARTER 2017 FINANCIAL STATEMENTS

UNAUDITED RESULTS FOR SECOND QUARTER AND HALF YEAR ENDED 31 DECEMBER 2016

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the second quarter and half year ended 31 December 2016.

1. GROUP PROFIT AND LOSS ACCOUNT for the second quarter and half year ended 31 December 2016

	Note	Second Quarter			Half Year		
		1 Oct 16 to 31 Dec 16 \$'000	1 Oct 15 to 31 Dec 15 \$'000	+ / (-) %	1 Jul 16 to 31 Dec 16 \$'000	1 Jul 15 to 31 Dec 15 \$'000	+ / (-) %
Revenue	1a	3,502	13,604	(74.3)	15,808	102,893	(84.6)
Staff costs		(120)	(95)	26.3	(171)	(140)	22.1
Other operating income/ (expenses)		4,224	(21,011)	NM	3,447	(21,940)	NM
Profit/(loss) before tax	1b	7,606	(7,502)	NM	19,084	80,813	(76.4)
Taxation	1c	(997)	(971)	2.7	(1,978)	(1,954)	1.2
Profit/(loss) for the period		6,609	(8,473)	NM	17,106	78,859	(78.3)
Attributable to:							
Shareholders of the Company		6,609	(8,473)	NM	17,106	78,859	(78.3)
EBITDA *		7,606	(7,502)	NM	19,084	80,813	(76.4)
Earnings/(loss) per ordinary share							
- basic	1d	1.53 cts	(1.96) cts	NM	3.95 cts	18.21 cts	(78.3)
- diluted	1d	1.53 cts	(1.96) cts	NM	3.95 cts	18.21 cts	(78.3)

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

NM - Not meaningful

NOTES TO GROUP PROFIT AND LOSS ACCOUNT

1a. Breakdown of revenue

	Second Quarter			Half Year		
	1 Oct 16 to 31 Dec 16 \$'000	1 Oct 15 to 31 Dec 15 \$'000	+ /(-) %	1 Jul 16 to 31 Dec 16 \$'000	1 Jul 15 to 31 Dec 15 \$'000	+ /(-) %
Investment income	3,432	13,473	(74.5)	15,676	102,648	(84.7)
Interest income	70	131	(46.6)	132	245	(46.1)
	3,502	13,604	(74.3)	15,808	102,893	(84.6)

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

	Second Quarter			Half Year		
	1 Oct 16 to 31 Dec 16 \$'000	1 Oct 15 to 31 Dec 15 \$'000	+ /(-) %	1 Jul 16 to 31 Dec 16 \$'000	1 Jul 15 to 31 Dec 15 \$'000	+ /(-) %
Foreign exchange gain/(loss)	5,063	(753)	NM	6,474	4,487	44.3
Foreign exchange translation realised on liquidation of subsidiary	316	(17,633)	NM	484	(17,633)	NM

NM - Not meaningful

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

1d. Earnings/(loss) per ordinary share

	1 Oct 16 to 31 Dec 16	1 Oct 15 to 31 Dec 15	+ /(-) %	1 Jul 16 to 31 Dec 16	1 Jul 15 to 31 Dec 15	+ /(-) %
Earnings/(loss) per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-						
Based on weighted average number of shares	1.53 cts	(1.96) cts	NM	3.95 cts	18.21 cts	(78.3)
- Weighted average number of shares ('000)	433,124	433,124	-	433,124	433,124	-

NM - Not meaningful

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

**2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the second quarter and half year ended 31 December 2016**

	Second Quarter			Half Year		
	1 Oct 16 to 31 Dec 16 \$'000	1 Oct 15 to 31 Dec 15 \$'000	+ / (-) %	1 Jul 16 to 31 Dec 16 \$'000	1 Jul 15 to 31 Dec 15 \$'000	+ / (-) %
Profit/(loss) for the period	6,609	(8,473)	NM	17,106	78,859	(78.3)
Items that may be reclassified subsequently to profit or loss:						
Fair value changes on available- for-sale investments	-	(2,195)	NM	-	(2,322)	NM
Fair value changes on available- for-sale assets realised & transferred to profit and loss account	-	(1)	NM	-	36	NM
Exchange differences arising on consolidation	5,471	(1,729)	NM	6,719	5,616	19.6
Reclassification of currency translation reserve to profit or loss on liquidation of subsidiary	(316)	17,633	NM	(484)	17,633	NM
Other comprehensive income for the period	5,155	13,708	(62.4)	6,235	20,963	(70.3)
Total comprehensive income for the period	11,764	5,235	124.7	23,341	99,822	(76.6)
Attributable to:						
Shareholders of the Company	11,764	5,235	124.7	23,341	99,822	(76.6)

NM - Not meaningful

3. BALANCE SHEETS as at 31 December 2016

	Group		Company	
	As at 31 Dec 16 \$'000	As at 30 Jun 16 \$'000	As at 31 Dec 16 \$'000	As at 30 Jun 16 \$'000
Share capital	131,471	163,955	131,471	163,955
Reserves	58,456	43,777	19,666	14,090
Share capital & reserves	189,927	207,732	151,137	178,045
Represented by:				
Subsidiaries	-	-	59,594	59,594
Investments	156,505	146,804	-	-
	156,505	146,804	59,594	59,594
Current assets				
Debtors	15,112	14,211	11,759	10,991
Amounts due from subsidiaries	-	-	33	28
Note receivable	-	-	73,063	67,943
Bank balances, deposits and cash	25,585	53,670	10,501	43,367
	40,697	67,881	95,356	122,329
Current liabilities				
Creditors	1,411	1,561	265	578
Provision for taxation	3,548	3,300	3,548	3,300
	4,959	4,861	3,813	3,878
Net current assets	35,738	63,020	91,543	118,451
Non-current liabilities				
Deferred taxation	2,316	2,092	-	-
	2,316	2,092	-	-
Net assets	189,927	207,732	151,137	178,045

NOTES TO BALANCE SHEETS

3a. Group's borrowings and debt securities

As at 31 December 2016, the Group did not have any borrowing (30 June 2016: Nil).

3b. Net asset value

	GROUP			COMPANY		
	As at 31 Dec 16	As at 30 Jun 16	+/(-)%	As at 31 Dec 16	As at 30 Jun 16	+/(-)%
Net asset value per ordinary share #	\$0.44	\$0.48	(8.3)	\$0.35	\$0.41	(14.6)
Net tangible asset value per ordinary share #	\$0.44	\$0.48	(8.3)	\$0.35	\$0.41	(14.6)

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 decreased from \$207.7 million at 30 June 2016 to \$189.9 million at 31 December 2016. The decrease was attributable to distributions paid to shareholders of \$41.1 million, partially offset by comprehensive income for the period of \$23.3 million. Comprehensive income for the period was driven by investment income from Knowledge Universe Holdings LLC ("KUH") pertaining to the receipt of a cash distribution of approximately \$9.3 million, foreign exchange gain of \$6.5 million, and net currency translation adjustments of \$6.7 million.

Group total assets decreased from \$214.7 million at 30 June 2016 to \$197.2 million at 31 December 2016 due to the above-mentioned cash distributions to shareholders, partly offset by strengthening of the US dollar.

Group total liabilities increased from \$7.0 million at 30 June 2016 to \$7.3 million at 31 December 2016.

4. STATEMENTS OF CHANGES IN EQUITY
for the second quarter and half year ended 31 December 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 first quarter					
Profit for first quarter	-	-	-	10,497	10,497
Other comprehensive income*	-	-	1,080	-	1,080
Total comprehensive income for first quarter	-	-	1,080	10,497	11,577
As at 30 September 2016	163,955	(119)	6,928	48,545	219,309
Total comprehensive income for second quarter					
Profit for second quarter	-	-	-	6,609	6,609
Other comprehensive income*	-	-	5,155	-	5,155
Total comprehensive income for second quarter	-	-	5,155	6,609	11,764
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(8,662)	(8,662)
Capital distribution	(32,484)	-	-	-	(32,484)
Total transactions with owners	(32,484)	-	-	(8,662)	(41,146)
As at 31 December 2016	131,471	(119)	12,083	46,492	189,927
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

* 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 first quarter				
Profit for first quarter	-	-	9,426	9,426
Total comprehensive income for first quarter	-	-	9,426	9,426
As at 30 September 2016	163,955	-	23,516	187,471
Total comprehensive income for second quarter				
Profit for second quarter	-	-	4,812	4,812
Total comprehensive income for second quarter	-	-	4,812	4,812
Transactions with owners, recognised directly in equity				
Dividend paid	-	-	(8,662)	(8,662)
Capital distribution	(32,484)	-	-	(32,484)
Total transactions with owners	(32,484)	-	(8,662)	(41,146)
As at 31 December 2016	131,471	-	19,666	151,137
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

4c. Share capital

There were no shares issued during the period 30 September 2016 to 31 December 2016.

As at 31 December 2016, the total number of issued shares was 433,123,585 (30 June 2016: 433,123,585).

As at 31 December 2016, there was no option (31 December 2015: nil) to take up unissued ordinary shares of the Company.

As at 31 December 2016, the Company was not holding any treasury shares (31 December 2015: nil).

5. CONSOLIDATED STATEMENT OF CASH FLOWS
for the second quarter and half year ended 31 December 2016

Note	Second Quarter		Half Year		
	1 Oct 16 to 31 Dec 16 \$'000	1 Oct 15 to 31 Dec 15 \$'000	1 Jul 16 to 31 Dec 16 \$'000	1 Jul 15 to 31 Dec 15 \$'000	
CASH FLOWS FROM OPERATING ACTIVITIES					
	Profit/(loss) before tax	7,606	(7,502)	19,084	80,813
	Adjustments:				
	Amortised debt discount	(835)	(700)	(1,563)	(1,393)
	Exchange (gain)/loss on liquidation of subsidiary	(316)	17,633	(484)	17,633
	Unrealised foreign exchange differences	(6,671)	(382)	(8,003)	(3,295)
	Cash flow (used in)/from operations before changes in working capital	(216)	9,049	9,034	93,758
	Working capital changes:				
	Debtors	(495)	-	(363)	(554)
	Creditors	(373)	(188)	(224)	954
	Cash (used in)/from operations	(1,084)	8,861	8,447	94,158
	Income taxes paid, net of refunds received	(1,499)	(1,661)	(2,038)	(2,344)
	Net cash (used in)/from operating activities	(2,583)	7,200	6,409	91,814
CASH FLOWS FROM INVESTING ACTIVITIES					
	Net proceeds from disposal and capital distribution of investments	2,859	1,750	2,927	4,029
	Net cash from investing activities	2,859	1,750	2,927	4,029
CASH FLOWS FROM FINANCING ACTIVITIES					
	Capital distribution	(32,484)	(32,484)	(32,484)	(32,484)
	Dividend paid to shareholders of the Company	(8,662)	-	(8,662)	-
	Net cash used in financing activities	(41,146)	(32,484)	(41,146)	(32,484)
	Net (decrease)/increase in cash and cash equivalents	(40,870)	(23,534)	(31,810)	63,359
	Cash and cash equivalents as at beginning of period	63,380	135,062	53,670	46,983
	Effects of exchange rate changes on cash and cash equivalents	3,075	(157)	3,725	1,029
	Cash and cash equivalents at end of period	25,585	111,371	25,585	111,371

NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

5a. Deposits, bank balances and cash

	As at 31 Dec 16 \$'000	As at 31 Dec 15 \$'000
Bank balances, deposits and cash	18,470	109,436
Deposits with related parties	7,115	1,935
Cash and cash equivalents	25,585	111,371

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

For the second quarter, Group revenue of \$3.5 million was \$10.1 million below the comparable prior year quarter due to a decrease in investment income from KUH. Group profit for the second quarter increased by \$15.1 million compared to the corresponding prior year quarter due mainly to other operating income as compared to other operating expenses in the prior year period. This was mainly attributable to foreign exchange gain of \$5.1 million, and an exchange loss recorded in the prior year of \$17.6 million related to the voluntary liquidation of Focus Up Holdings Limited ("Focus Up").

Group revenue was \$15.8 million for the half year ended 31 December 2016 compared to \$102.9 million in the prior year period due to a decrease in investment income from KUH.

Group profit before tax was \$19.1 million for the half year ended 31 December 2016 compared to \$80.8 million in the corresponding prior year period. The decrease was due to lower investment income from KUH, partially offset by higher foreign exchange gain, and lower Greenstreet carried interest driven by a reduction in proceeds received from KUH. In the prior year period, other operating expenses include an exchange loss of \$17.6 million related to the voluntary liquidation of Focus Up. Group EBITDA of \$19.1 million was \$61.7 million below the prior year period due mainly to a decrease in investment income from KUH.

Group profit attributable to shareholders for the half year ended 31 December 2016 was \$17.1 million compared to \$78.9 million in the prior year period, and earnings per share was 3.95 cents.

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

13b. Corresponding Period of the Immediately Preceding Financial Year

For the corresponding period of preceding financial year, a tax exempt one-tier interim dividend of 21.0 cents per share in respect of the financial year ended 30 June 2016 was paid on 18 February 2016.

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 31 December 2016.

A tax exempt one-tier interim dividend of 2.0 cents per share in respect of the financial year ending 30 June 2017 was paid to shareholders on 5 December 2016.

14. SEGMENT ANALYSIS

Geographical Information

Half year ended 31 December 2016

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	113	15,694	1	15,808
Non-current assets	-	156,505	-	156,505

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

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 half year ended 31 December 2016 and 31 December 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 2016. 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 16 to 31 Dec 16 \$'000	1 Jul 15 to 31 Dec 15 \$'000	1 Jul 16 to 31 Dec 16 \$'000	1 Jul 15 to 31 Dec 15 \$'000
General Transactions				
KCL Group*	-	-	485	486
Greenstreet Partners	-	-	2,808	7,088
Corporate Treasury Transactions				
KCL Group	-	-	7,228	2,022
Total	-	-	10,521	9,596

* 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 (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

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
1 February 2017

CONFIRMATION BY THE BOARD

We, NEO BOON SIONG 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 second quarter ended 31 December 2016 financial results to be false or misleading in any material respect.

On behalf of the board of directors



NEO BOON SIONG
Chairman



JEFFREY ALAN SAFCHIK
Director

Singapore
1 February 2017