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MEDIA RELEASE

k1 Ventures Limited Unaudited Results for the Second Quarter and Half Year 2018 ended 31 December 2017

Singapore, 11 January 2018 - The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the second quarter and half year 2018 ended 31 December 2017.

For more information, please contact

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K1 VENTURES LIMITED

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

SECOND QUARTER 2018 FINANCIAL STATEMENTS

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K1 VENTURES LIMITED

SECOND QUARTER 2018 FINANCIAL STATEMENTS

UNAUDITED RESULTS FOR SECOND QUARTER AND HALF YEAR ENDED 31 DECEMBER 2017

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the second quarter and half year ended 31 December 2017.

1. GROUP PROFIT AND LOSS ACCOUNT for the second quarter and half year ended 31 December 2017

	Note	Second Quarter			Half Year		
		1 Oct 17 to 31 Dec 17 \$'000	1 Oct 16 to 31 Dec 16 \$'000	+ / (-) %	1 Jul 17 to 31 Dec 17 \$'000	1 Jul 16 to 31 Dec 16 \$'000	+ / (-) %
Revenue	1a	1,510	3,502	(56.9)	3,942	15,808	(75.1)
Staff costs		(406)	(120)	238.3	(462)	(171)	170.2
Other operating income/ (expenses)		(3,467)	4,224	NM	6,337	3,447	83.8
Profit/(loss) before tax	1b	(2,363)	7,606	NM	9,817	19,084	(48.6)
Taxation	1c	(703)	(997)	(29.5)	(1,269)	(1,978)	(35.8)
Profit/(loss) for the period		(3,066)	6,609	NM	8,548	17,106	(50.0)
Attributable to:							
Shareholders of the Company		(3,066)	6,609	NM	8,548	17,106	(50.0)
EBITDA *		(2,363)	7,606	NM	9,817	19,084	(48.6)
Earnings/(loss) per ordinary share							
- basic	1d	(0.71) cts	1.53 cts	NM	1.97 cts	3.95 cts	(50.1)
- diluted	1d	(0.71) cts	1.53 cts	NM	1.97 cts	3.95 cts	(50.1)

* 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 17 to 31 Dec 17 \$'000	1 Oct 16 to 31 Dec 16 \$'000	+ /(-) %	1 Jul 17 to 31 Dec 17 \$'000	1 Jul 16 to 31 Dec 16 \$'000	+ /(-) %
Investment income	1,268	3,432	(63.1)	3,650	15,676	(76.7)
Interest income	242	70	245.7	292	132	121.2
	1,510	3,502	(56.9)	3,942	15,808	(75.1)

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

	Second Quarter			Half Year		
	1 Oct 17 to 31 Dec 17 \$'000	1 Oct 16 to 31 Dec 16 \$'000	+ /(-) %	1 Jul 17 to 31 Dec 17 \$'000	1 Jul 16 to 31 Dec 16 \$'000	+ /(-) %
Foreign exchange (loss)/gain	(534)	5,063	NM	(1,533)	6,474	NM
Foreign exchange translation realised on liquidation of subsidiaries	1,565	316	395.3	1,511	484	212.2
Fair value (loss)/gain on investment reclassified from the comprehensive income to profit and loss account	(33)	-	NM	12,198	-	NM

NM - Not meaningful

1c. Group taxation in the current year includes a write-back of tax in respect of prior years at a wholly-owned subsidiary.

1d. Earnings/(loss) per ordinary share

	1 Oct 17 to 31 Dec 17	1 Oct 16 to 31 Dec 16	+ /(-) %	1 Jul 17 to 31 Dec 17	1 Jul 16 to 31 Dec 16	+ /(-) %
Earnings/(loss) per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-						
Based on weighted average number of shares	(0.71) cts	1.53 cts	NM	1.97 cts	3.95 cts	(50.1)
- 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 2017**

	Second Quarter			Half Year		
	1 Oct 17 to 31 Dec 17 \$'000	1 Oct 16 to 31 Dec 16 \$'000	+ / (-) %	1 Jul 17 to 31 Dec 17 \$'000	1 Jul 16 to 31 Dec 16 \$'000	+ / (-) %
Profit/(loss) for the period	(3,066)	6,609	NM	8,548	17,106	(50.0)
Items that may be reclassified subsequently to profit or loss:						
Fair value changes on available- for-sale assets realised & transferred to profit and loss account	-	-	NM	(12,368)	-	NM
Exchange differences arising on consolidation	(1,925)	5,471	NM	(4,744)	6,719	NM
Reclassification of currency translation reserve to profit or loss on liquidation of subsidiaries	(1,565)	(316)	395.3	(1,511)	(484)	212.2
Other comprehensive income for the period	(3,490)	5,155	NM	(18,623)	6,235	NM
Total comprehensive income for the period	(6,556)	11,764	NM	(10,075)	23,341	NM
Attributable to:						
Shareholders of the Company	(6,556)	11,764	NM	(10,075)	23,341	NM

NM - Not meaningful

3. BALANCE SHEETS as at 31 December 2017

	Group		Company	
	As at 31 Dec 17 \$'000	As at 30 Jun 17 \$'000	As at 31 Dec 17 \$'000	As at 30 Jun 17 \$'000
Share capital	18	131,471	18	131,471
Reserves	159,776	198,004	158,804	35,015
Share capital & reserves	159,794	329,475	158,822	166,486
Represented by:				
Subsidiaries	-	-	-	55,526
	-	-	-	55,526
Current assets				
Debtors	3,290	13,969	3,290	11,049
Short term investment	-	303,688	-	-
Amounts due from subsidiaries	-	-	-	32
Note receivable	-	-	-	69,498
Bank balances, deposits and cash	162,111	54,652	159,234	34,355
	165,401	372,309	162,524	114,934
Current liabilities				
Creditors	470	34,557	425	598
Provision for taxation	5,137	8,277	3,277	3,376
	5,607	42,834	3,702	3,974
Net current assets	159,794	329,475	158,822	110,960
Net assets	159,794	329,475	158,822	166,486

NOTES TO BALANCE SHEETS

3a. Group's borrowings and debt securities

As at 31 December 2017, the Group did not have any borrowing (30 June 2017: Nil).

3b. Net asset value

	GROUP			COMPANY		
	As at 31 Dec 17	As at 30 Jun 17	+/(-)%	As at 31 Dec 17	As at 30 Jun 17	+/(-)%
Net asset value per ordinary share #	\$0.37	\$0.76	(51.3)	\$0.37	\$0.38	(2.6)
Net tangible asset value per ordinary share #	\$0.37	\$0.76	(51.3)	\$0.37	\$0.38	(2.6)

Based on issued share capital of 433,123,585 ordinary shares as at the end of the financial period (30 June 2017: 433,123,585).

3c. Balance sheet review

Group shareholders' funds decreased from \$329.5 million at 30 June 2017 to \$159.8 million at 31 December 2017 due mainly to distributions to shareholders of \$159.6 million.

Group total assets decreased from \$372.3 million at 30 June 2017 to \$165.4 million at 31 December 2017 driven by the sale of investments, and distributions to shareholders of \$159.6 million. The increase in cash was due to the disposal of the Group's entire interest in Guggenheim Capital, LLC ("Guggenheim") which took place on 17 November 2017 for a gross cash consideration of approximately US\$221 million, which is prior to any deductions for U.S. income taxes and the Greenstreet carried interest. The decrease in debtors is attributable to the release of escrowed funds pertaining to the 2014 disposal of Long Haul Holdings Corp.

Group total liabilities decreased from \$42.8 million at 30 June 2017 to \$5.6 million at 31 December 2017, due to the payment of accrued liabilities and U.S. income taxes.

The increase in Company cash was driven by approximately \$208.8 million received from the voluntary liquidation of its wholly-owned subsidiary, FSHCO Holdings Pte. Ltd., and the repayment of a note receivable from its wholly-owned subsidiary, DFS Holdings I Corp, reduced by distributions to shareholders of \$159.6 million.

4. STATEMENTS OF CHANGES IN EQUITY
for the second quarter and half year ended 31 December 2017

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
2018					
As at 1 July 2017	131,471	12,368	6,268	179,368	329,475
Total comprehensive income for first quarter					
Profit for first quarter	-	-	-	11,614	11,614
Other comprehensive income*	-	(12,368)	(2,765)	-	(15,133)
Total comprehensive income for first quarter	-	(12,368)	(2,765)	11,614	(3,519)
As at 30 September 2017	131,471	-	3,503	190,982	325,956
Total comprehensive income for second quarter					
Loss for second quarter	-	-	-	(3,066)	(3,066)
Other comprehensive income*	-	-	(3,490)	-	(3,490)
Total comprehensive income for second quarter	-	-	(3,490)	(3,066)	(6,556)
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(28,153)	(28,153)
Capital distribution	(131,453)	-	-	-	(131,453)
Total transactions with owners	(131,453)	-	-	(28,153)	(159,606)
As at 31 December 2017	18	-	13	159,763	159,794
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

* 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
2018				
As at 1 July 2017				
Total comprehensive income for first quarter	131,471	-	35,015	166,486
Loss for first quarter	-	-	(1,270)	(1,270)
Total comprehensive income for first quarter	-	-	(1,270)	(1,270)
As at 30 September 2017	131,471	-	33,745	165,216
Total comprehensive income for second quarter				
Profit for second quarter	-	-	153,212	153,212
Total comprehensive income for second quarter	-	-	153,212	153,212
Transactions with owners, recognised directly in equity				
Dividend paid	-	-	(28,153)	(28,153)
Capital distribution	(131,453)	-	-	(131,453)
Total transactions with owners	(131,453)	-	(28,153)	(159,606)
As at 31 December 2017	18	-	158,804	158,822
2017				
As at 1 July 2016				
Total comprehensive income for first quarter	163,955	-	14,090	178,045
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

4c. Share capital

There were no shares issued during the period 30 September 2017 to 31 December 2017.

As at 31 December 2017, the total number of issued shares was 433,123,585 (30 June 2017: 433,123,585).

As at 31 December 2017, there was no option (31 December 2016: nil) to take up unissued ordinary shares of the Company.

As at 31 December 2017, the Company was not holding any treasury shares (31 December 2016: nil).

5. CONSOLIDATED STATEMENT OF CASH FLOWS
for the second quarter and half year ended 31 December 2017

	Note	Second Quarter		Half Year	
		1 Oct 17 to 31 Dec 17 \$'000	1 Oct 16 to 31 Dec 16 \$'000	1 Jul 17 to 31 Dec 17 \$'000	1 Jul 16 to 31 Dec 16 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax		(2,363)	7,606	9,817	19,084
Adjustments:					
Amortised debt discount		-	(835)	-	(1,563)
Exchange gain on liquidation of subsidiaries		(1,565)	(316)	(1,511)	(484)
Fair value loss/(gain) on investment reclassified from other comprehensive income to profit and loss account		33	-	(12,198)	-
Unrealised foreign exchange differences		2,519	(6,671)	4,287	(8,003)
Cash flow (used in)/from operations before changes in working capital		(1,376)	(216)	395	9,034
Working capital changes:					
Debtors		9,904	(495)	10,353	(363)
Creditors		(32,780)	(373)	(33,095)	(224)
Cash used in operations		(24,252)	(1,084)	(22,347)	8,447
Income taxes paid, net of refunds received		(3,617)	(1,499)	(4,007)	(2,038)
Net cash (used in)/from operating activities		(27,869)	(2,583)	(26,354)	6,409
CASH FLOWS FROM INVESTING ACTIVITIES					
Net proceeds from disposal and capital distribution of investments		294,816	2,859	294,816	2,927
Net cash from investing activities		294,816	2,859	294,816	2,927
CASH FLOWS FROM FINANCING ACTIVITIES					
Capital distribution		(131,453)	(32,484)	(131,453)	(32,484)
Dividend paid to shareholders of the Company		(28,153)	(8,662)	(28,153)	(8,662)
Net cash used in financing activities		(159,606)	(41,146)	(159,606)	(41,146)
Net increase/(decrease) in cash and cash equivalents		107,341	(40,870)	108,856	(31,810)
Cash and cash equivalents as at beginning of period		55,521	63,380	54,652	53,670
Effects of exchange rate changes on cash and cash equivalents		(751)	3,075	(1,397)	3,725
Cash and cash equivalents at end of period	5a	162,111	25,585	162,111	25,585

NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

5a. Bank balances, deposits and cash

	As at 31 Dec 17 \$'000	As at 31 Dec 16 \$'000
Bank balances, deposits and cash	3,268	18,470
Deposits with related parties	158,843	7,115
Cash and cash equivalents	162,111	25,585

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 2017.

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 2017. 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 \$1.5 million was \$2.0 million below the comparable prior year quarter due to a decrease in investment income from Guggenheim. Group profit before tax for the second quarter decreased by \$10.0 million compared to the corresponding prior year quarter due mainly to an increase in other operating expense in the current period, and a foreign exchange gain recorded in the prior year of \$5.1 million.

Group revenue was \$3.9 million for first half year ended 31 December 2017 compared to \$15.8 million in the prior year period due to lower investment income from Guggenheim and Knowledge Universe Holdings, LLC.

Group profit before tax was \$9.8 million for the first half year ended 31 December 2017 compared to \$19.1 million in the corresponding prior year period. The decrease was due to lower investment income partially offset by a fair value gain associated with the Guggenheim investment of \$12.2 million reclassified from other comprehensive income. Other operating income includes a foreign exchange loss of \$1.5 million, as compared to a foreign exchange gain in the prior year of \$6.5 million. Group EBITDA for the half year ended 31 December 2017 of \$9.8 million was \$9.3 million below the prior year period due mainly to a decrease in investment income.

Group taxation was \$1.3 million for the half year ended 31 December 2017 compared to \$2.0 million in the prior year period due to a decrease in investment income and write-back of tax in respect of prior years. Group profit attributable to shareholders was \$8.5 million compared to \$17.1 million in the previous year period, and earnings per share were 1.97 cents.

In the opinion of the Directors, no factor has arisen between 31 December 2017 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 2017 was previously provided.

12. PROSPECTS

Completion of the divestment of the Company's entire ownership interests in Guggenheim Capital, LLC (the "Guggenheim Disposal"), took place on 17 November 2017. Following the completion of the Guggenheim Disposal, the Company has disposed of substantially all of its assets and property. To avoid any market speculation on the value of the Company, the Company has suspended the trading of its shares on and from 20 November 2017 for an indefinite period of time.

As announced previously, upon the distribution of excess cash to its shareholders, the Company will take steps to commence voluntary liquidation. The Company will, in compliance with its obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited, make further announcement(s) and will seek shareholders' approval on such plans for the Company.

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? 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 31 December 2017.

A tax exempt one-tier final dividend of 6.5 cents per share in respect of the financial year ended 30 June 2017 was paid to shareholders on 8 November 2017.

For the financial year ended 30 June 2017, a cash distribution pursuant to the Capital Reduction, in respect of which a cash distribution of 30.35 cents per share was paid to shareholder on 22 December 2017.

A tax exempt one-tier interim dividend of 35.85 cents per share in respect of the financial period ended 30 September 2017 will be paid to shareholders on 19 January 2018.

14. SEGMENT ANALYSIS

Geographical Information

Half year ended 31 December 2017

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	33	3,788	121	3,942

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

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 2017 and 31 December 2016, 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 20 October 2017. 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 17 to 31 Dec 17 \$'000	1 Jul 16 to 31 Dec 16 \$'000	1 Jul 17 to 31 Dec 17 \$'000	1 Jul 16 to 31 Dec 16 \$'000
General Transactions				
KCL Group*	-	-	445	485
Greenstreet Partners	-	-	34,890	2,808
Corporate Treasury Transactions				
KCL Group	-	-	158,997	7,228
Total	-	-	194,332	10,521

* 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
11 January 2018

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 2017 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
11 January 2018