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MEDIA RELEASE

k1 Ventures Limited Unaudited Results for the Third Quarter and Nine Months ended 31 March 2014

Singapore, 14 May 2014 - The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the Third Quarter and Nine Months ended 31 March 2014.

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K1 VENTURES LIMITED

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

THIRD QUARTER 2014 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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K1 VENTURES LIMITED

THIRD QUARTER 2014 FINANCIAL STATEMENTS

UNAUDITED RESULTS FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2014

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the third quarter and nine months ended 31 March 2014.

1. GROUP PROFIT AND LOSS ACCOUNT for the third quarter and nine months ended 31 March 2014

	Note	Third Quarter			Nine Months		
		1 Jan 14 to 31 Mar 14 \$'000	1 Jan 13 to 31 Mar 13 \$'000	+ / (-) %	1 Jul 13 to 31 Mar 14 \$'000	1 Jul 12 to 31 Mar 13 \$'000	+ / (-) %
Continuing operations							
Revenue	1a	3,204	2,936	9.1	28,552	36,975	(22.8)
Staff costs		(39)	(36)	8.3	(138)	(121)	14.0
Depreciation and amortisation		-	-	-	(1)	-	NM
Other operating expenses		(1,090)	(1,185)	(8.0)	(3,339)	(3,836)	(13.0)
Operating profit		2,075	1,715	21.0	25,074	33,018	(24.1)
Foreign exchange (loss)/gain		(7)	44	NM	95	24	295.8
Profit before taxation		2,068	1,759	17.6	25,169	33,042	(23.8)
Taxation	1c	(905)	(896)	1.0	(4,871)	(2,713)	79.5
Profit from continuing operations		1,163	863	34.8	20,298	30,329	(33.1)
Discontinued operations							
Profit from discontinued operations	3d	1,868	656	184.8	1,410	1,588	(11.2)
Profit for the period		3,031	1,519	99.5	21,708	31,917	(32.0)
Attributable to:							
Shareholders of the Company							
Profit from continuing operations		1,163	863	34.8	20,298	30,329	(33.1)
Profit from discontinued operations		1,496	526	184.4	1,129	1,272	(11.2)
		2,659	1,389	91.4	21,427	31,601	(32.2)
Non-controlling interests		372	130	186.2	281	316	(11.1)
		3,031	1,519	99.5	21,708	31,917	(32.0)
EBITDA *		2,068	1,759	17.6	25,170	33,042	(23.8)
Profit per ordinary share:							
Continuing and discontinued operations							
- basic	1d	0.12 cts	0.06 cts	100.0	0.99 cts	1.46 cts	(32.2)
- diluted	1d	0.12 cts	0.06 cts	100.0	0.99 cts	1.46 cts	(32.2)
Continuing operations							
- basic	1d	0.05 cts	0.04 cts	25.0	0.94 cts	1.40 cts	(32.9)
- diluted	1d	0.05 cts	0.04 cts	25.0	0.94 cts	1.40 cts	(32.9)

* EBITDA is defined as profit before tax, finance expenses, depreciation and amortization for continuing operations.

** NM - Not meaningful

Note:

Discontinued operations reflect the Group's activities in Long Haul Holding Corp ("Helm"), the transportation leasing business in North America. Refer to note 3d for details. The profit and loss comparatives have been adjusted to conform to changes in presentation in the current year.

NOTES TO GROUP PROFIT AND LOSS ACCOUNT

1a. Breakdown of revenue

	Third Quarter			+ / (-) %	Nine Months		
	1 Jan 14 to 31 Mar 14 \$'000	1 Jan 13 to 31 Mar 13 \$'000			1 Jul 13 to 31 Mar 14 \$'000	1 Jul 12 to 31 Mar 13 \$'000	+ / (-) %
Continuing operations							
Proceeds from sale of investments	5	3	66.7	11	3	266.7	
Investment income	3,196	2,917	9.6	28,499	36,932	(22.8)	
Interest income	5	16	(68.8)	44	40	10.0	
Others	(2)	-	NM	(2)	-	NM	
	<u>3,204</u>	<u>2,936</u>	9.1	<u>28,552</u>	<u>36,975</u>	(22.8)	
Discontinued operations							
Revenue from transportation leasing	15,156	18,193	(16.7)	44,382	48,317	(8.1)	
Interest income	-	-	-	1	1	-	
Others	3,602	1,292	178.8	7,364	5,373	37.1	
	<u>18,758</u>	<u>19,485</u>	(3.7)	<u>51,747</u>	<u>53,691</u>	(3.6)	
	<u>21,962</u>	<u>22,421</u>	(2.0)	<u>80,299</u>	<u>90,666</u>	(11.4)	

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

	Third Quarter			+ / (-) %	Nine Months		
	1 Jan 14 to 31 Mar 14 \$'000	1 Jan 13 to 31 Mar 13 \$'000			1 Jul 13 to 31 Mar 14 \$'000	1 Jul 12 to 31 Mar 13 \$'000	+ / (-) %
Continuing operations							
Profit on sale of investments	5	3	66.7	11	3	266.7	
Discontinued operations							
Profit on disposal of fixed assets	2,589	352	>500.0	4,408	2,589	70.3	
Write-back of provision/(Provision) for doubtful debts	86	15	473.3	(1)	21	NM	

1c. Group taxation from continuing operations in the current year includes an expense of \$2.0 million related to prior year's under provision of tax at a wholly-owned subsidiary.

1d. Profit per ordinary share

	Third Quarter			Nine Months		
	1 Jan 14 to 31 Mar 14	1 Jan 13 to 31 Mar 13	+ / (-) %	1 Jul 13 to 31 Mar 14	1 Jul 12 to 31 Mar 13	+ / (-) %
Continuing and discontinued operations						
Profit per ordinary share of the Group based on net profit attributable to shareholders:-						
(i) Based on weighted average number of shares	0.12 cts	0.06 cts	100.0	0.99 cts	1.46 cts	(32.2)
- Weighted average number of shares ('000)	2,165,618	2,165,618	-	2,165,618	2,165,618	-
(ii) On a fully diluted basis	0.12 cts	0.06 cts	100.0	0.99 cts	1.46 cts	(32.2)
- Adjusted weighted average number of shares ('000)	2,165,618	2,165,618	-	2,165,618	2,165,618	-
Continuing operations						
Profit per ordinary share of the Group based on net profit attributable to shareholders:-						
(i) Based on weighted average number of shares	0.05 cts	0.04 cts	25.0	0.94 cts	1.40 cts	(32.9)
- Weighted average number of shares ('000)	2,165,618	2,165,618	-	2,165,618	2,165,618	-
(ii) On a fully diluted basis	0.05 cts	0.04 cts	25.0	0.94 cts	1.40 cts	(32.9)
- Adjusted weighted average number of shares ('000)	2,165,618	2,165,618	-	2,165,618	2,165,618	-

1e. There was no extraordinary item during the period.

**2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the third quarter and nine months ended 31 March 2014**

	Third Quarter			Nine Months		
	1 Jan 14 to 31 Mar 14 \$'000	1 Jan 13 to 31 Mar 13 \$'000	+ /(-) %	1 Jul 13 to 31 Mar 14 \$'000	1 Jul 12 to 31 Mar 13 \$'000	+ /(-) %
Profit for the period	3,031	1,519	99.5	21,708	31,917	(32.0)
Items that may be reclassified subsequently to profit or loss:						
Fair value changes on available-for-sale investments	711	1,397	(49.1)	(6,335)	6,370	NM
Fair value changes on available-for-sale assets realised & transferred to profit and loss account	(388)	-	NM	(711)	(765)	(7.1)
Exchange differences arising on consolidation	(1,182)	5,138	NM	(2,066)	(6,475)	(68.1)
Share of other comprehensive income	90	58	55.2	226	155	45.8
Other comprehensive (expense)/ income for the period	(769)	6,593	NM	(8,886)	(715)	>500.0
Total comprehensive income for the period	2,262	8,112	(72.1)	12,822	31,202	(58.9)
Attributable to:						
Shareholders of the Company	1,975	7,482	(73.6)	12,690	31,491	(59.7)
Non-controlling interests	287	630	(54.4)	132	(289)	NM
	2,262	8,112	(72.1)	12,822	31,202	(58.9)

3. BALANCE SHEETS as at 31 March 2014

	Group		Company	
	As at 31 Mar 14 \$'000	As at 30 Jun 13 \$'000	As at 31 Mar 14 \$'000	As at 30 Jun 13 \$'000
Share capital	196,439	196,439	196,439	196,439
Reserves	122,853	153,475	98,094	100,166
Share capital & reserves	319,292	349,914	294,533	296,605
Non-controlling interests	32,255	32,123	-	-
Capital employed	351,547	382,037	294,533	296,605
Represented by:				
Fixed assets	-	204,402	-	-
Subsidiaries	-	-	273,504	273,504
Associated company and joint ventures	-	66,429	-	-
Investments	168,082	157,954	17,301	17,442
Other assets	-	4,579	-	-
Intangibles	-	115,195	-	-
	168,082	548,559	290,805	290,946
Current assets				
Stocks	-	1,154	-	-
Amounts due from subsidiaries	-	-	5	3
Debtors	543	10,775	23	26
Bank balances, deposits & cash	22,992	77,617	5,599	6,769
	23,535	89,546	5,627	6,798
Assets classified as held for sale *	407,562	-	-	-
	431,097	89,546	5,627	6,798
Current liabilities				
Creditors	372	9,877	370	615
Amounts due to:				
- subsidiaries	-	-	1,529	524
- associated company and joint ventures	-	56	-	-
Term loans	-	1,521	-	-
Provision for taxation	-	14,004	-	-
	372	25,458	1,899	1,139
Liabilities directly associated with assets classified as held for sale *	245,483	-	-	-
	245,855	25,458	1,899	1,139
Net current assets	185,242	64,088	3,728	5,659
Non-current liabilities				
Term loans	-	147,203	-	-
Deferred liabilities	-	877	-	-
Deferred taxation	1,777	82,530	-	-
	1,777	230,610	-	-
Net assets	351,547	382,037	294,533	296,605

Note:

* The assets and liabilities of Helm have been presented separately as held for sale in the balance sheet in accordance with the accounting standards. Refer to note 3d for details. The comparative balance sheet has not been restated to reflect the assets and liabilities classified as held for sale as the presentation requirements under FRS 105 do not apply retrospectively.

NOTES TO BALANCE SHEETS

3a. Group's borrowings and debt securities

(i) Amount repayable in one year or less, or on demand

As at 31 Mar 14		As at 30 Jun 13	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,415	-	1,521	-

(ii) Amount repayable after one year

As at 31 Mar 14		As at 30 Jun 13	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
154,686	-	147,203	-

(iii) Details of any collateral

The term loans pertained to debt financing taken up by Helm and were pledged against the assets of Helm.

The net book value of the fixed assets and other assets pledged to financial institutions amounted to \$298 million (30 June 2013: \$294 million).

The term loans of \$156.1 million as at 31 March 2014 are related to discontinued operations and have been included in the liabilities directly associated with assets classified as held for sale as at 31 March 2014.

3b. Net asset value

	GROUP			COMPANY		
	As at 31 Mar 14	As at 30 Jun 13	+ / (-) %	As at 31 Mar 14	As at 30 Jun 13	+ / (-) %
Net asset value per ordinary share #	\$0.15	\$0.16	(6.3)	\$0.14	\$0.14	-
Net tangible asset value per ordinary share #	\$0.11	\$0.12	(8.3)	\$0.14	\$0.14	-

Based on issued share capital of 2,165,618,003 ordinary shares as at the end of the financial period (30 June 2013: 2,165,618,003).

3c. Balance sheet review

Group shareholders' funds decreased from \$349.9 million at 30 June 2013 to \$319.3 million at 31 March 2014. The decrease was attributable to a dividend paid to shareholders in November 2013 of \$43.3 million and other comprehensive expense of \$8.7 million offset in part by profit for the period of \$21.4 million. The profit for the period was primarily driven by investment income from Knowledge Universe Holdings LLC ("KUH") resulting from the receipt of 426,846 common shares of K12, Inc. valued at approximately \$19.6 million. The other comprehensive expense for the period was mainly attributable to a downward revaluation of the Group's investment in K12, Inc. of \$7.3 million.

Group total assets of \$599.2 million at 31 March 2014 decreased by \$38.9 million compared to the previous year end. The decrease was mainly due to a reduction in cash driven by the dividend paid to shareholders in November 2013, and the payment of US tax on the gain associated with the sale of the Group's investment in McMoRan Exploration Co. ("MMR"), which was offset in part by an increase in investments from the receipt of common shares of K12, Inc. from KUH. The \$407.6 million of assets classified as held for sale represent the total assets of Helm, which decreased by \$2.8 million compared to the previous year end.

Group total liabilities of \$247.6 million at 31 March 2014, which included \$245.5 million of liabilities directly associated with assets classified as held for sale relating to Helm, were \$8.4 million lower than the previous year end. The decrease is due mainly to a decrease in provision of taxation due to the payment of US tax incurred on the sale of MMR, partially offset by an increase in the liabilities of Helm by \$2.1 million.

3d. Assets held for sale and discontinued operations

Discontinued operations reflect the Group's activities in Helm, the transportation leasing business in North America.

On 21 February 2014, the Company and its wholly-owned subsidiary, Focus Up Holdings Limited announced that they had entered into a definitive agreement and plan of merger for the sale of Helm. The transaction was completed on 15 April 2014.

As the transaction was pending completion as at 31 March 2014, the assets and liabilities of Helm, which contributed to the Transportation Leasing segment of the Group, have been presented separately as held for sale from other assets and liabilities in the balance sheet in accordance with the accounting standards following the announcement by the Company to sell its ownership interest in Helm. The financial results of Helm have been reclassified as a single amount in the profit and loss statement under "Profit from discontinued operations" in accordance with FRS 105 – Non Current Assets Held for Sale and Discontinued Operations.

i. Profit for the period from discontinued operations

An analysis of the results of discontinued operations is as follows:

	Third Quarter		Nine Months	
	1 Jan 14 to 31 Mar 14 \$'000	1 Jan 13 to 31 Mar 13 \$'000	1 Jul 13 to 31 Mar 14 \$'000	1 Jul 12 to 31 Mar 13 \$'000
Revenue	18,758	19,485	51,747	53,691
Expenses	(14,940)	(17,703)	(46,483)	(48,696)
Operating profit	3,818	1,782	5,264	4,995
Finance expenses	(2,922)	(2,699)	(9,199)	(8,194)
Share of results of associated company and joint ventures	2,324	2,049	6,365	5,937
Profit before tax	3,220	1,132	2,430	2,738
Taxation	(1,352)	(476)	(1,020)	(1,150)
Profit for the period	1,868	656	1,410	1,588

ii. The impact of the discontinued operations on the cash flows of the Group is as follows:

	Third Quarter		Nine Months	
	1 Jan 14 to 31 Mar 14 \$'000	1 Jan 13 to 31 Mar 13 \$'000	1 Jul 13 to 31 Mar 14 \$'000	1 Jul 12 to 31 Mar 13 \$'000
Operating cash flows	(8,250)	4,805	9,008	21,060
Investing cash flows	13,053	(7,155)	(18,915)	(29,239)
Financing cash flows	(5,443)	(372)	8,599	(1,107)
Net cash flows	(640)	(2,722)	(1,308)	(9,286)

iii. The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

	As at 31 Mar 14 \$'000	As at 30 Jun 13 \$'000
Assets:		
Fixed assets	204,003	-
Associated company and joint ventures	70,345	-
Other assets	3,646	-
Intangibles	113,904	-
Stocks	5,092	-
Debtors	9,212	-
Bank balances, deposits & cash	1,360	-
Assets classified as held for sale	<u>407,562</u>	<u>-</u>
Liabilities:		
Creditors	5,617	-
Amount due to associated company and joint ventures	39	-
Provision for taxation	1,434	-
Term loans	156,101	-
Deferred liabilities	1,178	-
Deferred taxation	81,114	-
Liabilities directly associated with assets classified as held for sale	<u>245,483</u>	<u>-</u>

**4. STATEMENTS OF CHANGES IN EQUITY
for the third quarter and nine months ended 31 March 2014**

4a. Statement of Changes in Equity of the Group

	Attributable to owners of the Company						
	Share Capital \$'000	Capital Reserves \$'000	Foreign Exchange Translation Account \$'000	Revenue Reserves \$'000	Share Capital & Reserves \$'000	Non- controlling Interests \$'000	Capital Employed \$'000
2014							
As at 1 July 2013	196,439	(2,413)	(72,048)	227,936	349,914	32,123	382,037
Total comprehensive (expense)/ income for first half							
Profit for first half	-	-	-	18,768	18,768	(91)	18,677
Other comprehensive expense*	-	(7,260)	(793)	-	(8,053)	(64)	(8,117)
Total comprehensive (expense)/ income for first half	-	(7,260)	(793)	18,768	10,715	(155)	10,560
Transactions with owners, recognised directly in equity							
Dividend paid	-	-	-	(43,312)	(43,312)	-	(43,312)
As at 31 December 2013	196,439	(9,673)	(72,841)	203,392	317,317	31,968	349,285
Total comprehensive income/ (expense) for third quarter							
Profit for third quarter	-	-	-	2,659	2,659	372	3,031
Other comprehensive income/ (expense)*	-	395	(1,079)	-	(684)	(85)	(769)
Total comprehensive income/ (expense) for third quarter	-	395	(1,079)	2,659	1,975	287	2,262
As at 31 March 2014	196,439	(9,278)	(73,920)	206,051	319,292	32,255	351,547
2013							
As at 1 July 2012	196,439	8,873	(72,450)	205,850	338,712	31,233	369,945
Total comprehensive income/ (expense) for first half							
Profit for first half	-	-	-	30,212	30,212	186	30,398
Other comprehensive income/(expense)*	-	4,286	(10,489)	-	(6,203)	(1,105)	(7,308)
Total comprehensive income/ (expense) for first half	-	4,286	(10,489)	30,212	24,009	(919)	23,090
Transactions with owners, recognised directly in equity							
Dividend paid	-	-	-	(10,828)	(10,828)	-	(10,828)
As at 31 December 2012	196,439	13,159	(82,939)	225,234	351,893	30,314	382,207
Total comprehensive income for third quarter							
Profit for third quarter	-	-	-	1,389	1,389	130	1,519
Other comprehensive income*	-	1,443	4,650	-	6,093	500	6,593
Total comprehensive income for third quarter	-	1,443	4,650	1,389	7,482	630	8,112
As at 31 March 2013	196,439	14,602	(78,289)	226,623	359,375	30,944	390,319

* Details of other comprehensive income / (expense) 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
2014				
As at 1 July 2013	196,439	(813)	100,979	296,605
Total comprehensive (expense)/income for first half				
Profit for first half	-	-	42,166	42,166
Other comprehensive expense	-	(111)	-	(111)
Total comprehensive (expense)/income for first half	-	(111)	42,166	42,055
Transactions with owners, recognised directly in equity				
Dividend paid	-	-	(43,312)	(43,312)
As at 31 December 2013	196,439	(924)	99,833	295,348
Total comprehensive expense for third quarter				
Loss for third quarter	-	-	(815)	(815)
As at 31 March 2014	196,439	(924)	99,018	249,533
2013				
As at 1 July 2012	196,439	(295)	119,002	315,146
Total comprehensive (expense)/income for first half				
Profit for first half	-	-	2,562	2,562
Other comprehensive expense	-	(1,316)	-	(1,316)
Total comprehensive (expense)/income for first half	-	(1,316)	2,562	1,246
Transactions with owners, recognised directly in equity				
Dividend paid	-	-	(10,828)	(10,828)
As at 31 December 2012	196,439	(1,611)	110,736	305,564
Total comprehensive income for third quarter				
Profit for third quarter	-	-	12,692	12,692
As at 31 March 2013	196,439	(1,611)	123,428	318,256

4c. Share capital

Since 31 December 2013, there was no issue of ordinary shares by the Company.

The k1 Ventures Share Option Scheme 2000 has lapsed. As at 31 March 2014, there were no options (31 March 2013: nil) to take up unissued shares of the Company.

The issued share capital of the Company as at 31 March 2014 was 2,165,618,003 ordinary shares (30 June 2013: 2,165,618,003 shares).

As at 31 March 2014, the Company was not holding any treasury shares (31 March 2013: nil).

5. CONSOLIDATED STATEMENT OF CASH FLOWS
for the third quarter and nine months ended 31 March 2014

	Third Quarter		Nine Months	
	1 Jan 14	1 Jan 13	1 Jul 13	1 Jul 12
	to 31 Mar 14	to 31 Mar 13	to 31 Mar 14	to 31 Mar 13
Note	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit				
Continuing operations	2,075	1,715	25,074	33,018
Discontinued operations	3,818	1,782	5,264	4,995
	<u>5,893</u>	<u>3,497</u>	<u>30,338</u>	<u>38,013</u>
Adjustments:				
Depreciation and amortisation	8,365	6,695	25,227	19,675
Amortised debt discount	(529)	(478)	(1,566)	(1,401)
Investment income (non-cash)	-	-	(19,470)	-
Profit on disposal of fixed assets	(2,589)	(352)	(4,408)	(2,589)
Profit on sale of investments	(5)	(3)	(11)	(3)
Cash flow from operations before changes in working capital	<u>11,135</u>	<u>9,359</u>	<u>30,110</u>	<u>53,695</u>
Working capital changes:				
Stocks	(3,425)	5,072	(3,945)	10,518
Debtors	(1,041)	(2,131)	(1,281)	(2,553)
Creditors	(8,461)	(1,228)	(3,519)	1,590
Translation of foreign subsidiaries and others	(290)	1,232	(535)	(700)
	<u>(2,082)</u>	<u>12,304</u>	<u>20,830</u>	<u>62,550</u>
Interest paid	(2,572)	(2,374)	(8,204)	(7,190)
Income taxes paid	(2,910)	(4,435)	(15,347)	(6,290)
Net cash (used in)/from operating activities	<u>(7,564)</u>	<u>5,495</u>	<u>(2,721)</u>	<u>49,070</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	-	(8,033)	(43,148)	(39,642)
Proceeds from disposal of fixed assets	13,053	878	22,099	7,169
Proceeds from distributions from associated company and joint venture	-	-	2,134	3,234
Net proceeds from disposal and capital distribution of investments	257	14	2,989	184
Net cash from/(used in) investing activities	<u>13,310</u>	<u>(7,141)</u>	<u>(15,926)</u>	<u>(29,055)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from term loans	-	-	34,366	-
Repayment of term loans	(5,443)	(372)	(25,767)	(1,107)
Dividend paid to shareholders of the Company	-	-	(43,312)	(10,828)
Net cash used in financing activities	<u>(5,443)</u>	<u>(372)</u>	<u>(34,713)</u>	<u>(11,935)</u>
Net increase/(decrease) in cash and cash equivalents	303	(2,018)	(53,360)	8,080
Cash and cash equivalents as at beginning of period	24,056	51,524	77,617	41,446
Effects of exchange rate changes on cash and cash equivalents	(7)	44	95	24
Cash and cash equivalents at end of period	24,352	49,550	24,352	49,550
	5a			
Comprising:				
Cash and cash equivalents from continuing operations	22,992	49,550	22,992	49,550
Cash and cash equivalents from discontinued operations	1,360	-	1,360	-
	<u>24,352</u>	<u>49,550</u>	<u>24,352</u>	<u>49,550</u>

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

5a. Bank balances, deposits and cash

	As at 31 Mar 14 \$'000	As at 31 Mar 13 \$'000
Bank balances, deposits and cash	20,178	20,725
Deposits with related parties	4,174	28,825
Cash and cash equivalents	<u>24,352</u>	<u>49,550</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

Except as disclosed in paragraph 9 below, 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 2013.

9. CHANGES IN THE ACCOUNTING POLICIES

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2013. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following is the new or amended FRS that is relevant to the Group:

Revised FRS 19	Employee Benefits
FRS 113	Fair Value Measurement
Amendments to FRS 107	Disclosures – Offsetting Financial Assets and Financial Liabilities
Improvements to FRSs 2012	
- Amendments to FRS 1	Presentation of Financial Statements
- Amendments to FRS 16	Property, Plant and Equipment
- Amendments to FRS 32	Financial Instruments: Presentation

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

10. REVIEW OF GROUP PERFORMANCE

For the third quarter, Group revenue from continuing operations of \$3.2 million was \$268,000 above the comparable prior year quarter driven by an increase in investment income. Group profit from continuing operations for the quarter of \$1.2 million was \$300,000 above the prior year quarter driven by the increase in investment income and a reduction in Group operating expenses. Discontinued operations contributed profit of \$1.9 million for the third quarter which was attributable to Helm. Including the contribution from Helm, Group net profit attributable to shareholders was \$2.7 million compared to \$1.4 million in the prior year. Group EBITDA from continuing operations for the third quarter of \$2.1 million increased by \$309,000 compared to the prior year due to higher income from investments.

For the first nine months, Group revenue from continuing operations of \$28.6 million was \$8.4 million below the comparable prior year period due to a decrease in investment income attributable to KUH of \$8.1 million. During the first nine months ended 31 March 2014, the Group received 426,846 common shares of K12, Inc. valued at approximately \$19.6 million.

Group operating profit from continuing operations was \$25.1 million for the first nine months compared to \$33.0 million in the corresponding prior year period. Group profit from continuing operations was \$20.3 million compared to \$30.3 million in the previous year. The decrease in profit from continuing operations was driven by the above-mentioned decrease in investment income from KUH and an increase in taxation, partially offset by a reduction in Group operating expenses. Group EBITDA from continuing operations of \$25.2 million was \$7.9 million below the prior year driven by lower income from investments.

Discontinued operations relating to Helm contributed profit of \$1.4 million for the first nine months.

Including the contribution from Helm, Group profit attributable to shareholders was \$21.4 million for the nine months ended 31 March 2014 compared to \$31.6 million in the corresponding prior year period, and profit per share was 0.99 cents.

In the opinion of the Directors, no factor has arisen between 31 March 2014 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 nine months ended 31 March 2014 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

The Board of Directors is pleased to recommend a tax exempt one-tier interim dividend of 5 cents per share (2013: nil). The dividend will be paid to shareholders on 30 May 2014.

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

30 May 2014

13d. Books Closure Date

Notice is hereby given that, the Share Transfer Books and Register of Members of the Company will be closed on 22 May 2014 at 5.00 p.m. for the preparation of dividend warrants. Duly completed transfer 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 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 22 May 2014 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 22 May 2014 will be entitled to the interim dividend.

14. SEGMENT ANALYSIS

Nine months ended 31 March 2014

	<u>Continuing operations</u>	<u>Discontinued operations</u>	<u>Total</u>
	Investments \$'000	Transportation Leasing \$'000	\$'000
Revenue	28,552	51,747	80,299
Segment Results			
Operating profit	25,074	5,264	30,338
Finance expenses	-	(9,199)	(9,199)
Foreign exchange gain	95	-	95
Share of results of associated company and joint ventures	-	6,365	6,365
Profit before taxation	25,169	2,430	27,599
Taxation	(4,871)	(1,020)	(5,891)
Profit for the period	20,298	1,410	21,708
Attributable to:			
Shareholders of the Company	20,298	1,129	21,427
Non-controlling interests	-	281	281
	20,298	1,410	21,708
Other information			
Segment assets	191,617	407,562	599,179
Segment liabilities	2,149	245,483	247,632
Net assets	189,468	162,079	351,547
Investment in associated company and joint ventures	-	70,345	70,345
Additions to non-current assets	-	43,148	43,148
Interest income	44	1	45
Depreciation and amortisation	1	25,226	25,227

Geographical Information

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
Continuing operations				
External sales	26	28,356	170	28,552
Non-current assets	-	150,781	17,301	168,082
Discontinued operations				
External sales	-	51,747	-	51,747
Non-current assets	-	391,898	-	391,898

Nine months ended 31 March 2013

	<u>Continuing operations</u>	<u>Discontinued operations</u>	<u>Total</u>
	Investments \$'000	Transportation Leasing \$'000	\$'000
Revenue	36,975	53,691	90,666
Segment Results			
Operating profit	33,018	4,995	38,013
Finance expenses	-	(8,194)	(8,194)
Foreign exchange gain	24	-	24
Share of results of associated company and joint ventures	-	5,937	5,937
Profit before taxation	33,042	2,738	35,780
Taxation	(2,713)	(1,150)	(3,863)
Profit for the period	30,329	1,588	31,917
Attributable to:			
Shareholders of the Company	30,329	1,272	31,601
Non-controlling interests	-	316	316
	30,329	1,588	31,917
Other information			
Segment assets	246,802	394,866	641,668
Segment liabilities	11,976	239,373	251,349
Net assets	234,826	155,493	390,319
Investment in associated company and joint ventures	-	64,771	64,771
Additions to non-current assets	-	39,642	39,642
Interest income	40	1	41
Depreciation and amortisation	-	19,675	19,675

Geographical Information

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
Continuing operations				
External sales	3	36,216	756	36,975
Non-current assets	-	188,112	16,644	204,756
Discontinued operations				
External sales	-	53,691	-	53,691
Non-current assets	-	374,270	-	374,270

Notes:

- (a) The Group is organised into business units based on their products and services and has two reportable operating segments: Investments and Transportation Leasing. The Group's Investment activities consist of the Group's investments in quoted and unquoted investments. Discontinued operations relate to the Transportation Leasing segment which represents Helm's locomotive and railcar leasing business in North America.
- (b) The Group's two operating segments operate in three main geographical areas. The operating activities and investment activities are predominantly in the USA. There was also investment activities in Hong Kong. Singapore is the home country of the Company and its assets are mainly cash and cash equivalents.
- (c) For the nine months ended 31 March 2014 and 31 March 2013, no single external customer accounted for 10% or more of the Group's revenue from continuing operations.

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 24 October 2013. During the nine months ended 31 March 2014, 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.	
	Third Quarter		Nine Months	
	1 Jul 13 to 31 Mar 14 \$'000	1 Jul 12 to 31 Mar 13 \$'000	1 Jul 13 to 31 Mar 14 \$'000	1 Jul 12 to 31 Mar 13 \$'000
General Transactions				
KCL Group*	-	-	680	665
Greenstreet Partners	-	-	3,139	3,175
Corporate Treasury Transactions				
KCL Group	-	-	4,200	28,828
Total	-	-	8,019	32,668

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

BY ORDER OF THE BOARD

Winnie Mak
Company Secretary
14 May 2014

CONFIRMATION BY THE BOARD

We, STEVEN JAY GREEN and TEO SOON HOE, 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 third quarter ended 31 March 2014 financial results to be false or misleading in any material respect.

On behalf of the board of directors



STEVEN JAY GREEN
Chairman

Singapore
14 May 2014



TEO SOON HOE
Director