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MEDIA RELEASE

k1 Ventures Limited Unaudited Results for the Third Quarter and Nine Months ended 31 March 2016

Singapore, 27 April 2016 - The Directors of k1 Ventures Limited advise the following unaudited results of the Group for the Third Quarter and Nine Months ended 31 March 2016.

For more information, please contact

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K1 VENTURES LIMITED

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

THIRD QUARTER 2016 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

TABLE OF CONTENTS

<u>Paragraph</u>	<u>Description</u>	<u>Page</u>
	FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT	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	11
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

THIRD QUARTER 2016 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

UNAUDITED RESULTS FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2016

The Directors of **k1 Ventures Limited** advise the following unaudited results of the Group for the third quarter and nine months ended 31 March 2016.

1. GROUP PROFIT AND LOSS ACCOUNT for the third quarter and nine months ended 31 March 2016

	Note	Third Quarter			Nine Months		
		1 Jan 16 to 31 Mar 16 \$'000	1 Jan 15 to 31 Mar 15 \$'000	+ / (-) %	1 Jul 15 to 31 Mar 16 \$'000	1 Jul 14 to 31 Mar 15 \$'000	+ / (-) %
Revenue	1a	51,712	3,096	>500.0	154,605	57,508	168.8
Net carrying value of investment disposed		-	-	NM	-	(18,225)	NM
Staff costs		(53)	(44)	20.5	(193)	(161)	19.9
Other operating (expenses)/income		(15,843)	2,874	NM	(37,783)	5,772	NM
Profit before tax	1b	35,816	5,926	>500.0	116,629	44,894	159.8
Taxation	1c	(861)	(885)	(2.7)	(2,815)	(5,881)	(52.1)
Profit for the period		34,955	5,041	>500.0	113,814	39,013	191.7
Attributable to:							
Shareholders of the Company		34,955	5,041	>500.0	113,814	39,013	191.7
EBITDA *		35,816	5,926	>500.0	116,629	44,894	159.8
Earnings per ordinary share **							
- basic	1d	8.07 cts	1.16 cts	>500.0	26.28 cts	9.01 cts	191.7
- diluted	1d	8.07 cts	1.16 cts	>500.0	26.28 cts	9.01 cts	191.7

* 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

	Third Quarter			Nine Months		
	1 Jan 16 to 31 Mar 16 \$'000	1 Jan 15 to 31 Mar 15 \$'000	+ /(-) %	1 Jul 15 to 31 Mar 16 \$'000	1 Jul 14 to 31 Mar 15 \$'000	+ /(-) %
Proceeds from sale of investments	-	-	NM	-	45,584	NM
Investment income	51,654	3,041	>500.0	154,302	11,794	>500.0
Interest income	58	55	5.5	303	130	133.1
	51,712	3,096	>500.0	154,605	57,508	168.8

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

	Third Quarter			Nine Months		
	1 Jan 16 to 31 Mar 16 \$'000	1 Jan 15 to 31 Mar 15 \$'000	+ /(-) %	1 Jul 15 to 31 Mar 16 \$'000	1 Jul 14 to 31 Mar 15 \$'000	+ /(-) %
Profit on sale of investments	-	-	NM	-	27,359	NM
Foreign exchange translation realised on liquidation of subsidiary	(2,417)	-	NM	(20,050)	1,586	NM
Foreign exchange (loss)/gain	(5,080)	3,873	NM	(593)	7,336	NM

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

1d. Earnings per ordinary share

	Third Quarter			Nine Months		
	1 Jan 16 to 31 Mar 16	1 Jan 15 to 31 Mar 15	+ /(-) %	1 Jul 15 to 31 Mar 16	1 Jul 14 to 31 Mar 15	+ /(-) %
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-						
Based on weighted average number of shares*	8.07 cts	1.16 cts	>500.0	26.28 cts	9.01 cts	191.7
- Weighted average number of shares ('000)	433,124	433,124	-	433,124	433,124	-

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

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

**2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the third quarter and nine months ended 31 March 2016**

	Third Quarter			Nine Months		
	1 Jan 16 to 31 Mar 16 \$'000	1 Jan 15 to 31 Mar 15 \$'000	+ / (-) %	1 Jul 15 to 31 Mar 16 \$'000	1 Jul 14 to 31 Mar 15 \$'000	+ / (-) %
Profit for the period	34,955	5,041	>500.0	113,814	39,013	191.7
Items that may be reclassified subsequently to profit or loss:						
Fair value changes on available-for-sale investments	736	2,092	(64.8)	(1,586)	(4,162)	(61.9)
Fair value changes on available-for-sale assets realised & transferred to profit and loss account	-	(46)	NM	36	733	(95.1)
Exchange differences arising on consolidation	(6,377)	3,944	NM	(761)	11,142	NM
Reclassification of currency translation reserve to profit or loss on liquidation of subsidiary	2,417	-	NM	20,050	(1,586)	NM
Other comprehensive income for the period	(3,224)	5,990	NM	17,739	6,127	189.5
Total comprehensive income for the period	31,731	11,031	187.7	131,553	45,140	191.4
Attributable to:						
Shareholders of the Company	31,731	11,031	187.7	131,553	45,140	191.4

NM - Not meaningful

3. BALANCE SHEETS as at 31 March 2016

	Group		Company	
	As at 31 Mar 16 \$'000	As at 30 Jun 15 \$'000	As at 31 Mar 16 \$'000	As at 30 Jun 15 \$'000
Share capital	163,955	196,439	163,955	196,439
Reserves	54,470	13,873	46,306	10,720
Share capital & reserves	218,425	210,312	210,261	207,159
Represented by:				
Subsidiaries	-	-	85,248	90,664
Investments	151,872	155,111	-	-
Note receivable	-	-	67,983	67,948
	151,872	155,111	153,231	158,612
Current assets				
Debtors	14,393	14,004	11,027	11,024
Amounts due from subsidiaries	-	-	28	26
Bank balances, deposits and cash	58,920	46,983	49,676	41,367
	73,313	60,987	60,731	52,417
Current liabilities				
Creditors	1,365	573	399	570
Provision for taxation	3,302	3,300	3,302	3,300
	4,667	3,873	3,701	3,870
Net current assets	68,646	57,114	57,030	48,547
Non-current liabilities				
Deferred taxation	2,093	1,913	-	-
	2,093	1,913	-	-
Net assets	218,425	210,312	210,261	207,159

NOTES TO BALANCE SHEETS

3a. Group's borrowings and debt securities

As at 31 March 2016, the Group did not have any borrowing (30 June 2015: Nil).

3b. Net asset value

	GROUP			COMPANY		
	As at 31 Mar 16	As at 30 Jun 15	+/(-)%	As at 31 Mar 16	As at 30 Jun 15	+/(-)%
Net asset value per ordinary share #	\$0.50	\$0.49	2.0	\$0.49	\$0.48	2.1
Net tangible asset value per ordinary share #	\$0.50	\$0.49	2.0	\$0.49	\$0.48	2.1

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 \$218.4 million at 31 March 2016. The increase was attributable to comprehensive income for the period of \$131.6 million partially offset by capital and dividend distributions paid to shareholders of \$123.4 million. Comprehensive income for the period was driven by Group net profit, as a result of investment income from Knowledge Universe Holdings LLC ("KUH") pertaining to the receipt of cash distributions of approximately \$144.4 million.

Group total assets increased from \$216.1 million at 30 June 2015 to \$225.2 million at 31 March 2016 mainly due to cash distributions received from KUH, partially offset by distributions paid to shareholders.

Group total liabilities increased from \$5.8 million at 30 June 2015 to \$6.8 million at 31 March 2016, as a result of an increase in creditors.

**4. STATEMENTS OF CHANGES IN EQUITY
for the third quarter and nine months ended 31 March 2016**

4a. Statement of Changes in Equity of the Group

	Attributable to owners of the Company				
	Share	Fair Value	Foreign	Revenue	Share
	Capital	Reserve	Exchange	Reserves	Capital & Reserves
	\$'000	\$'000	Translation	\$'000	\$'000
			Account		
			\$'000		
2016					
As at 1 July 2015	196,439	(155)	(13,391)	27,419	210,312
Total comprehensive income for first half					
Profit for first half	-	-	-	78,859	78,859
Other comprehensive income*	-	(2,286)	23,249	-	20,963
Total comprehensive income for first half	-	(2,286)	23,249	78,859	99,822
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
Total comprehensive income for third quarter					
Profit for third quarter	-	-	-	34,955	34,955
Other comprehensive income*	-	736	(3,960)	-	(3,224)
Total comprehensive income for third quarter	-	736	(3,960)	34,955	31,731
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(90,956)	(90,956)
As at 31 March 2016	163,955	(1,705)	5,898	50,277	218,425
2015					
As at 1 July 2014	196,439	(8,120)	(20,915)	89,115	256,519
Total comprehensive income for first half					
Profit for first half	-	-	-	33,972	33,972
Other comprehensive income*	-	(5,475)	5,612	-	137
Total comprehensive income for first half	-	(5,475)	5,612	33,972	34,109
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
Total comprehensive income for third quarter					
Profit for third quarter	-	-	-	5,041	5,041
Other comprehensive income*	-	2,046	3,944	-	5,990
Total comprehensive income for third quarter	-	2,046	3,944	5,041	11,031
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(32,485)	(32,485)
As at 31 March 2015	196,439	(11,549)	(11,359)	41,503	215,034

* 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 half				
Profit for first half	-	-	92,274	92,274
Total comprehensive income for first half	-	-	92,274	92,274
Transactions with owners, recognised directly in equity				
Capital distribution	(32,484)	-	-	(32,484)
As at 31 December 2015	163,955	-	102,994	266,949
Total comprehensive income for third quarter				
Profit for third quarter	-	-	34,268	34,268
Total comprehensive income for third quarter	-	-	34,268	34,268
Transactions with owners, recognised directly in equity				
Dividend paid	-	-	(90,956)	(90,956)
As at 31 March 2016	163,955	-	46,306	210,261
2015				
As at 1 July 2014	196,439	(924)	6,512	202,027
Total comprehensive income for first half				
Profit for first half	-	-	86,249	86,249
Other comprehensive income	-	924	-	924
Total comprehensive income for first half	-	924	86,249	87,173
Transactions with owners, recognised directly in equity				
Dividend paid	-	-	(54,140)	(54,140)
As at 31 December 2014	196,439	-	38,621	235,060
Total comprehensive income for third quarter				
Profit for third quarter	-	-	3,984	3,984
Total comprehensive income for third quarter	-	-	3,984	3,984
Transactions with owners, recognised directly in equity				
Dividend paid	-	-	(32,485)	(32,485)
As at 31 March 2015	196,439	-	10,120	206,559

4c. Share capital

Since 31 December 2015, there was no issue of ordinary shares by the Company.

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

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

**5. CONSOLIDATED STATEMENT OF CASH FLOWS
for the third quarter and nine months ended 31 March 2016**

	Third Quarter		Nine Months	
	1 Jan 16 to 31 Mar 16 \$'000	1 Jan 15 to 31 Mar 15 \$'000	1 Jul 15 to 31 Mar 16 \$'000	1 Jul 14 to 31 Mar 15 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	35,816	5,926	116,629	44,894
Adjustments:				
Amortised debt discount	(621)	(687)	(2,014)	(1,875)
Exchange loss on liquidation of subsidiary	2,417	-	20,050	-
Profit on sale of investments	-	-	-	(27,359)
Cash flow from operations before changes in working capital	37,612	5,239	134,665	15,660
Working capital changes:				
Debtors	739	(947)	185	(759)
Creditors	(162)	444	792	(1,281)
Translation of foreign subsidiaries and others	2,101	(3,890)	(1,194)	(8,294)
Cash from operations	40,290	846	134,448	5,326
Income taxes paid, net of refunds received	(767)	(1,324)	(3,111)	(2,691)
Net cash from/(used in) operating activities	39,523	(478)	131,337	2,635
CASH FLOWS FROM INVESTING ACTIVITIES				
Net proceeds from disposal and capital distribution of investments	-	422	4,029	46,225
Net cash from investing activities	-	422	4,029	46,225
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital distribution	-	-	(32,484)	-
Dividend paid to shareholders of the Company	(90,956)	(32,485)	(90,956)	(86,625)
Net cash used in financing activities	(90,956)	(32,485)	(123,440)	(86,625)
Net (decrease)/increase in cash and cash equivalents	(51,433)	(32,541)	11,926	(37,765)
Cash and cash equivalents as at beginning of period	111,371	66,503	46,983	70,602
Effects of exchange rate changes on cash and cash equivalents	(1,018)	1,206	11	2,331
Cash and cash equivalents at end of period	58,920	35,168	58,920	35,168

Note

5a

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

5a. Bank balances, deposits and cash

	As at 31 Mar 16 \$'000	As at 31 Mar 15 \$'000
Bank balances, deposits and cash	55,343	8,250
Deposits with related parties	3,577	26,918
Cash and cash equivalents	<u>58,920</u>	<u>35,168</u>

6. AUDIT

The financial statements have not been audited nor reviewed by the Company's auditors.

7. AUDITORS' REPORT

Not applicable

8. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 30 June 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 third quarter, Group revenue of \$51.7 million was \$48.6 million above the comparable prior year quarter due to investment income from KUH of \$48.5 million attributable to the receipt of a cash distribution from the sale of the international childcare operations. Group profit before tax and Group profit for the quarter were higher than the same quarter in the previous year by \$29.9 million. This was due to investment income from KUH, partly offset by an increase in other operating expenses, driven by the Greenstreet carried interest related to the proceeds received by the Group from the KUH Investment, and a foreign exchange loss of \$5.1 million attributable to weakening of the US dollar during the period.

For the first nine months, Group revenue was \$154.6 million compared to \$57.5 million in the corresponding prior year period driven by investment income from KUH of \$144.4 million, partially offset by the absence of profit from the sale of China Auto which took place in the previous year.

Group profit before tax was \$116.6 million for the first nine months ended 31 March 2016 as compared to \$44.9 million for the same period in the previous year. The increase was due to investment income from the Group's investment in KUH, partially offset by higher Group operating expenses and a gain of \$27.4 million from the sale of China Auto in the prior year. The increase in Group operating expenses as compared to the same period in the prior year was mainly attributable to an exchange loss of \$20.1 million related to the voluntary liquidation of Focus Up Holdings Limited, as well as the Greenstreet carried interest related to the proceeds received by the Group from the KUH Investment. In addition, the Group realized a foreign exchange gain of \$7.3 million in the prior year period. Group EBITDA of \$116.6 million was \$71.7 million above the prior year period driven by investment income from KUH.

The decrease in Group taxation for the first nine months was mainly due to tax arising from the sale of China Auto in the prior year. Group profit attributable to shareholders for the first nine months was \$113.8 million compared to \$39.0 million for the corresponding period in the previous year, and earnings per share was 26.28 cents.

In the opinion of the Directors, no factor has arisen between 31 March 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 nine months ended 31 March 2016 was previously provided.

12. PROSPECTS

The Board has determined that the Company will not be making any new investments, but will focus its efforts on managing the current portfolio of assets and, at the appropriate time, realizing such assets. This will enable the Company to maximize value from the proceeds from any realization of assets and to return the same to shareholders as appropriate.

13. DIVIDEND

13a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend type	Cash
Dividend per share	9.0 cents
Tax rate	Tax exempt

The Board of Directors is pleased to declare a tax exempt one-tier interim dividend of 9.0 cents per share (2015: nil). The dividend, which arose from the realization of assets, will be paid to shareholders on 18 May 2016.

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

18 May 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 6 May 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 6 May 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 6 May 2016 will be entitled to the interim dividend.

14. SEGMENT ANALYSIS

Geographical Information

Nine months ended 31 March 2016

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	101	154,501	3	154,605
Non-current assets	-	151,872	-	151,872

Nine months ended 31 March 2015

	<u>Singapore</u> \$'000	<u>USA</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
External sales	92	8,818	48,598	57,508
Non-current assets	-	159,688	3,242	162,930

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 nine months ended 31 March 2016 and 31 March 2015, no single external customer accounted for 10% or more of the Group's revenue.

15. REVIEW OF SEGMENT PERFORMANCE

Not applicable.

16. INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 29 October 2015. During the 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 Mar 16 \$'000	1 Jul 14 to 31 Mar 15 \$'000	1 Jul 15 to 31 Mar 16 \$'000	1 Jul 14 to 31 Mar 15 \$'000
General Transactions				
KCL Group*	-	-	507	489
Greenstreet Partners	-	-	15,058	2,089
Corporate Treasury Transactions				
KCL Group	-	-	3,681	27,014
Total	-	-	19,246	29,592

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

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

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

BY ORDER OF THE BOARD

Winnie Mak
Company Secretary
27 April 2016

CONFIRMATION BY THE BOARD

We, STEVEN JAY GREEN and ANNIE KOH, 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 2016 financial results to be false or misleading in any material respect.

On behalf of the board of directors



STEVEN JAY GREEN
Chairman



ANNIE KOH
Director

Singapore
27 April 2016