



*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*

K1 VENTURES LIMITED – THE PROPOSED SECOND AMENDED AND RESTATED MANAGEMENT AGREEMENT TO BE ENTERED INTO BETWEEN THE COMPANY AND GREENSTREET PARTNERS L.P.

1. INTRODUCTION

- 1.1 **Circular.** The Board of Directors of k1 Ventures Limited (the “**Company**”) wishes to announce that the Company will despatch a Circular to Shareholders (the “**Circular**”) today relating to the second amended and restated management agreement (the “**2010 Management Agreement**”) proposed to be entered into between the Company and Greenstreet Partners, L.P. (“**Greenstreet**”).
- 1.2 **Notice of EGM.** The Circular includes the notice convening an extraordinary general meeting (“**EGM**”) to be held at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 on 15 October 2010 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.30 p.m. on the same day and at the same place).
- 1.3 **EGM.** The EGM is to seek shareholders’ approval for the Company to enter into the 2010 Management Agreement with Greenstreet, pursuant to which Greenstreet will, as the Company’s manager, provide certain consultancy and management services (the “**Services**”) to the Company. The Services are more fully described in the Circular.

2. INTERESTED PERSON TRANSACTION

- 2.1 **Interested person transaction.** Steven Jay Green, the Chairman and Chief Executive Officer of the Company, has a direct majority ownership interest in, as well as control of, Greenstreet (he owns 69% of Greenstreet, and the balance of Greenstreet is owned through various trusts and partnerships for the benefit of his family members). As such, Greenstreet is considered to be an “associate” of Steven Jay Green for the purposes of Chapter 9 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited. Accordingly, Greenstreet would be considered to be an “interested person” vis-à-vis the Company, and the 2010 Management Agreement would be considered to be an “interested person transaction” under Chapter 9 of the Listing Manual.

According to the Company’s Register of Substantial Shareholders, both Greenstreet and Steven Jay Green were also substantial shareholders of the Company as at 15 September 2010, being the latest practicable date prior to the printing of the Circular (the “**Latest Practicable Date**”).

- 2.2 **Shareholders' approval.** Based on the carried interest which Greenstreet may be entitled to receive with respect to new investments pursuant to the 2010 Management Agreement as described in paragraph 4.2 below, the amount payable to Greenstreet under the 2010 Management Agreement may potentially exceed 5% of the Group's audited net tangible assets ("**NTA**") of S\$185,314,000 as at 30 June 2010.

Accordingly, the Directors have convened the EGM to obtain shareholders' approval for the Company to enter into the 2010 Management Agreement.

3. **MANAGEMENT AGREEMENT**

- 3.1 **Management Agreement.** Greenstreet has been retained by the Company to provide the Services pursuant to a management agreement dated 18 November 2003, as amended by the first amendment to the management agreement dated 15 July 2004, and as amended and restated by the amended and restated management agreement dated 3 February 2005 (the "**2005 Management Agreement**").

The Company and Greenstreet wish to alter (*inter alia*) the fee structure applicable under the 2005 Management Agreement, and are therefore proposing to enter into the 2010 Management Agreement, so as to amend and restate the 2005 Management Agreement.

- 3.2 **Inspection.** The final form of the 2010 Management Agreement is available for inspection at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, during normal business hours from today up to the date of the EGM.
- 3.3 **Entry into 2010 Management Agreement.** If shareholders' approval is obtained at the EGM, the Company and Greenstreet will enter into the 2010 Management Agreement in the final form that has been made available for inspection.

4. **FEE STRUCTURE**

- 4.1 **Current fee structure.** The fees payable to Greenstreet under the current 2005 Management Agreement comprise:

- (a) a monthly fee of US\$200,000; and
- (b) an increased overhead fee,

as more fully described in the Circular.

The fees paid to Greenstreet under the 2005 Management Agreement have not exceeded 3% of the Group's audited NTA in any one financial year.

- 4.2 **Proposed fee structure.** The fees payable to Greenstreet under the proposed 2010 Management Agreement will comprise:

- (a) a monthly fee of US\$200,000, which may be reduced (not below US\$50,000) as existing investments are sold;

- (b) a monthly management fee, which is based upon newly invested capital; and
- (c) a carried interest, which is based upon the realised net profits, after the return of invested capital and management fees paid to Greenstreet, if any, generated with respect to each new investment, whereby Greenstreet will receive a carried interest in realised net profits in excess of a 10% return calculated as follows: (i) 10% on net profits of up to 15% per annum, compounded annually, and (ii) 15% on net profits in excess.

Greenstreet will not earn any carried interest under the 2010 Management Agreement on the basis of “paper profits” as under the 2010 Management Agreement, the relevant k1 party must actually realise a return of its invested capital with respect to each new investment, plus all management fees paid by the k1 party that is attributable to such new investment plus a preferred return of 10% compounded annually, prior to any participation by Greenstreet in respect of the carried interest.

The monthly management fee and carried interest components under the 2010 Management Agreement are new, as compared to the 2005 Management Agreement.

The proposed fee structure under the 2010 Management Agreement is more fully described in the Circular.

5. INDEPENDENT FINANCIAL ADVISER

- 5.1 **IFA.** Ernst & Young Corporate Finance Pte Ltd (“**EYCF**”) has been appointed as the independent financial adviser (“**IFA**”) in relation to the 2010 Management Agreement.
- 5.2 **IFA opinion.** EYCF’s advice is set out in its letter dated 28 September 2010 to the Directors who are considered to be independent for the purposes of the 2010 Management Agreement, namely, Kamal Bahamdan, Choo Chiau Beng, Lee Suan Yew, Ow Chio Kiat, Tan Teck Meng, Teo Soon Hoe and Yong Pung How (“**Independent Directors**”). The letter is set out in Appendix 2 to the Circular.

Based on the considerations set out in its letter, and subject to the assumptions and qualifications set out therein, EYCF is of the opinion that the 2010 Management Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

6. AUDIT COMMITTEE

The Audit Committee has considered the terms of the 2010 Management Agreement and the opinion of EYCF as set out in its letter to the Independent Directors dated 28 September 2010. The Audit Committee is of the view that the 2010 Management Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

7. TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS

- 7.1 Other than transactions of less than S\$100,000 in value, and transactions carried out under the shareholders' general mandate for transactions with interested persons (which was renewed at the Company's Annual General Meeting held on 29 October 2009 until its next Annual General Meeting to be held on 15 October 2010) (the "**IPT Mandate**") and save as otherwise disclosed in the Circular and this Announcement, the Company has not entered into any other interested person transactions since the beginning of the financial year ending 30 June 2011 up to the Latest Practicable Date.
- 7.2 As at the Latest Practicable Date, since the beginning of the current financial year ending 30 June 2011:
- (a) the total value of all interested person transactions with Greenstreet pursuant to the IPT Mandate is approximately S\$681,000; and
 - (b) the total value of all other interested person transactions pursuant to the IPT Mandate is approximately S\$99,371,000.

8. NO OTHER INTEREST

Save as disclosed in this Announcement and in the Circular, and based on the information available to the Company as at the Latest Practicable Date, none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the 2010 Management Agreement otherwise than through their interests (if any) in the Company's shares.

9. CIRCULAR TO SHAREHOLDERS

The Circular, a copy of which is made available with this Announcement, contains further details of the 2010 Management Agreement, including the other principal terms, the rationale for (and the benefit to) the Company, the financial effects, and the Independent Directors' recommendation.

For and on behalf of
k1 Ventures Limited

Yang Kai Hsien
Company Secretary

28 September 2010

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

CIRCULAR DATED 28 SEPTEMBER 2010

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold your ordinary shares in the capital of k1 Ventures Limited (the "Company"), you should immediately forward this Circular and the Proxy Form attached to this Circular to the purchaser or to the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.



k1 Ventures Limited

(Company Registration No: 19700535W)
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO
THE PROPOSED SECOND AMENDED AND RESTATED MANAGEMENT AGREEMENT
TO BE ENTERED INTO BETWEEN
THE COMPANY AND GREENSTREET PARTNERS, L.P.**

Independent Financial Adviser to the Independent Directors

ERNST & YOUNG

Ernst & Young Corporate Finance Pte Ltd

(Company Registration No: 199702967E)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES:

- | | | |
|--|---|---|
| Last date and time for lodgement of Proxy Form | : | 13 October 2010 at 3.00 p.m. |
| Date and time of Extraordinary General Meeting | : | 15 October 2010 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.30 p.m. on the same day and at the same place) |
| Place of Extraordinary General Meeting | : | Four Seasons Hotel
Four Seasons Ballroom (Level 2)
190 Orchard Boulevard
Singapore 248646 |

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

- "Affiliate"** : With respect to any person or entity, any other person or entity that directly or indirectly controls, is controlled by or is under common control with such person or entity (as used in this definition, the term **"control"** (including the terms **"controlling"**, **"controlled by"** and **"under common control with"**) means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise).
- "Audit Committee"** : The Audit Committee of the Company, comprising Tan Teck Meng, Teo Soon Hoe, Kamal Bahamdan and Ow Chio Kiat.
- "Board"** : The board of directors of the Company.
- "CDP"** : The Central Depository (Pte) Limited.
- "Companies Act"** : The Companies Act, Chapter 50 of Singapore.
- "Company"** : k1 Ventures Limited, a company incorporated under the laws of the Republic of Singapore.
- "Consultancy Services"** : The consultancy services on investment opportunities as more particularly described in paragraph 2.2 of the Letter to Shareholders contained in this Circular.
- "Corporate Support Services Agreement"** : The corporate support services agreement dated 3 September 2003 entered into between the Company and KCL, pursuant to which KCL has agreed to provide certain services to the Company.
- "Directors"** : The directors of the Company for the time being.
- "Effective Date"** : 15 October 2010, being the date on which the 2010 Management Agreement shall, subject to approval of the Shareholders being obtained at the EGM, be deemed to have commenced.
- "EGM"** : The extraordinary general meeting of the Company, notice of which is given on page 33 of this Circular.
- "Existing Capital Amount"** : An amount equal to the aggregate cash balance of the Company as at the date of the 2010 Management Agreement, less a reasonable working capital reserve to be established by the Audit Committee.
- "Existing Investments"** : The investments held directly or indirectly by the Company listed in Appendix 1 to this Circular.
- "EYCF"** : Ernst & Young Corporate Finance Pte Ltd.
- "Greenstreet"** : Greenstreet Partners, L.P, a Delaware limited partnership.

“Group”	:	The Company and its subsidiaries.
“IFA”	:	Independent financial adviser.
“IFA Letter”	:	The letter from EYCF to the Independent Directors dated 28 September 2010 which is set out in Appendix 2 to this Circular.
“Independent Directors”	:	The directors of the Company who are considered to be independent for the purposes of the 2010 Management Agreement, namely, Kamal Bahamdan, Choo Chiau Beng, Lee Suan Yew, Ow Chio Kiat, Tan Teck Meng, Teo Soon Hoe and Yong Pung How.
“Investment”	:	Any investment (whether in the form of equity, debt, hybrid securities or otherwise) made by any k1 Party in any person or entity whether by way of stock or other equity purchase, merger, consolidation, acquisition, purchase of assets, amalgamation or otherwise.
“k1 Party”	:	The Company or any Affiliate thereof.
“KCL”	:	Keppel Corporation Limited, a company incorporated in the Republic of Singapore.
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 15 September 2010.
“Listing Manual”	:	The listing manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date.
“2005 Management Agreement”	:	The amended and restated management agreement dated 3 February 2005 entered into between the Company and Greenstreet.
“2010 Management Agreement”	:	The second amended and restated management agreement proposed to be entered into between the Company and Greenstreet, to amend and restate the 2005 Management Agreement.
“Management Services”	:	The management services in respect of all aspects of managing the Company and its business activities throughout the world (other than consultancy services on investment opportunities), as more particularly described in paragraph 2.2 of the Letter to Shareholders contained in this Circular.
“New Capital”	:	Any capital in excess of the Existing Capital Amount that is invested by any k1 Party in any New Investment.
“New Investment”	:	Any Investment made by any k1 Party following the Effective Date.
“NTA”	:	Net tangible assets.

"Securities Accounts"	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent.
"Services"	:	The Consultancy Services and the Management Services.
"SGX-ST"	:	Singapore Exchange Securities Trading Limited.
"Shareholders"	:	Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with Shares.
"Shares"	:	Ordinary shares in the capital of the Company.
"S\$", "\$" and "cents"	:	Singapore dollars and cents, respectively.
"US\$" and "US cents"	:	United States dollars and cents, respectively.
"%" or "percent"	:	Per centum or percentage.

The terms **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

k1 VENTURES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 197000535W

Directors:

Steven Jay Green (*Chairman and Chief Executive Officer*)
Kamal Bahamdan (*Non-Executive Director*)
Choo Chiau Beng (*Non-Executive Director*)
Lee Suan Yew (*Independent Director*)
Tan Teck Meng (*Independent Director*)
Teo Soon Hoe (*Non-Executive Director*)
Yong Pung How (*Independent Director*)
Ow Chio Kiat (*Independent Director*)
Jeffrey Alan Safchik (*Executive Director,
Chief Financial Officer and Chief Operating Officer*)

Registered Office:

1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

28 September 2010

To: The Shareholders of
k1 Ventures Limited

Dear Sir/Madam

1. INTRODUCTION

- 1.1 **EGM.** The Directors are convening an EGM to be held on 15 October 2010 to seek Shareholders' approval for the Company to enter into the 2010 Management Agreement with Greenstreet, pursuant to which Greenstreet will, as the Company's manager, provide the Services to the Company.
- 1.2 **Shareholders' approval.** Under Chapter 9 of the Listing Manual (which governs interested person transactions), where the value of a transaction with an "interested person" singly, or, on aggregation with the values of other transactions conducted with the same "interested person" in the same financial year, equals or exceeds 5% of the Group's latest audited NTA, that transaction shall be subject to shareholders' approval. For these purposes, a "transaction" includes the provision or receipt of services.

Steven Jay Green, the Chairman and Chief Executive Officer of the Company, has a direct majority ownership interest in, as well as control of, Greenstreet (he owns 69% of Greenstreet, and the balance of Greenstreet is owned through various trusts and partnerships for the benefit of his family members). As such, Greenstreet is considered to be an "associate" of Steven Jay Green for the purposes of Chapter 9 of the Listing Manual. Accordingly, Greenstreet would be considered to be an "interested person" vis-à-vis the Company, and the 2010 Management Agreement would be considered to be an "interested person transaction" under Chapter 9 of the Listing Manual.

According to the Company's Register of Substantial Shareholders, both Greenstreet and Steven Jay Green were also substantial Shareholders of the Company as at the Latest Practicable Date.

Based on the carried interest which Greenstreet may be entitled to receive with respect to New Investments pursuant to the 2010 Management Agreement as more particularly described in paragraph 3.2(c) below, the amount payable to Greenstreet under the 2010 Management Agreement may potentially exceed 5% of the Group's audited NTA of \$185,314,000 as at 30 June 2010.

Accordingly, the Directors have convened the EGM to obtain Shareholders' approval for the Company to enter into the 2010 Management Agreement with Greenstreet.

- 1.3 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to the proposal to be tabled at the EGM.

2. MANAGEMENT AGREEMENT

- 2.1 **Management Agreement.** Greenstreet has been retained by the Company to provide the Services pursuant to a management agreement dated 18 November 2003, as amended by the first amendment to the management agreement dated 15 July 2004, and as amended and restated by the 2005 Management Agreement.

The Company and Greenstreet wish to alter (*inter alia*) the fee structure applicable under the 2005 Management Agreement (please see paragraph 3 below).

The Company and Greenstreet are therefore proposing to enter into the 2010 Management Agreement, so as to amend and restate the 2005 Management Agreement accordingly.

- 2.2 **Services.** The Services provided or to be provided by Greenstreet to the Company under the 2005 Management Agreement and the 2010 Management Agreement consist of the Consultancy Services and the Management Services. These include, without limitation, the following:

Consultancy Services

- (a) attempting to identify possible business and investment opportunities for the Company and, in evaluating investment opportunities on behalf of the Company, Greenstreet will take into account the mandate relating to the scope of the business of the Company approved by its Shareholders at the extraordinary general meeting held on 25 January 2002 (as in effect) and such written investment policies for the Company as may from time to time be prescribed;
- (b) consulting with the Board or any committee thereof with respect to the business, investments and prospective investments, and other company activities of the Company;
- (c) supervising the evaluation of business and investment opportunities and the conduct of due diligence by consultants, engineers and other third parties in connection therewith;
- (d) structuring the ownership of the investments of the Company (taking into account tax, legal and other considerations) and forming entities to hold the investments of the Company;
- (e) assisting with the negotiation and completion of investments, financing and other transactions, including all related documentation;

- (f) acting as a liaison for the Company with investment houses, brokers, consultants, banks and other third parties that may provide a source of business opportunities and investment transactions for the Company and financing its business and investment activities;
- (g) monitoring the performance of the business of the Company (including all of its investments) and conducting a program of evaluation and, as appropriate, disposition of the Company's investments;
- (h) providing funding position and investment updates to the Board;

Management Services

- (i) providing management services to the Company in the conduct of all aspects of its business and the business of all of its direct and indirect subsidiaries;
- (j) overseeing the accounting and tax functions with respect to the Company and its subsidiaries;
- (k) overseeing cash management for the Company and its subsidiaries, including (i) maintaining and monitoring bank deposits, (ii) monitoring cash receipt and disbursement activity, (iii) determining and obtaining funding needs for its business activity, (iv) initiating business, investment, financing, and other transactions approved by the Company, and (v) providing disbursement services (such as reviewing wire and cheque payments and processing wire and cheque requests);
- (l) maintaining the books and records of the Company and its subsidiaries (including the organisational minute books) other than those to be maintained by KCL pursuant to the Corporate Support Services Agreement, but Greenstreet will assist KCL as necessary, and furnish to the Company such reports and information as may reasonably be required by the Company from time to time;
- (m) assisting in providing necessary and appropriate information in connection with the internal and external audit of the Company's books, records (including the provision of information and records pertaining to the Company and its subsidiaries), systems and processes;
- (n) providing legal oversight services, including the retention and supervision of outside counsel, as appropriate;
- (o) subject to the terms of the 2005 Management Agreement or, as the case may be, the 2010 Management Agreement, making such decisions and taking such action, for and on behalf of the Company, in connection with the business activities of the Company and its direct and indirect subsidiaries as Greenstreet shall deem appropriate and in the best interest of the Company;
- (p) taking all such actions as may be appropriate, for and on behalf of the Company, to assist in the implementation of decisions made by the Company in connection with the conduct of its business and that of its direct and indirect subsidiaries;
- (q) providing such other services to the Company as the parties may mutually agree; and
- (r) providing monthly management accounts to the Board.

3. FEE STRUCTURE

3.1 **Current fee structure.** The fees payable to Greenstreet under the current 2005 Management Agreement comprise the following:

- (a) **Monthly fee:** A monthly fee of US\$200,000.
- (b) **Increased overhead fee:** An increase in the monthly fee of such amount as may be necessary to cover any aggregate increased overhead, personnel and other costs incurred by Greenstreet and which are reasonably allocable to the Services provided to the Company under the 2005 Management Agreement, after consultation with and the approval of the Board, in accordance with the terms of the 2005 Management Agreement.

To date, there has been no increased overhead fee paid to Greenstreet, and the fees paid to Greenstreet under the 2005 Management Agreement have not exceeded 3% of the Group's audited NTA in any one financial year.

3.2 **Proposed fee structure.** The fees payable to Greenstreet under the proposed 2010 Management Agreement will comprise the following:

- (a) **Monthly fee:** A monthly fee of US\$200,000. There is no immediate change in the amount of the monthly fee proposed under the 2010 Management Agreement as compared to the 2005 Management Agreement, except that, effective upon a complete sale, transfer or other disposition for cash of any Existing Investment to a third party, the monthly fee will be reduced by the amount set out in Appendix 1 to this Circular under the heading "Reduction of Monthly Fee" in respect of that Existing Investment, provided that in no event will the monthly fee be less than US\$50,000.

The provision pertaining to an increase in the overhead fee under the 2005 Management Agreement (as described in paragraph 3.1(b) above) will no longer apply under the 2010 Management Agreement.

- (b) **Management fee:** A monthly management fee in respect of each New Investment equal to:
 - (i) 0.0625% (representing an annualised rate of 0.75%) of the aggregate amount of capital invested by any k1 Party in such New Investment. However, once the aggregate amount of capital invested is equal to the Existing Capital Amount, any capital in excess of the Existing Capital Amount that is so invested will (without limiting the management fee payable pursuant to this sub-paragraph (i)) be subject only to the management fee referred to in sub-paragraph (ii) below; and
 - (ii) 0.125% (representing an annualised rate of 1.5%) of the aggregate amount of New Capital invested by any k1 Party in such New Investment, so long as the entire Existing Capital Amount is fully committed for New Investments prior to the investment of any New Capital.

Once there has been a complete sale, transfer or other disposition for cash of any New Investment to a third party, the Existing Capital Amount and/or amount of New Capital, as applicable, attributable to the New Investment subject to such transaction will no longer be taken into account for purposes of computing the management fee. However, if any proceeds that are received in connection with any such sale, transfer or other disposition are used to make another New Investment, such proceeds will be

deemed New Capital under the 2010 Management Agreement and such New Investment will be subject to the management fee specified in sub-paragraph (ii) above.

This component of the fees payable to Greenstreet under the 2010 Management Agreement is new, as compared to the 2005 Management Agreement.

- (c) **Carried interest:** A carried interest based upon the realised net profits, after the return of invested capital and management fees paid to Greenstreet, if any, generated with respect to each New Investment, whereby Greenstreet will receive a carried interest in realised net profits in excess of a 10% return calculated as follows: (i) 10% on net profits of up to 15% per annum, compounded annually, and (ii) 15% on net profits in excess, as more fully described below.

For these purposes, "realised net profits" means, with respect to any New Investment, any and all amounts (cash or non-cash) received by or paid to any k1 Party in respect of such New Investment that exceed the amount of capital invested by that k1 Party in such New Investment plus the amount of management fees paid by any k1 Party to Greenstreet that is attributable to such New Investment, including any amounts received by or paid to that k1 Party in the form of dividends, repayment of principal, payment of fees, proceeds from the sale of such New Investment (or any portion thereof) or otherwise.

This means that Greenstreet will not earn any carried interest on the basis of "paper profits" under the 2010 Management Agreement. The relevant k1 Party must actually realise a return of its invested capital with respect to each New Investment, plus an amount equal to all management fees paid by such k1 Party to Greenstreet that is attributable to such New Investment, plus a preferred return of 10% compounded annually, prior to any participation by Greenstreet in respect of the carried interest.

Specifically, the proceeds received by any k1 Party in respect of each New Investment (whether in the form of dividends, payment of principal, fees, proceeds from the sale thereof or otherwise) will be apportioned between such k1 Party and Greenstreet, as follows:

- (i) first, 100% to such k1 Party until such k1 Party has received an amount equal to the sum of (A) the aggregate amount of unreturned capital actually invested by such k1 Party in connection with such New Investment (the "**Invested Capital**"), and (B) the aggregate amount of unreturned management fees paid to Greenstreet that are attributable to such New Investment;
- (ii) second, 100% to such k1 Party until such k1 Party has received an amount equal to a 10% compounded annual rate of return on all Invested Capital in respect of such New Investment;
- (iii) third, 100% to Greenstreet until Greenstreet has received an amount equal to 10% of the sum of (A) the aggregate amount credited to the applicable k1 Party pursuant to sub-paragraph (ii) above, and (B) the amount previously credited or then being credited to Greenstreet pursuant to this sub-paragraph (iii);
- (iv) fourth, (A) 90% to such k1 Party, and (B) 10% to Greenstreet, until such k1 Party has received an aggregate amount pursuant to this sub-paragraph (iv) and sub-paragraphs (i) and (ii) above equal to a 15% compounded annual rate of return on all Invested Capital in respect of such New Investment;

- (v) fifth, 100% to Greenstreet until Greenstreet has received an aggregate amount pursuant to this sub-paragraph (v), sub-paragraphs (iii) or (iv)(B) above equal to 15% of the aggregate amount credited to such k1 Party and Greenstreet pursuant to sub-paragraphs (ii), (iii) and (iv) above and this sub-paragraph (v); and
- (vi) thereafter, (A) 85% to such k1 Party, and (B) 15% to Greenstreet.

In the event that the k1 Party making any New Investment is not the Company or a wholly-owned subsidiary of the Company, the aggregate amount of capital that will be deemed invested for purposes of computing the management fee and carried interest in respect of such New Investment will be equal to the aggregate amount of capital that is invested by the applicable k1 Party in such New Investment multiplied by the direct and indirect (including through subsidiaries) economic ownership percentage of the Company in the k1 Party making such New Investment.

This component of the fees payable to Greenstreet under the 2010 Management Agreement is new, as compared to the 2005 Management Agreement.

The amount of carried interest, if any, payable to Greenstreet under the 2010 Management Agreement cannot be determined as of the date of the 2010 Management Agreement as this will depend (*inter alia*) on the New Investments made, and the investment returns when such New Investments are realised. Depending on the investment returns realised from the New Investments, the carried interest payable to Greenstreet under the 2010 Management Agreement may potentially exceed 5% of the Group's audited NTA of \$185,314,000 as at 30 June 2010.

4. OTHER PRINCIPAL TERMS

The following is a summary of some of the other principal terms of the 2010 Management Agreement:

- (a) **Duration.** Subject to the termination rights set out in the 2010 Management Agreement, the initial term of the 2010 Management Agreement will be deemed to have commenced on the Effective Date, and will end one year after the Effective Date, provided that the 2010 Management Agreement will thereafter be automatically renewed for successive terms of one year each unless a notice not to renew has been provided by either the Company or Greenstreet at least 60 days prior to the commencement of any renewal period.
- (b) **Approval by Board.** Final approval with respect to the business, investments and prospective investments and other company activities of the Company rests with the Board and accordingly, Greenstreet's performance of the Services will be subject to such written directions, policies and restrictions as may be adopted by the Board.
- (c) **Supervision of other Corporate Support Services.** In its role as the Company's manager under the 2010 Management Agreement, Greenstreet will supervise the provision of services by KCL pursuant to the Corporate Support Services Agreement and other third parties in an effort to coordinate the delivery of such services to the Company with the delivery of the Services by Greenstreet.
- (d) **Reimbursement.** The Company will reimburse Greenstreet for all reasonable costs and expenses incurred in connection with the performance of the Services to the extent such costs and expenses are not paid directly by the Company or its subsidiaries to the relevant third party, as provided in the 2010 Management Agreement.

Greenstreet must, in accordance with the terms of the 2010 Management Agreement, provide the Company with copies of the documents evidencing or supporting the fees, expenses and other liabilities reasonably incurred, upon request. These supporting documents will be reviewed by the Audit Committee (or a person authorised by the Audit Committee) to ensure that the fees, expenses and other liabilities incurred are reasonable and reimbursable under the 2010 Management Agreement.

Certain items are specifically not reimbursable under the 2010 Management Agreement, for example, personnel expenses for Greenstreet employees, expenses relating to the acquisition and operation by Greenstreet of office and computer equipment, and office rent incurred by Greenstreet.

- (e) **Termination and expiration.** The 2010 Management Agreement may be terminated by either party (i) upon a material and uncured breach by the other party of any of the terms of the 2010 Management Agreement, or (ii) at any time, without penalty (except as otherwise set out in the 2010 Management Agreement), by either party giving 60 days' prior written notice of such termination to the other party.

Notwithstanding termination or expiration, the Company will pay Greenstreet any accrued and unpaid monthly fees and management fees up to the date of termination or expiration (plus any reasonably incurred reimbursable expenses), and also remain responsible for the payment of the carried interest, but only with respect to New Investments made by any k1 Party prior to the effective date of termination or expiration.

On termination or expiration, save for certain circumstances provided in the 2010 Management Agreement, the Company is required to reimburse Greenstreet for any and all reasonable out-of-pocket costs and expenses incurred by Greenstreet in connection with such termination or expiration, including reasonable out-of-pocket costs and expenses incurred or to be incurred by Greenstreet or any Affiliate of Greenstreet in downsizing its operations due to the fact that Greenstreet will no longer be providing Services (including severance pay or similar payments).

The Audit Committee (or a person authorised by the Audit Committee) will review these costs and expenses to ensure that they are reasonable. As in the case of reimbursement generally, Greenstreet will be required to produce copies of documents evidencing or supporting such costs and expenses so that the Audit Committee (or a person authorised by the Audit Committee) can ensure that they are accurate and reasonable.

- (f) **Standard of care.** Greenstreet will not be liable for any error of judgment or mistake of fact or law or for any loss (including investment loss) suffered by any k1 Party in connection with any Services rendered by Greenstreet, except for losses resulting from intentional misconduct, gross negligence, knowing violation of law, fraud or willful default on the part of or on behalf of Greenstreet in the provision of the Services or the performance of its duties and obligations under the 2010 Management Agreement.
- (g) **Indemnification.** To the maximum extent permitted by applicable law or regulations or the listing rules of the SGX-ST, the Company will defend, indemnify and hold Greenstreet and its Affiliates and their respective officers, directors, shareholders, employees, partners, agents and permitted assigns harmless from and against any and all judgments, claims and demands asserted, and any and all liability, loss, damage, cost or expense incurred by reason of any act performed, or omitted to be performed, under or in connection with the 2010 Management Agreement, unless the judgment, claim, demand, liability, loss, damage, cost or expense results from intentional misconduct, gross negligence, knowing violation of law, fraud or willful default or breach of the 2010 Management Agreement.

- (h) **Greenstreet designee.** Greenstreet will have the right to designate one director to the Board provided that in the event that Steven Jay Green, Greenstreet and their respective Affiliates cease to own at least 50% of the Shares owned thereby as of the Effective Date (assuming the conversion of any convertible or derivative securities), Greenstreet shall no longer have the right to designate one director to the Board.
- (i) **Executive committee.** Where an executive committee is established by the Board, the person designated by Greenstreet as a director on the Board will be a member of the executive committee.
- (j) **Investment vehicle.** The Company will, subject to the terms of the 2010 Management Agreement, be the prime investment vehicle for Greenstreet.

Greenstreet will agree that all deals that (i) conform to the mandate relating to the scope of the business of the Company approved by its Shareholders at the extraordinary general meeting held on 25 January 2002, (ii) are sourced by Greenstreet and/or Steven Jay Green and with respect to which Greenstreet and/or Steven Jay Green seek institutional equity, and (iii) Greenstreet reasonably believes will have a purchase price of at least US\$25,000,000, shall be shown to the Company.

Greenstreet will not be required to show the following deals or investment opportunities to the Company: (A) generally, any deal or investment opportunity that is in the same or a similar industry as any of the portfolio companies or other persons or entities that are owned or controlled by Greenstreet, Steven Jay Green or any of their respective Affiliates (other than the Company or its subsidiaries), and (B) generally, any deal or investment opportunity that is primarily focused on the acquisition of real estate assets.

Greenstreet, Steven Jay Green or any of their respective Affiliates will generally be free to pursue, without any participation of any k1 Party, any deal or other investment opportunity that the Company determines not to pursue or participate in.

- (k) **Governing law.** The 2010 Management Agreement will be governed by the laws of the Republic of Singapore.

5. INFORMATION ON STEVEN JAY GREEN AND GREENSTREET

Steven Jay Green, the Chairman and Chief Executive Officer of the Company, is the founder of Greenstreet, a privately owned limited partnership constituted under the laws of the State of Delaware, United States of America. Steven Jay Green has a direct majority ownership interest in, as well as control of, Greenstreet (he owns 69% of Greenstreet, and the balance of Greenstreet is owned through various trusts and partnerships for the benefit of his family members).

Jeffrey Alan Safchik, the Executive Director, Chief Financial Officer and Chief Operating Officer of the Company, is also the managing director and chief financial officer of Greenstreet. He has no ownership interest in Greenstreet.

Based on the Company's Register of Substantial Shareholders, as at the Latest Practicable Date:

- (a) Greenstreet had a direct interest in 275,332,800 Shares, representing approximately 12.71% of the total number of issued Shares as at that date; and

- (b) Steven Jay Green had a deemed interest in 305,332,800 Shares, representing approximately 14.10% of the total number of issued Shares as at that date, which Shares are held by Greenstreet and the Green Family Foundation, Inc., a private foundation controlled by him.

6. RATIONALE

The Company is currently managed by Greenstreet pursuant to the 2005 Management Agreement. One of Greenstreet's primary functions is to source, analyse and pro-actively manage investments on behalf of the Company. Pursuant to the 2005 Management Agreement, Greenstreet receives a monthly fee which was intended to be a reimbursement of overhead, personnel and other costs incurred by Greenstreet in managing the affairs of the Company rather than as a compensation component. To date, Greenstreet has been separately compensated and incentivised through the issuance of warrants in 2002 and 2005 to purchase a total of 176 million Shares, which have been previously approved by Shareholders at the extraordinary general meetings held on 25 January 2002 and 11 May 2005 respectively. The aforesaid warrants have since been fully exercised by Greenstreet. Given that the warrants were issued in respect of the management services provided by Greenstreet to the Company over approximately nine years, the Independent Directors have determined that it is necessary that a new compensation structure be put in place that adequately incentivises Greenstreet to continue to grow the Company.

As described above, the new compensation structure has three elements, a monthly fee which will decline over time as Existing Investments are disposed of, a management fee which will only be assessed on New Investments and a carried interest component that will only apply to New Investments. The monthly fee of up to US\$200,000 proposed in the 2010 Management Agreement remains unchanged from the 2005 Management Agreement, except that the amount of the monthly fee will be reduced (not below US\$50,000) as Existing Investments are sold. The proposed management fee is assessed based only on newly invested capital, which is a widely accepted compensation structure for investment managers and is primarily intended to reimburse Greenstreet for overhead costs it will incur in managing the Company's day-to-day operations and sourcing potential New Investments.

The carried interest component of the compensation structure contained in the 2010 Management Agreement is designed to ensure that Greenstreet does not receive any carried interest payments in respect of any New Investment until such time as the Company actually disposes of such New Investment and only upon the Company receiving the return of its invested capital for such New Investment, the reimbursement of management fees paid by the Company in respect of such New Investment, and a specified rate of return on such New Investment. The Company believes that the carried interest structure is widely recognised by institutional investors as a preferred compensation structure for fund managers and other investment managers.

The Company believes that a compensation structure based primarily upon realised profits better aligns Greenstreet with Shareholders than would the issuance of additional warrants. The carried interest structure avoids the granting of an additional equity interest in the Company, which would be immediately dilutive to existing Shareholders. The carried interest structure also ensures that Greenstreet will only receive carried interest payments to the extent that the Company has realised tangible returns on the relevant New Investment. The Board believes that this structure will foster incremental growth of the Company and is therefore the optimal structure through which to primarily compensate Greenstreet for the provision of the Services.

Under the 2005 Management Agreement, Greenstreet is paid a fixed monthly fee for the provision of the Services, which is not related to the portfolio size of the Company's investments or the investment returns. However, the management fee and the carried interest components under the 2010 Management Agreement will provide a structure which will base the amount of management fees payable to Greenstreet on the amount of capital invested by the Company in New Investments, and provide for incentive payments in the form of a carried interest as certain targeted investment returns are met when such New Investments are realised by the Company. This structure will incentivise Greenstreet to present investment opportunities to the Company that are highly actionable with respect to both investment size and target return levels, since the management fee is dependent on the amount of capital deployed in New Investments and the carried interest payments are driven by tangible realisation of certain targeted internal rate of returns.

In summary, the Independent Directors believe that the 2010 Management Agreement ensures that Greenstreet's interests will continue to be closely aligned with those of the Shareholders as the Company moves forward with the execution of its growth strategy.

7. FINANCIAL EFFECTS

Based on the terms of the 2010 Management Agreement, the aggregate of:

- (a) the monthly fees of up to US\$200,000; and
- (b) assuming that New Investments in an amount equal to the aggregate cash balance of the Company (less a reasonable working capital reserve to be established by the Audit Committee) as at 30 June 2010 are undertaken, the management fees,

is not expected to have any material impact on the NTA per Share and earnings per Share of the Group for the current financial year ending 30 June 2011. The total potential payments in (a) and (b) above amount to approximately 2.1% of the consolidated audited NTA of the Group for the financial year ended 30 June 2010.

The financial effects from the monthly management fees in respect of New Investments when made using New Capital and the payment of carried interest to Greenstreet, if any, cannot be ascertained as of the Latest Practicable Date as they are dependent on various factors which can only be subsequently determined after the EGM. Such factors include (*inter alia*):

- (1) the amount of New Capital raised and invested in New Investments;
- (2) the timing as to when New Investments are made and when they are divested; and
- (3) the realised returns on New Investments.

8. INTERESTED PERSON TRANSACTION

- 8.1 Chapter 9.** Chapter 9 of the Listing Manual governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's "interested persons", that is, the listed company's directors, chief executive officer, controlling shareholders and their respective "associates". For these purposes, a "transaction" includes the provision or receipt of services.

In general, when this Chapter applies to a transaction with an "interested person" and the value of that transaction singly, or, on aggregation with the values of other transactions entered into with the same "interested person" in the same financial year equals or exceeds 5% of the listed company's latest audited consolidated NTA, that transaction shall be subject to the approval of the shareholders of the listed company.

- 8.2 **Interested person transaction.** Steven Jay Green, the Chairman and Chief Executive Officer of the Company, has a direct majority ownership interest in, as well as control of, Greenstreet (he owns 69% of Greenstreet, and the balance of Greenstreet is owned through various trusts and partnerships for the benefit of his family members). As such, Greenstreet is considered to be an “associate” of Steven Jay Green for the purposes of Chapter 9 of the Listing Manual. Accordingly, Greenstreet would be considered to be an “interested person” vis-à-vis the Company, and the 2010 Management Agreement would be considered to be an “interested person transaction” under Chapter 9 of the Listing Manual.
- 8.3 **Shareholders’ approval.** The 2010 Management Agreement is subject to Shareholders’ approval under Chapter 9 of the Listing Manual because the aggregate carried interest which Greenstreet may be entitled to receive with respect to New Investments pursuant to the 2010 Management Agreement (as more particularly described in paragraph 3.2(c) above) may potentially exceed 5% of the Group’s audited NTA of \$185,314,000 as at 30 June 2010, being the latest available audited NTA of the Group.
- 8.4 **No other interest.** Save as disclosed in this Circular, and based on the information available to the Company as at the Latest Practicable Date, none of the Directors or substantial Shareholders of the Company have any interest, direct or indirect, in the 2010 Management Agreement otherwise than through their interests (if any) in the Shares.
- 8.5 **Abstention from voting.** Greenstreet and Steven Jay Green will abstain, and will undertake to ensure that their respective associates will abstain, from voting on the Ordinary Resolution to approve the Company’s entry into the 2010 Management Agreement to be proposed at the EGM. In addition, Steven Jay Green will decline to accept appointment as proxy for Shareholders at the EGM unless the Shareholder concerned (being a Shareholder other than Greenstreet or an associate of Greenstreet and/or Steven Jay Green) shall have given specific instructions in his Proxy Form as to the manner in which his vote is to be cast in respect of the Ordinary Resolution to approve the Company’s entry into the 2010 Management Agreement to be proposed at the EGM.
- 8.6 **Previous interested person transactions.** Other than transactions of less than S\$100,000 in value, and transactions carried out under the Shareholders’ Mandate for transactions with interested persons (which was renewed at the Company’s Annual General Meeting held on 29 October 2009 until the next Annual General Meeting of the Company) and save as otherwise disclosed herein, the Company has not entered into any other interested person transactions since the beginning of the financial year ending 30 June 2011 up to the Latest Practicable Date.

9. IFA ADVICE TO THE INDEPENDENT DIRECTORS, AUDIT COMMITTEE’S VIEW AND RECOMMENDATION OF THE INDEPENDENT DIRECTORS

- 9.1 **IFA.** EYCF has been appointed as the IFA in relation to the 2010 Management Agreement. EYCF’s advice is set out in its letter to the Independent Directors dated 28 September 2010, which is set out in Appendix 2 to this Circular.

Shareholders are advised to consider carefully the opinion of EYCF to the Independent Directors and the recommendation of the Independent Directors.

Based on the considerations set out in its letter, and subject to the assumptions and qualifications set out therein, EYCF is of the opinion that the 2010 Management Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

- 9.2 **Audit Committee.** The Audit Committee has considered the terms of the 2010 Management Agreement and the opinion of EYCF as set out in its letter to the Independent Directors dated 28 September 2010. The Audit Committee is of the view that the 2010 Management Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.
- 9.3 **Audit Committee review procedures.** The Audit Committee will review the fees paid to Greenstreet under the 2010 Management Agreement on a quarterly basis and the terms of the 2010 Management Agreement on an annual basis, to ensure that the 2010 Management Agreement remains in the best interest of the Company.

Where the 2010 Management Agreement requires a determination to be made by or on behalf of the Company as to whether any fees or costs incurred by Greenstreet or any third party are reasonable, the Audit Committee (or a person authorised by the Audit Committee) will review these costs and expenses in order to make such determination.

- 9.4 **Independent Directors' recommendation.** Having considered the terms, and the rationale and benefit, of the 2010 Management Agreement, as well as the opinion of EYCF as set out in its letter to the Independent Directors dated 28 September 2010 that the 2010 Management Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, the Independent Directors are of the view that the 2010 Management Agreement is in the best interests of the Company. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the Ordinary Resolution to approve the Company's entry into the 2010 Management Agreement to be proposed at the EGM.

In giving the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have a different investment portfolio, and different objectives and considerations, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

Steven Jay Green, of whom Greenstreet is an associate for the purposes of Chapter 9 of the Listing Manual, has and will abstain from making any recommendation to Shareholders.

Jeffrey Alan Safchik is also the managing director and chief financial officer of Greenstreet. As a result of his position with Greenstreet, he is not considered to be independent in relation to the 2010 Management Agreement, and has and will also abstain from making any recommendation to Shareholders. Mr Safchik will also decline to accept appointment as proxy for Shareholders at the EGM unless the Shareholder concerned (being a Shareholder other than Greenstreet or an associate of Greenstreet and/or Steven Jay Green) shall have given specific instructions in his Proxy Form as to the manner in which his vote is to be cast in respect of the Ordinary Resolution to approve the Company's entry into the 2010 Management Agreement to be proposed at the EGM.

10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

- 10.1 **Directors' Interests.** The interests of the Directors in the Shares, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date are set out below:

Director	Number of Shares				Number of Shares comprised in Share Options/ Awards granted by the Company
	Direct Interest	%	Deemed Interest	%	
Steven Jay Green ⁽¹⁾	—	—	305,332,800	14.10	—
Kamal Bahamdan ⁽²⁾	90,000	0.0042	265,000,000	12.24	—
Choo Chiau Beng	34,060	0.0016	—	—	—
Lee Suan Yew	90,000	0.0042	—	—	—
Tan Teck Meng ⁽³⁾	—	—	388,000	0.018	—
Teo Soon Hoe	102,500	0.0047	—	—	—
Yong Pung How	190,000	0.0088	—	—	—
Ow Chio Kiat	200,000	0.0092	—	—	—
Jeffrey Alan Safchik	—	—	—	—	—

Notes:

- (1) Greenstreet Partners, L.P., a limited partnership, an entity controlled by Steven Jay Green, has a direct interest in 275,332,800 Shares. The Green Family Foundation Inc. is a private foundation controlled by Steven Jay Green, and has a direct interest in 30,000,000 Shares. Therefore, Steven Jay Green is deemed to have an interest in the 305,332,800 Shares collectively held by Greenstreet Partners, L.P. and the Green Family Foundation Inc.
- (2) BV Singapore Holdings Limited, which is a wholly-owned subsidiary of BV Investment Holdings Limited, has a direct interest in 265,000,000 Shares. As Kamal Bahamdan owns 50% of the issued shares in the capital of BV Investment Holdings Limited, he is deemed to have an interest in the 265,000,000 Shares held by BV Singapore Holdings Limited.
- (3) Tan Kiang Nee, the spouse of Tan Teck Meng, has a direct interest in 388,000 Shares. Therefore, Tan Teck Meng is deemed to have an interest in the 388,000 Shares held by his spouse.

10.2 Substantial Shareholders' Interests. The interests of the substantial Shareholders in the Shares, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date, are set out below:

Substantial Shareholder ⁽¹⁾	Number of Shares			
	Direct Interest	%	Deemed Interest	%
Kephinace Investment Pte Ltd ("KPI")	779,987,190	36.02	—	—
Keppel Corporation Limited ("KCL") ⁽²⁾	—	—	779,987,190	36.02
Temasek Holdings (Private) Limited ("Temasek") ⁽³⁾	—	—	779,987,190	36.02
Greenstreet Partners, L.P.	275,332,800	12.71	—	—
Steven Jay Green ⁽⁴⁾	—	—	305,332,800	14.10
Kamal Bahamdan ⁽⁵⁾	90,000	0.0042	265,000,000	12.24
BV Singapore Holdings Limited ("BVSH")	265,000,000	12.24	—	—
BV Investment Holdings Limited ("BVI") ⁽⁶⁾	—	—	265,000,000	12.24
Alex Vahabzadeh ⁽⁷⁾	—	—	265,000,000	12.24

Notes:

- (1) Based on the declarations received by the Company from the Directors and substantial Shareholders up to the Latest Practicable Date.
- (2) KCL holds all the issued shares in KPI and is deemed to have an interest in KPI's 779,987,190 Shares.

- (3) Temasek has a direct and deemed interest in more than 20% of the ordinary shares in KCL and is deemed to have an interest in the Shares held by KPI.
- (4) Steven Jay Green controls Greenstreet Partners, L.P., a limited partnership, and the Green Family Foundation, Inc. a private foundation, and he is deemed to have an interest in the Shares collectively held by the aforesaid entities. The Green Family Foundation, Inc. has a direct interest in 30,000,000 Shares.
- (5) Kamal Bahamdan owns 50% of the shares of BVI and he is deemed to have an interest in BVSH's 265,000,000 Shares.
- (6) BVI owns 100% of the voting shares of BVSH and is deemed to have an interest in BVSH's 265,000,000 Shares.
- (7) Alex Vahabzadeh owns 50% of the shares of BVI and is deemed to have an interest in BVSH's 265,000,000 Shares.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 33 of this Circular, will be held at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 on 15 October 2010 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.30 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

- 12.1 Appointment of Proxies.** Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company not less than 48 hours before the time fixed for the EGM.
- 12.2 When Depositor regarded as Shareholder.** A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

13. CONSENT FROM IFA

EYCF has given and has not, as at the Latest Practicable Date, withdrawn its written consent to the issue of this Circular with the inclusion of its name and its letter to the Independent Directors dated 28 September 2010, and all references thereto, in the form and context in which they appear in this Circular.

14. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the 2010 Management Agreement;
- (b) the consent from EYCF referred to in paragraph 13 above;
- (c) Annual Report of the Company for the financial year ended 30 June 2010; and
- (d) the Memorandum and Articles of Association of the Company.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Circular are fair and accurate in all material aspects and that there are no material facts the omission of which would make any statement in this Circular misleading in any material respect.

Yours faithfully

Steven Jay Green
Chairman and Chief Executive Officer
k1 Ventures Limited

EXISTING INVESTMENTS

Investment	Net Cash Invested ⁽¹⁾ (US\$)	Reduction of Monthly Fee (US\$)	Percentage of Allocable Monthly Fee
China Auto I Co-Investors LLC	12,251,780	10,200	6.8%
Knowledge Universe Holdings, LLC	44,974,232	37,650	25.1%
Long Haul Holding Corporation	111,126,551	93,000	62.0%
McMoRan Exploration Company	10,989,632	9,150	6.1%
Total:	179,342,195	150,000	100.0%

Note:

(1) As of 30 June 2010.

LETTER FROM EYCF TO THE INDEPENDENT DIRECTORS

28 September 2010

**The Independent Directors of
k1 Ventures Limited**
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Dear Sirs:

THE MANAGEMENT AGREEMENT BETWEEN k1 VENTURES LIMITED ("k1 VENTURES" OR THE "COMPANY") AND GREENSTREET PARTNERS, L.P. ("GREENSTREET") AS AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S ("SGX-ST") LISTING MANUAL (THE "LISTING MANUAL")

1. INTRODUCTION

The directors of the Company (the "**Directors**") are convening an extraordinary general meeting ("**EGM**") to be held on 15 October 2010 to seek Shareholders' approval for the Company to enter into the second amended and restated management agreement with Greenstreet (the "**2010 Management Agreement**"), pursuant to which Greenstreet will, as the Company's manager, provide the consultancy and management services (as described in Section 2.2 of the Circular to Shareholders dated 28 September 2010 (the "**Circular**")) to the Company (the "**Services**").

Steven Jay Green, the Chairman and Chief Executive Officer of the Company, has a direct major ownership interest in, as well as control of, Greenstreet (he owns 69% of Greenstreet, and the balance of Greenstreet is owned through various trusts and partnerships for the benefit of his family members). As such, Greenstreet is considered to be an "associate" of Steven Jay Green for the purposes of Chapter 9 of the Listing Manual. Accordingly, Greenstreet would be considered to be an "interested person" vis-à-vis the Company, and the 2010 Management Agreement would be considered an "interested person transaction" under Chapter 9 of the Listing Manual.

According to the Company's Register of Substantial Shareholders, both Greenstreet and Steven Jay Green are also substantial Shareholders of the Company as at the Latest Practicable Date (as defined in the Circular).

Based on the carried interest which Greenstreet may be entitled to receive with respect to any investment made by the Company or its affiliates ("**k1 Party**") following the effective date of the 2010 Management Agreement (the "**New Investment**") as more particularly described in Section 3.2(c) of the Circular, the amount payable to Greenstreet under the 2010 Management Agreement may potentially exceed 5% of the audited net tangible assets of the Company and its subsidiaries (the "**Group**") of \$185,314,000 as at 30 June 2010. Accordingly, the 2010 Management Agreement with Greenstreet is subject to Shareholders' approval at the EGM.

In relation to the above, the Directors who are considered independent for the purposes of the 2010 Management Agreement (the "**Independent Directors**") have appointed Ernst & Young Corporate Finance Pte Ltd ("**EYCF**") as independent financial adviser to advise the

Independent Directors on whether the 2010 Management Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

We have prepared this letter for the use of the Independent Directors for the purposes of their consideration of the 2010 Management Agreement and the arrangements contemplated therein. This letter forms part of the Circular which provides, *inter alia*, the details of the 2010 Management Agreement. Unless otherwise defined, all terms in the Circular have the same meaning in this letter.

2. TERMS OF REFERENCE

EYCF has been appointed to evaluate the terms of the 2010 Management Agreement and to advise the Independent Directors on whether the 2010 Management Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Our views as set forth in this letter are based on the prevailing market, economic and financial conditions, and our analysis of the information provided in the Circular as well as information provided to us by the Company and its representatives, as of the Latest Practicable Date. Accordingly, this opinion shall not take into account any event or condition which occurs after the Latest Practicable Date.

We are not and were not involved in any aspect of the negotiations pertaining to the 2010 Management Agreement, nor were we involved in the deliberations leading up to the decision by the Directors to enter into the 2010 Management Agreement. The scope of our appointment does not require us to express, and we do not express, a view on the growth prospects of the Group. We are, therefore, not expressing any view herein as to the prices at which the Shares of the Company may trade or on the future financial performance of the Group upon entering into the 2010 Management Agreement.

In the course of our evaluation of the 2010 Management Agreement, we have held discussions with the representatives of the Company. We have also examined and relied on publicly available information in respect of the Company collated by us as well as information provided to us by the Company's representatives, including information in the Circular. We have not independently verified such information furnished to us or any representation or assurance made to us, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors have confirmed to us that to the best of their knowledge and belief, the information provided to us (whether written or verbal) as well as the information contained herein and in the Circular constitutes a full and true disclosure, in all material respects, of all material facts and there is no material information the omission of which would make any of the information contained herein or in the Circular inaccurate, incomplete or misleading in any material respect.

We have also made reasonable enquiries and used our judgment in assessing such information and have found no reason to doubt the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. We have not conducted any review of the business, operations and financial condition of Company or the arrangements described in the 2010 Management Agreement.

Our opinion is delivered solely for the use and benefit of the Independent Directors in connection with and for the purpose of their consideration of the 2010 Management

Agreement and the arrangements contemplated therein. Any recommendations that the Independent Directors may make to the Shareholders in relation to the 2010 Management Agreement and the arrangements contemplated therein shall remain the responsibility of the Independent Directors. Our opinion should not be relied on as a recommendation to any Shareholder as to how such Shareholders should vote on the 2010 Management Agreement and the arrangements contemplated therein, or any matter related thereto. In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

Our opinion in relation to the 2010 Management Agreement and the arrangements contemplated therein should be considered in the context of the entirety of this letter and the Circular.

3. THE MANAGEMENT AGREEMENT

3.1 Background

We note that Greenstreet has been retained by the Company to provide the Services pursuant to a management agreement dated 18 November 2003, as amended by the first amendment to management agreement dated 15 July 2004, and as amended and restated by the 2005 Management Agreement.

We further note that the Company and Greenstreet wish to alter, *inter alia*, the fee structure applicable under the 2005 Management Agreement (please refer to Section 3 of the Circular).

The Company and Greenstreet are therefore proposing to enter into the 2010 Management Agreement, so as to amend and restate the 2005 Management Agreement accordingly.

The Services provided or to be provided by Greenstreet to the Company under the 2005 Management Agreement and the 2010 Management Agreement consist of the Consultancy Services and the Management Services, details of which are available in Section 2.2 of the Circular.

3.2 The Management Agreement

Salient information relating to the 2010 Management Agreement is set out in Sections 2, 3 and 4 of the Circular.

We set out below a summary of the proposed fee structure under the 2010 Management Agreement:

- (a) **Monthly fee:** A monthly fee of US\$200,000. There is no immediate change in the amount of the monthly fee proposed under the 2010 Management Agreement as compared to the 2005 Management Agreement, except that, effective upon a complete sale, transfer or other disposition for cash of any Existing Investment to a third party, the monthly fee will be reduced by the amount set out in Appendix 1 of the Circular under the heading "Reduction of Monthly Fee" in respect of that Existing Investment, provided that in no event will the monthly fee be less than US\$50,000.

The provision pertaining to an increase in the overhead fee under the 2005 Management Agreement (as described in Section 3.1(b) of the Circular will no longer apply under the 2010 Management Agreement).

- (b) **Management fee:** A monthly management fee in respect of each New Investment equal to:
- (i) 0.0625% (representing an annualised rate of 0.75%) of the aggregate amount of capital invested by any k1 Party in such New Investment. However, once the aggregate amount of capital invested is equal to the Existing Capital Amount, any capital in excess of the Existing Capital Amount that is so invested will (without limiting the management fee payable pursuant to this sub-paragraph (i)) be subject only to the management fee referred to in sub-paragraph (ii) below; and
 - (ii) 0.125% (representing an annualised rate of 1.5%) of the aggregate amount of New Capital invested by any k1 Party in such New Investment, so long as the entire Existing Capital Amount is fully committed for New Investments prior to the investment of any New Capital.

Once there has been a complete sale, transfer or other disposition for cash of any New Investment to a third party, the Existing Capital Amount and/or amount of New Capital, as applicable, attributable to the New Investment subject to such transaction will no longer be taken into account for purposes of computing the management fee. However, if any proceeds that are received in connection with any such sale, transfer or other disposition are used to make another New Investment, such proceeds will be deemed New Capital under the 2010 Management Agreement and such New Investment will be subject to the management fee specified in sub-paragraph (ii) above.

This component of the fees payable to Greenstreet under the 2010 Management Agreement is new, as compared to the 2005 Management Agreement.

- (c) **Carried interest:** A carried interest based upon the realised net profits, after the return of invested capital and management fees paid to Greenstreet, if any, generated with respect to each New Investment, whereby Greenstreet will receive a carried interest in realised net profits in excess of a 10% return calculated as follows: (i) 10% on net profits of up to 15% per annum, compounded annually, and (ii) 15% on net profits in excess, as more fully described below.

For these purposes, "realised net profits" means, with respect to any New Investment, any and all amounts (cash or non-cash) received by or paid to any k1 Party in respect of such New Investment that exceed the amount of capital invested by that k1 Party in such New Investment plus the amount of management fees paid by any k1 Party to Greenstreet that is attributable to such New Investment, including any amounts received by or paid to that k1 Party in the form of dividends, repayment of principal, payment of fees, proceeds from the sale of such New Investment (or any portion thereof) or otherwise.

This means that Greenstreet will not earn any carried interest on the basis of "paper profits" under the 2010 Management Agreement. The relevant k1 Party must actually realise a return of its invested capital with respect to each New Investment, plus an amount equal to all management fees paid by such k1 Party to Greenstreet that is attributable to such New Investment, plus a preferred return of 10% compounded annually, prior to any participation by Greenstreet in respect of the carried interest.

Specifically, the proceeds received by any k1 Party in respect of each New Investment (whether in the form of dividends, payment of principal, fees, proceeds from the sale thereof or otherwise) will be apportioned between such k1 Party and Greenstreet, as follows:

- (i) first, 100% to such k1 Party until such k1 Party has received an amount equal to the sum of (A) the aggregate amount of unreturned capital actually invested by such k1 Party in connection with such New Investment (the “**Invested Capital**”) and (B) the aggregate amount of unreturned management fees paid to Greenstreet that are attributable to such New Investment;
- (ii) second, 100% to such k1 Party until such k1 Party has received an amount equal to a 10% compounded annual rate of return on all Invested Capital in respect of such New Investment;
- (iii) third, 100% to Greenstreet until Greenstreet has received an amount equal to 10% of the sum of (A) the aggregate amount credited to the applicable k1 Party pursuant to sub-paragraph (ii) above, and (B) the amount previously credited or then being credited to Greenstreet pursuant to this sub-paragraph (iii);
- (iv) fourth, (A) 90% to such k1 Party, and (B) 10% to Greenstreet, until such k1 Party has received an aggregate amount pursuant to this sub-paragraph (iv) and sub-paragraphs (i) and (ii) above, equal to a 15% compounded annual rate of return on all Invested Capital in respect of such New Investment;
- (v) fifth, 100% to Greenstreet until Greenstreet has received an aggregate amount pursuant to this sub-paragraph (v), sub-paragraphs (iii) or (iv)(B) above equal to 15% of the aggregate amount credited to such k1 Party and Greenstreet pursuant to sub-paragraphs (ii), (iii) and (iv) above and this sub-paragraph (v); and
- (vi) thereafter, (A) 85% to such k1 Party, and (B) 15% to Greenstreet.

In the event that the k1 Party making any New Investment is not the Company or a wholly-owned subsidiary of the Company, the aggregate amount of capital that will be deemed invested for purposes of computing the management fee and carried interest in respect of such New Investment will be equal to the aggregate amount of capital that is invested by the applicable k1 Party in such New Investment multiplied by the direct and indirect (including through subsidiaries) economic ownership percentage of the Company in the k1 Party making such New Investment.

This component of the fees payable to Greenstreet under the 2010 Management Agreement is new, as compared to the 2005 Management Agreement.

4. ASSESSMENT OF THE TERMS OF THE 2010 MANAGEMENT AGREEMENT

In evaluating the terms of the 2010 Management Agreement, we have considered the following pertinent factors for our assessment:

- (i) rationale for entering into the 2010 Management Agreement;
- (ii) comparison of the fees payable to Greenstreet pursuant to the 2010 Management Agreement (the “**Management Fees**”) with fees paid by selected companies that are listed on the SGX-ST for services rendered to or by their interested persons;
- (iii) financial effects of the transactions contemplated under the 2010 Management Agreement; and
- (iv) other relevant factors.

4.1 Rationale of the 2010 Management Agreement

We note the rationale of the Independent Directors for entering into the 2010 Management Agreement as set out in Section 6 of the Circular and have reproduced it below.

"The Company is currently managed by Greenstreet pursuant to the 2005 Management Agreement. One of Greenstreet's primary functions is to source, analyse and pro-actively manage investments on behalf of the Company. Pursuant to the 2005 Management Agreement, Greenstreet receives a monthly fee which was intended to be a reimbursement of overhead, personnel and other costs incurred by Greenstreet in managing the affairs of the Company rather than as a compensation component. To date, Greenstreet has been separately compensated and incentivised through the issuance of warrants in 2002 and 2005 to purchase a total of 176 million Shares, which have been previously approved by Shareholders at the extraordinary general meetings held on 25 January 2002 and 11 May 2005 respectively. The aforesaid warrants have since been fully exercised by Greenstreet. Given that the warrants were issued in respect of the management services provided by Greenstreet to the Company over approximately nine years, the Independent Directors have determined that it is necessary that a new compensation structure be put in place that adequately incentivises Greenstreet to continue to grow the Company.

As described above, the new compensation structure has three elements, a monthly fee which will decline over time as Existing Investments are disposed of, a management fee which will only be assessed on New Investments and a carried interest component that will only apply to New Investments. The monthly fee of up to US\$200,000 proposed in the 2010 Management Agreement remains unchanged from the 2005 Management Agreement, except that the amount of the monthly fee will be reduced (not below US\$50,000) as Existing Investments are sold. The proposed management fee is assessed based only on newly invested capital, which is a widely accepted compensation structure for investment managers and is primarily intended to reimburse Greenstreet for overhead costs it will incur in managing the Company's day-to-day operations and sourcing potential New Investments.

The carried interest component of the compensation structure contained in the 2010 Management Agreement is designed to ensure that Greenstreet does not receive any carried interest payments in respect of any New Investment until such time as the Company actually disposes of such New Investment and only upon the Company receiving the return of its invested capital for such New Investment, the reimbursement of management fees paid by the Company in respect of such New Investment, and a specified rate of return on such New Investment. The Company believes that the carried interest structure is widely recognised by institutional investors as a preferred compensation structure for fund managers and other investment managers.

The Company believes that a compensation structure based primarily upon realised profits better aligns Greenstreet with Shareholders than would the issuance of additional warrants. The carried interest structure avoids the granting of an additional equity interest in the Company, which would be immediately dilutive to existing Shareholders. The carried interest structure also ensures that Greenstreet will only receive carried interest payments to the extent that the Company has realised tangible returns on the relevant New Investment. The Board believes that this structure will foster incremental growth of the Company and is therefore the optimal structure through which to primarily compensate Greenstreet for the provision of the Services.

Under the 2005 Management Agreement, Greenstreet is paid a fixed monthly fee for the provision of the Services, which is not related to the portfolio size of the Company's

investments or the investment returns. However, the management fee and the carried interest components under the 2010 Management Agreement will provide a structure which will base the amount of management fees payable to Greenstreet on the amount of capital invested by the Company in New Investments, and provide for incentive payments in the form of a carried interest as certain targeted investment returns are met when such New Investments are realised by the Company. This structure will incentivise Greenstreet to present investment opportunities to the Company that are highly actionable with respect to both investment size and target return levels, since the management fee is dependent on the amount of capital deployed in New Investments and the carried interest payments are driven by tangible realisation of certain targeted internal rate of returns.

In summary, the Independent Directors believe that the 2010 Management Agreement ensures that Greenstreet's interests will continue to be closely aligned with those of the Shareholders as the Company moves forward with the execution of its growth strategy."

4.2 Comparison of the Management Fees with fees paid by selected companies that are listed on the SGX-ST

Based on our search on various databases and publicly available sources, we have selected certain companies listed on the SGX-ST with disclosed service arrangements with their interested persons (the "Comparable Service Arrangements").

The Shareholders should note that due to the differences in, inter alia, geographical spread, track record and future prospects, accounting standards and policies, any comparison made with respect to the Comparable Service Arrangements are for illustrative purposes only. The Comparable Service Arrangements are not directly comparable to the arrangements under the 2010 Management Agreement and the list of Comparable Service Arrangements is by no means exhaustive.

Accordingly, for the purposes of our evaluation, we have compared the fees paid in relation to the Comparable Service Arrangements to the Management Fees paid by K1 Ventures to Greenstreet under the 2010 Management Agreement.

Company	Business description	Party contracting with the interested person	Interested person	Nature of Interested person transaction	Fees charged
CapitaMall Asia Limited ("CapitaMall")	One of the largest listed "pure-play" shopping mall owners, developers and managers in Asia by total property value of assets and by geographic reach.	CapitaMall and its subsidiaries ("CapitaMall Group")	CapitaLand group	CapitaLand Group will provide to CapitaMall Group advisory and other services in relation to treasury functions, administration, information technology, human resource, tax, internal audit, risk management and corporate communications services and marketing pursuant to a shared services agreement.	<ul style="list-style-type: none"> • Cost recovery based on a formula which is consistently applied to its business units (including CapitaMall). • includes a 5.0% mark-up to cover administrative costs. • subject to a minimum of S\$2.5 million per annum.

Company	Business description	Party contracting with the interested person	Interested person	Nature of Interested person transaction	Fees charged
		CapitaLand Retail Management Pte. Ltd. ("CRM"), subsidiary of CapitaMall	CapitaLand (RCS) Property Management Pte. Ltd. ("CRCSPM")	Under an arrangement with CRCSPM, CRM, from time to time, second employees with the appropriate experience to CRCSPM for a period of time.	CRCSPM pays to CRM an amount equal to the staff cost incurred for the employees seconded with a 5.0% mark-up taking into account administrative costs.
		CapitaLand Retail Management Kabushiki Kaisha ("CRMKK"), subsidiary of CapitaMall	CapitaLand Japan Kabushiki Kaisha ("CJJK"), a subsidiary of CapitaLand	CRMKK has been seconding staff to CJJK since April 2008.	CRMKK is reimbursed an amount equal to the staff costs incurred.
China Kunda Technology Holdings Limited ("China Kunda")	A provider of precision moulds, plastic injection parts and IMD products to the electronics, electrical, automobile and specialised device industries.	Kunda Industrial, subsidiary of China Kunda	Shenzhen Precision, which is owned by the CEO, Chairman and executive director of China Kunda	Kunda Industrial has entered into a technical fee agreement with Shenzhen Precision pursuant to which Kunda Industrial will provide technical advisory and support, R&D advisory and support, personnel training, sales and marketing support and project management services to Shenzhen Precision in relation to the moulds and IMD products that are sold by Shenzhen Precision to PRC customers.	<ul style="list-style-type: none"> • Fee payable for moulds: <ul style="list-style-type: none"> (i) Basic fee of 25.0% of the revenue from the moulds sold by Shenzhen Precision to its PRC customers; and (ii) Additional fee of 0.60% of revenue for every percentage point of gross margin above 35.0%, subject to Shenzhen Precision achieving a net profit margin of at least 3.0% on its overall operations • Fee payable for IMD products: <ul style="list-style-type: none"> (i) Basic fee of 25.0% of the revenue from the IMD products sold by Shenzhen Precision to its PRC customers; and

Company	Business description	Party contracting with the interested person	Interested person	Nature of Interested person transaction	Fees charged
					(ii) Additional fee of 0.65% of revenue for every percentage point of gross margin above 28.0%, subject to Shenzhen Precision achieving a net profit margin of at least 3.0% on its overall operations.
China Taisan Technology Group Holdings Limited ("China Taisan")	A leading manufacturer in the People's Republic of China of knitted fabrics used for sports and leisure apparel.	China Taisan	Mr Cai Chang Jing, brother of the non-Executive Chairman of China Taisan	Provision of consultancy services to China Taisan and its subsidiaries in relation to business and operational strategies.	RMB180,000 per annum.
Indiabulls Properties Investment Trust ("IPIT")	Singapore based business trust established with the principal objectives of investing, either directly or indirectly, primarily in income-producing office space in India.	IPIT	Indiabulls Real Estate Limited, the property manager	<ul style="list-style-type: none"> Provision of lease management services by the property manager to IPIT including ensuring proper execution of tenancy agreements, coordinating handing over of premises to tenants, administering the rental collection etc. Manage the acquisition and sale of properties. 	<ul style="list-style-type: none"> 1.0% per month of the gross revenue of each property. Maximum 1.0% of the acquisition price of any authorised investment acquired. Maximum 0.5% of the sale price of any authorised investment sold or divested.

Company	Business description	Party contracting with the interested person	Interested person	Nature of Interested person transaction	Fees charged
The Company	An investment holding company	The Company	Greenstreet	Pursuant to the 2010 Management Agreement, Greenstreet will provide the Management and Consultancy services.	<ul style="list-style-type: none"> • Monthly fee of US\$200,000, subject to a minimum of US\$50,000. • Management Fee of 0.0625% (representing an annualized rate of 0.75%) of amount invested in any New Investment. • Management Fee of 0.125% (representing an annualized rate of 1.5%) of the amount invested in any New Investment in respect of the capital in excess of the Existing Capital Amount • Carried interest based upon the realised net profits, after the return of invested capital and management fees paid to Greenstreet if any, generated with respect to each new Investment.

Based on the table above, we note that of the six Comparable Service Arrangements, three charge a service fee based on the cost recovery basis and two make use of a certain percentage of revenue, sale price or acquisition price as the basis for the calculation of the fees paid to their interested persons.

4.3 Financial effects of arrangements contemplated under the 2010 Management Agreement

We note that based on the terms of the 2010 Management Agreement, the aggregate of:

- (a) the monthly fees of up to US\$200,000; and
- (b) assuming that New Investments in an amount equal to the aggregate cash balance of the Company (less a reasonable working capital reserve to be established by the Audit Committee) as at 30 June 2010 are undertaken, the management fees,

is not expected to have any material impact on the NTA per Share and earnings per Share of the Group for the current financial year ending 30 June 2011. The total potential

payments in (a) and (b) above amount to approximately 2.1% of the consolidated audited NTA of the Group for the financial year ended 30 June 2010.

We note further that the financial effects from the monthly management fees in respect of New Investments when made using New Capital and the payment of carried interest to Greenstreet, if any, cannot be ascertained as of the Latest Practicable Date as they are dependent on various factors which can only be subsequently determined after the EGM. Such factors include (*inter alia*):

- (a) the amount of New Capital raised and invested in New Investments;
- (b) the timing as to when New Investments are made and when they are divested; and
- (c) the realised returns on New Investments.

4.4 Other relevant factors

4.4.1 Reimbursement of reasonable costs and expenses

We note that The Company will reimburse Greenstreet for all reasonable costs and expenses incurred in connection with the performance of the Services to the extent such costs and expenses are not paid directly by the Company or its subsidiaries to the relevant third party, as provided in the 2010 Management Agreement.

We note further that Greenstreet must, in accordance with the terms of the 2010 Management Agreement, provide the Company with copies of the documents evidencing or supporting the fees, expenses and other liabilities reasonably incurred, upon request. These supporting documents will be reviewed by the Audit Committee (or a person authorised by the Audit Committee) to ensure that the fees, expenses and other liabilities incurred are reasonable and reimbursable under the 2010 Management Agreement.

Certain items are specifically not reimbursable under the 2010 Management Agreement, for example, personnel expenses for Greenstreet employees, expenses relating to the acquisition and operation by Greenstreet of office and computer equipment, and office rent incurred by Greenstreet.

4.4.2 Audit committee review procedures

We note that the Audit Committee will review the fees paid to Greenstreet under the 2010 Management Agreement on a quarterly basis and the terms of the 2010 Management Agreement on an annual basis, to ensure that the 2010 Management Agreement remains in the best interest of the Company.

Where the 2010 Management Agreement requires a determination to be made by or on behalf of the Company as to whether any fees or costs incurred by Greenstreet or any third party are reasonable, the Audit Committee (or a person authorised by the Audit Committee) will review these costs and expenses in order to make such determination.

4.4.3 Approval of the Board

We note that under the other principal terms of the 2010 Management Agreement, final approval with respect to the business, investments and prospective investments and other activities of the Company rests with the Board and accordingly, Greenstreet's performance of the Services will be subject to such written directions, policies and restrictions as may be adopted by the Board.

4.4.4 Alignment of Greenstreet's interests with those of the Shareholders of the Company

We note that the Independent Directors believe that the 2010 Management Agreement ensures that Greenstreet's interests will continue to be closely aligned with those of the Shareholders as the Company moves forward with the execution of its growth strategy.

5. CONCLUSION

In arriving at our opinion, we have taken into account, *inter alia*, the following factors:

- (a) rationale for entering into the 2010 Management Agreement;
- (b) comparison of the Management Fees with fees paid by selected companies that are listed on the SGX-ST for services rendered to or by their interested persons;
- (c) financial effects of the transactions contemplated under the 2010 Management Agreement; and
- (d) other relevant factors.

Having regard to the considerations set out in this letter and the information available as at the Latest Practicable Date, we are of the opinion that the 2010 Management Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, we advise the Independent Directors to recommend that Shareholders vote in favour of the 2010 Management Agreement and the arrangements contemplated therein.

This letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the 2010 Management Agreement and the arrangements contemplated therein and should not be relied on by any other party. The recommendation made by them to the Shareholders in relation to the 2010 Management Agreement and the arrangements contemplated therein shall remain the sole responsibility of the Independent Directors.

The opinion set forth are based on publicly available information and information provided to us by the representatives of the Company and therefore do not reflect any projections or the future financial performance of the Company.

The opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matter stated herein and does not apply by implication to any matter.

Yours faithfully
For and on behalf of
Ernst & Young Corporate Finance Pte Ltd

Leslie Koh
Executive Director

k1 VENTURES LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 197000535W

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of k1 Ventures Limited (the "**Company**") will be held at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 on 15 October 2010 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.30 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following Resolution, which will be proposed as an Ordinary Resolution:

Ordinary Resolution

The Proposed Second Amended and Restated Management Agreement to be entered into between the Company and Greenstreet Partners, L.P.

That:

- (a) approval be and is hereby given for the Company to enter into the second amended and restated management agreement (the "**2010 Management Agreement**"), a draft of which, for the purposes of identification, has been subscribed to by the Chairman of the Meeting, with Greenstreet Partners, L.P. ("**Greenstreet**"), pursuant to which Greenstreet will, as the Company's manager, provide certain consultancy services on investment opportunities and certain management services in respect of management of the Company and its business activities throughout the world to the Company, on and subject to the terms and conditions of the 2010 Management Agreement, details of which are set out in the Circular to Shareholders dated 28 September 2010; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required under or pursuant to the 2010 Management Agreement) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Resolution.

By Order of the Board

Yang Kai Hsien
Company Secretary
Singapore
28 September 2010

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. The instrument appointing the proxy that has been executed by a member must be lodged at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, not less than 48 hours before the time appointed for the Extraordinary General Meeting.

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Proxy Form



k1 VENTURES LIMITED

(Company Registration Number: 197000535W)
(Incorporated in the Republic of Singapore)

IMPORTANT

- For investors who have used their CPF monies to buy shares in the capital of k1 Ventures Limited (the "Company"), the Circular to Shareholders dated 28 September 2010 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

EXTRAORDINARY GENERAL MEETING

I/We _____ (name) NRIC/Passport Number _____

of _____ (address)

being a member/members of the abovenamed Company, hereby appoint

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%
and/or (delete as appropriate)				
			No. of Shares	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 on 15 October 2010 at 3.00 p.m. (or so soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.30 p.m. on the same day and at the same place) and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolution as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Extraordinary General Meeting.)

	To be used on a show of hands		To be used in the event of a poll	
	For*	Against*	Number of Votes For**	Number of Votes Against**
Ordinary Resolution To approve the proposed Second Amended and Restated Management Agreement to be entered into between the Company and Greenstreet Partners, L.P.				

* Please indicate your vote "For" or "Against" with an "X" within the box provided.

** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2010

Total number of Shares held

Signature(s) of Member(s) or Common Seal

IMPORTANT: Please read Notes on the reverse.

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy in the event of a poll. On a show of hands, only one of the two proxies as determined by that member or, failing such determination, by the Chairman of the meeting in his sole discretion, shall be entitled to vote on a show of hands.
4. The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 not less than 48 hours before the time appointed for the Extraordinary General Meeting.

[Fold along this line (2)]

Affix
Postage
Stamp

To: The Company Secretary
k1 Ventures Limited
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

[Fold along this line (1)]

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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