VENTURES

Report to
Shareholders

2017

Contents

Group Financial Highlights

	2017	2016	Change (%)
For the year ($ million)			
Revenue	**94.2**	195.1	(51.7)
Profit			
EBITDA	**163.1**	144.4	13.0
Before tax	**162.9**	144.4	12.8
Attributable	**150.0**	140.6	6.7
Operating cashflow	**3.4**	158.6	(97.9)
Per share (cents)			
Basic earnings			
Before tax	**37.61**	33.33	12.8
Attributable	**34.63**	32.45	6.7
Net assets	**76.0**	48.0	58.3
Net tangible assets	**76.0**	48.0	58.3
At year-end ($ million)			
Shareholders' funds	**329.5**	207.7	58.6
Capital employed	**329.5**	207.7	58.6
Net cash	**54.7**	53.7	1.9
Return on shareholders' funds* (%)			
Profit before tax	**70.6**	57.2	23.4
Attributable profit	**65.0**	55.7	16.7

* Based on average shareholders' funds during the financial year.

Group Quarterly Results ($ million)

	2017					2016				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Revenue	**12.3**	**3.5**	**3.4**	**75.0**	**94.2**	89.3	13.6	51.7	40.5	195.1
EBITDA	**11.5**	**7.6**	**(1.2)**	**145.2**	**163.1**	88.3	(7.5)	35.8	27.8	144.4
Profit/(loss)										
Before tax	**11.5**	**7.6**	**(1.2)**	**145.0**	**162.9**	88.3	(7.5)	35.8	27.8	144.4
Attributable	**10.5**	**6.6**	**(2.1)**	**135.0**	**150.0**	87.3	(8.5)	35.0	26.8	140.6
Earnings/(loss) per share (cents)	**2.42**	**1.53**	**(0.49)**	**31.17**	**34.63**	20.17	(1.96)	8.07	6.17	32.45

Chairman's Statement

Dear Shareholders,

FY2017 was an excellent year with regard to the execution of the Company's plan to monetise investments, and the distribution of surplus cash to shareholders. We exited our investment in Knowledge Universe Holdings ("KUH") and KUE 3 LP, in addition to reaching an agreement on the disposition of our interests in Guggenheim Capital LLC ("Guggenheim"). We have declared a final dividend of 6.5 cents for the financial year ended 30 June 2017, and along with $41.1 million having been distributed during the financial year by way of dividend and capital reduction distributions, cumulative distributions are $2.30 per share (adjusted for the share consolidation) or more than $973 million since Greenstreet Partners assumed management responsibilities.

As previously announced, we have exited KUE 3 LP which was the last remaining KUH related investment. In addition, we received all amounts due to the Company with respect to reserves being held by KUH. As a result I am pleased to report that in FY2017 we received cash distributions totalling US$36.5 million associated with our investment in KUH, from which we have now received approximately US$260 million, or 4.6 times our original investment.

In keeping with our long standing investment objective, we exercised the Guggenheim Put in November 2016. After months of negotiations I am pleased that we were able to reach an agreement on the redemption of the Company's entire interest in Guggenheim for US$220.7 million ("Guggenheim Disposal"). It is anticipated that the transaction will close in the fourth quarter of 2017. Pursuant to the definitive documents, the Company will continue to earn a 7% cash dividend on the preferred units until the transaction is closed, and will likewise continue to participate on an as converted basis in any common dividends that are declared in excess of regular periodic common dividends.

The Company has received approximately US$48 million of scheduled preferred dividends and supplemental dividends through 30 June 2017. Combined with the agreed upon redemption price of US$220.7 million total anticipated investment proceeds are approximately US$269 million, or 2.7 times invested capital, prior to any dividends earned for the period 30 June 2017 through the closing.

The Company intends to seek the suspension of trading immediately following the date on which the Guggenheim Disposal is completed and announced.

In anticipation of the Guggenheim transaction closing we intend to seek the approval of shareholders, and the court, to make a cash distribution of up to approximately $131.4 million to shareholders by way of a proposed capital reduction ("Distribution"). The Distribution will be conditioned upon the completion of the Guggenheim Disposal and all relevant approvals being obtained. The Distribution will allow the Company to distribute excess cash that could not otherwise be distributed by way of a dividend distribution which is limited to revenue reserves. The balance of surplus cash, less appropriate wind down reserves, will be distributed by way of a dividend following the closing of the Guggenheim Disposal.

Following the distribution of excess cash to shareholders, the Company is expected to take steps to commence voluntary liquidation, but will consider other options which are consistent with the Company's stated objective of monetisation of investments and distribution of excess cash.

We are very pleased with the results of our investments and that we have been able to execute on our plan of actively managing them to enhance shareholder value. Future dividend distributions are dependent upon closing and the timing of the monetisation of the Guggenheim investment and as such, we will continue to focus on the completion of the transaction.

My appreciation goes to the Board of Directors, shareholders and the management of k1 for the valued efforts and support.

Yours sincerely,

Neo Boon Siong
Chairman
4 September 2017

Neo Boon Siong
Chairman

Board of Directors

Neo Boon Siong age 60
Chairman, Non-Executive and Independent Director

Date of first appointment as a director:
16 February 2011
Date of last re-election as a director:
27 October 2017
Length of service as a director (as at 30 June 2017):
6 years 5 months

Board Committee(s) served on:
Audit Committee (Chairman);
Nominating Committee (Member);
Remuneration Committee (Member)

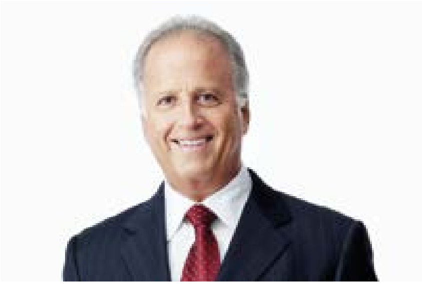
Academic & Professional Qualification(s):
Bachelor of Accountancy (Honours) from the National University of Singapore; MBA and PhD degrees from the University of Pittsburgh, USA; Certified Public Accountant (Singapore)

Present Directorships (as at 30 June 2017):
Listed companies
Keppel Telecommunications & Transportation Ltd; OUE Hospitality REIT Management Pte. Ltd. (the REIT Manager of OUE Hospitality Real Estate Investment Trust); OUE Hospitality Trust Management Pte. Ltd. (the Trustee-Manager of OUE Hospitality Business Trust)

Other principal directorships
Nil

Major Appointments (other than directorships):
Dean and Canon Professor of Business at the Nanyang Business School, Nanyang Technological University

Past Directorships held over the preceding 5 years (from 1 July 2012 to 30 June 2017):
Oversea-Chinese Banking Corporation Limited; Keppel Offshore & Marine Ltd; Great Eastern Holdings Limited; The Great Eastern Life Assurance Company Limited; The Overseas Assurance Corporation Limited



Jeffrey Alan Safchik age 66
Executive Director, Chief Executive Officer and Chief Financial Officer

Date of first appointment as a director:
28 October 2016
Date of last re-election as a director:
n.a.
Length of service as a director (as at 30 June 2017):
9 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
Bachelors degree in Business Administration (majoring in Accountancy) from Pace University, New York; Masters degree in Taxation from St. John's University, New York

Present Directorships (as at 30 June 2017):
Listed companies
Nil

Other principal directorships
Beach Investment Partners, Inc; Green Family Foundation, Inc.; Green Family Holdings, Inc; Greenstreet Capital Management, Inc; Greenstreet Capital Partners, LLC; Greenstreet Management Partners, LLC; Greenstreet Management, Inc.; GRST Realty Management Partners, LLC; Heim Gallery, Inc. U.S.A.

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 July 2012 to 30 June 2017):
Knowledge Universe Holdings LLC; Knowledge Universe Learning Group LLC; KUE Management Inc; KU Education, Inc; Knowledge Universe Global Inc; KLC Realty, Inc; KLC Realty Holdings LLC; KC Propco Holdings II LLC; KC Propco LLC; KC Propco Holdings LLC; KC Mezco II LLC; KC Mezco I LLC; Knowledge Schools LLC; Knowledge Universe Education Holdings, Inc; MSK Holdings Corp; Raydiance Inc; GS/Patronis Group, Inc; GS/Patronis, Inc; Canadian International School Pte Ltd; K-1 Holdings Equity I, Inc.; GS Maritime Holdings, LLC; Long Haul Holding Corp; K1 Ventures (Hong Kong) Limited; Greenstreet Equity Partners, LLC

Others:
Managing Director and Chief Financial Officer of Greenstreet Partners, L.P.

Board of Directors

Lee Suan Yew age 83
Non-Executive and Independent Director

Date of first appointment as a director:
8 August 2002
Date of last re-election as a director:
27 October 2016
Length of service as a director (as at 30 June 2017):
14 years 11 months

Board Committee(s) served on:
Nominating Committee (Chairman);
Remuneration Committee (Member)

Academic & Professional Qualification(s):
MBBChir from Cambridge University; Fellow of the Royal College of Physicians, Glasgow; Fellow of the College of Family Medicine Physicians (Academy of Medicine Singapore); Fellow of the College of Physicians (Academy of Medicine Singapore)

Present Directorships (as at 30 June 2017):
Listed companies
Haw Par Corporation Ltd

Other principal directorships
Nil

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 July 2012 to 30 June 2017):
LSYPCL66 Pte Ltd

Others:
Conferred the Public Service Star in 1991; Conferred Public Service Star (Bar) in 2002; Past President of the Singapore Medical Council (2000 to 2004); Past Chairman of the National Medical Ethics Committee (2006 to 2008)

Alexander Vahabzadeh age 51
Non-Executive and Non-Independent Director

Date of first appointment as a director:
16 February 2011
Date of last re-election as a director:
29 October 2015
Length of service as a director (as at 30 June 2017):
6 years 5 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
BBA in International Business from George Washington University

Present Directorships (as at 30 June 2017):
Listed companies
Nil

Other principal directorships
BV Global Partners Ltd.; BV Singapore Holdings Limited; BV Singapore Investments Limited; BV Unified Singapore Holdings Limited; Peracon, Inc.; Arctic Cat Property S.A.; Uddington Business Ltd; Rich Uncles LLC

Major Appointments (other than directorships):
Co-Founder of Beaumont Partners SA and Beaumont Partners LLC

Past Directorships held over the preceding 5 years (from 1 July 2012 to 30 June 2017):
BV-NGP Equity I Ltd.; BV-NGP Equity II Ltd.; BV-NGP Equity III Ltd.; BV-NGP Equity IV Ltd.; BV-NGP Equity V Ltd.; BV-NGP Equity VI Ltd.; BV-NGP Finance I Ltd.; BV-NGP Finance II Ltd.; BV-NGP Finance III Ltd.; BV-NGP Holdings Inc.; BV-P Holding I, Ltd.; SAFANAD SA; SAFANAD Limited; SAFANAD Management Limited; SAFANAD Master Fund GP Limited; Willet Estates One ULC; Willet Estates Two ULC; HIM General Partner ULC; HIM Limited Partner ULC; N-HIM Sherbrooke Properties Inc.

Others:
Co-founder and managing partner of SAFANAD (2009 to March 2013)

Annie Koh age 63
Non-Executive and Independent Director

Date of first appointment as a director:
4 January 2013
Date of last re-election as a director:
27 October 2016
Length of service as a director (as at 30 June 2017):
4 years 6 months

Board Committee(s) served on:
Remuneration Committee (Chairman); Audit Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Social Science & Economics (Honours) from National University of Singapore; M Phil and PhD in International Finance from New York University, USA

Present Directorships (as at 30 June 2017):
Listed companies
Health Management International Ltd

Other principal directorships
Nil

Major Appointments (other than directorships):
Vice President for Office of Business Development at the Singapore Management University (SMU), Practice Professor of Finance at SMU; Academic Director of the International Trading Institute (ITI) and Business Families Institute (BFI) at SMU; Chairman of the Asian Bond Fund 2 Supervisory Committee of the Monetary Authority of Singapore; Board member, Public Engagement Committee and MediShield Life & Insurance Schemes; Committee member of the Central Provident Fund of Singapore; MOM HR Sectoral Tripartite Committee Member; Member of the Government Technology (GovTech) Agency; Advisor to JEDTrade; Advisor to Stashaway

Past Directorships held over the preceding 5 years (from 1 July 2012 to 30 June 2017):
E-Cognition Pte Ltd

Others:
Former Dean of the Office of Executive and Professional Education, Singapore Management University (SMU), Singapore (2007 to 2012); Former Associate Dean of the Lee Kong Chian School of Business, SMU, Singapore (2003 to 2010); Recipient of Public Administration Medal (Bronze) in 2010

Tan Poh Lee Paul age 63
Non-Executive and Non-Independent Director

Date of first appointment as a director:
24 December 2014
Date of last re-election as a director:
29 October 2015
Length of service as a director (as at 30 June 2017):
2 years 7 months

Board Committee(s) served on:
Audit Committee (Member); Nominating Committee (Member)

Academic & Professional Qualification(s):
Fellow, Association of Chartered and Certified Accountants; Associate member, Chartered Institute of Management Accountants

Present Directorships (as at 30 June 2017):
Listed companies
Penguin International Limited; Dyna-Mac Holdings Ltd (Alternate Director); Keppel Philippines Holdings, Inc

Other principal directorships
Kephinance Investment Pte Ltd; Keppel Bay Pte Ltd; Keppel Housing Pte Ltd

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 July 2012 to 30 June 2017):
Brightway Property Pte Ltd; KV Management Pte Ltd; The Vietnam Investment Fund (Singapore) Limited

Others:
Group Controller, Keppel Corporation Limited; Chief Financial Officer, Keppel Offshore & Marine Ltd

Operating & Financial Review

Management Discussion & Analysis

Group Overview

	2017 $ million	2016 $ million	% Increase/ (Decrease)
Revenue	**94.2**	195.1	(51.7)
Net carrying value of investment disposed	**(6.7)**	(7.5)	(11.3)
Staff costs	**(0.3)**	(0.2)	16.4
Investment impairment loss	**(0.2)**	-	n.m.
Other operating income/(expenses)	**75.8**	(43.0)	n.m.
Profit before tax	**162.9**	144.4	12.8
EBITDA*	**163.1**	144.4	13.0
Profit attributable to shareholders of the Company	**150.0**	140.6	6.7
Earnings per share (EPS) (cents)	**34.63**	32.45	6.7
Return on equity (ROE)** (%)	**65.0**	55.7	16.7

n.m. = not meaningful
* EBITDA is defined as profit before tax, finance expenses, depreciation & amortisation and investment impairment loss.
** ROE is based on profit after tax divided by average shareholders' funds.

Group revenue was $94.2 million for the year ended 30 June 2017 compared to $195.1 million in the prior year due mainly to a decrease in investment income from Knowledge Universe Holdings, LLC ("KUH").

Group profit before tax was $162.9 million for the year ended 30 June 2017 compared to $144.4 million in the previous year. The increase was mostly due to a fair value gain of $119.0 million recorded with respect to the Guggenheim Capital, LLC ("Guggenheim") investment, pre-tax profit of $28.2 million from the divestment of the Group's interest in KUE 3 LP, investment income from the receipt of 1.85 million additional Guggenheim common units, and an exchange loss recorded in the prior year of $19.9 million related to the voluntary liquidation of Focus Up Holdings Limited, reduced by a decrease in investment income from KUH as compared to the prior year. Group EBITDA for the year ended 30 June 2017 of $163.1 million was $18.7 million above the prior year.

The increase in Group taxation for the year was mainly due to U.S. income tax associated with the divestment of KUE 3 LP. Group profit attributable to shareholders for the year ended 30 June 2017 was $150.0 million compared to $140.6 million in the previous year, and earnings per share was 34.63 cents.

Review of Balance Sheet

Group shareholders' funds increased from $207.7 million at 30 June 2016 to $329.5 million at 30 June 2017. The increase was attributable to profit for the year of $150.0 million, partially offset by distributions paid to shareholders in the amount of $41.1 million. Net profit was driven by a fair value gain of $119.0 million resulting from the revaluation of the Guggenheim investment, income from the receipt of approximately 1.85 million additional Guggenheim common units, the divestment of the Group's interest in KUE 3 LP, and investment income from KUH.

Group total assets increased from $214.7 million at 30 June 2016 to $372.3 million at 30 June 2017 due to the increase in value attributable to the Guggenheim investment.

Group total liabilities increased from $7.0 million at 30 June 2016 to $42.8 million at 30 June 2017 due mainly to an increase in the accrual for the Greenstreet carried interest associated with the fair value gain and investment income of the Guggenheim investment. The increase in provision for taxation is due to U.S. income taxes related to the divestment of KUE 3 LP and the reclassification of deferred taxation.

Review of Investments

Knowledge Universe Holdings

During the current year, the remaining net cash reserves being held by KUH and Knowledge Universe Education ("KUE") were released and the Group received approximately US$8 million. Consistent with the treatment of similar distributions in previous years, the Group accounted for the distributions as investment income.

KUE 3 LP

As announced on 1 June 2017, the Group disposed of its interest in KUE 3 LP, which is the holding company for the U.S. real estate assets, for a gross cash consideration of approximately US$29 million, which was prior to any deductions for U.S. income taxes, and the Greenstreet carried interest.

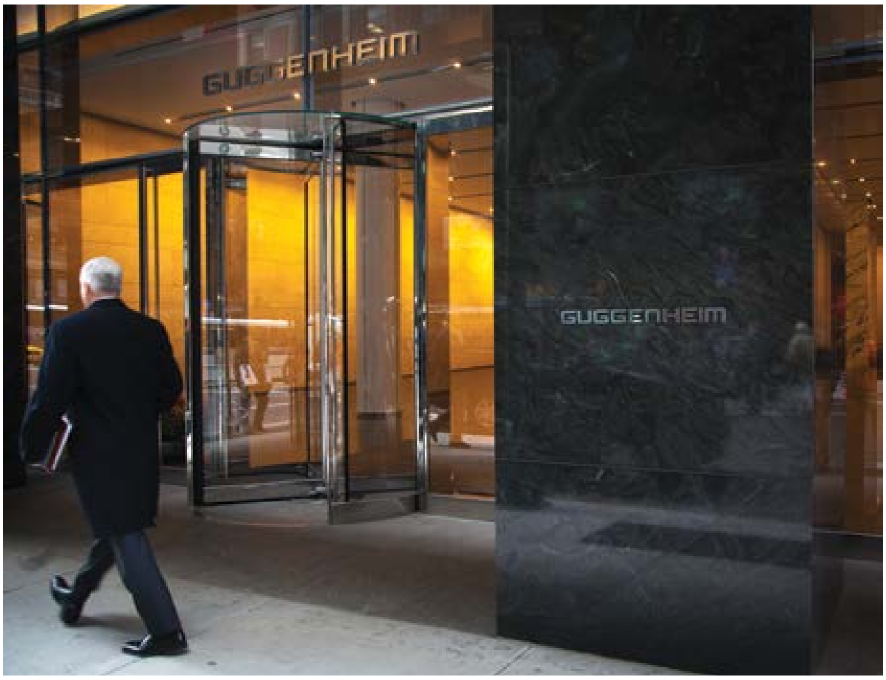
The Group no longer holds an interest in KUH or KUE 3 LP. The Group's equity interest in KUH was acquired at a cost of approximately US$57 million. The Group received cumulative cash and property distributions from inception of approximately US$260 million.

Guggenheim Capital, LLC

In June 2011, the Group completed a US$100 million investment in Guggenheim, a U.S.-based, privately held financial services firm with more than US$200 billion in assets under management. The US$100 million investment comprised 100,000 series A preferred units ("Preferred Units"), 250,000 common units, and 11,111,111 warrants to acquire common units issued by Guggenheim. In addition, in accordance with the original investment documents, in June 2017 the Group was issued 1.85 million common units for no additional consideration.

As announced on 28 July 2017, the Group entered into a definitive agreement with Guggenheim for the redemption of the Group's entire ownership interests in Guggenheim for a gross cash consideration of approximately US$221 million, which is prior to any deductions for U.S. income taxes and the Greenstreet carried interest. The transaction is expected to be completed during the fourth quarter of 2017.

The Preferred Units, deliver a dividend rate of 7% per annum along with participation rights on an as-converted basis in common dividends in excess of regular periodic dividends, which will continue to be earned until the transaction is closed. The Group has received approximately US$48 million of scheduled dividends and supplemental special dividends through 30 June 2017.



Guggenheim is a U.S.-based, privately held financial services firm with more than US$200 billion in assets under management.

Corporate Governance

The Board and Management of k1 Ventures Limited (the "Company") are committed to maintaining a high standard of corporate governance, and firmly believe that a genuine commitment to good corporate governance is essential to the sustainability of the business and performance of the Company and its subsidiaries (the "Group"). Accordingly, the Company is committed to ensure that effective self-regulatory corporate practices are in place to protect the interests of its shareholders and maximise long-term shareholder value. In addition, the Company ensures that the corporate practices it adopts are driven by principles rather than form, and takes into account the nature of the Company's existing businesses and operations.

The following describes the Company's corporate governance practices that were in place or implemented during the financial year ended 30 June 2017 with specific reference to the principles set out in the Code of Corporate Governance 2012 (the "2012 Code")[1]. Where there are deviations from the principles and guidelines of the 2012 Code, an explanation has been provided.

Board's Conduct of Affairs

Principle 1:

Effective Board to lead and control the Company

Role: The principal functions of the Board of Directors are to:

- Approve and review appropriate strategic plans and key operational and financial matters;
- Oversee the business and affairs of the Company, including monitoring the performance of Management;
- Oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes; and
- Assume responsibility for corporate governance.

Independent Judgment: All directors are expected to exercise independent judgment in the best interests of the Company.

Board Committees: To assist the Board in the discharge of its oversight function, various Board Committees, namely, the Audit Committee, the Nominating Committee and the Remuneration Committee, have been constituted with clear written terms of reference. The Board Committees are actively engaged and play an important role in ensuring good corporate governance. The terms of reference of the Audit Committee, the Nominating Committee and the Remuneration Committee are disclosed in this report at pages 10 to 14.

Meetings: The Board is scheduled to meet every quarter. In addition, ad hoc non-scheduled Board meetings may be convened when necessary to deliberate on urgent substantive matters. Telephonic attendance and conferences via audio-visual communication at Board meetings are allowed under Article 112A of the Company's Constitution. The Board and Board Committees also rely on circular resolutions and discussions conducted via telephonic and other forms of correspondence in the discharge of their duties.

Internal Limits of Authority: All new investments, divestments, commitment to loans and lines of credit from banks and financial institutions require the written approval of the Board.

Director Orientation and Training: A formal letter is sent to newly-appointed Directors explaining their duties and obligations as Director. The Directors are provided with a Director's tool kit containing information on directors' duties, the relevant provisions of the Companies Act, Chapter 50 (the "Companies Act") and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX")(the "Listing Manual") and the Company's governance policies and practices.

Changes to laws, regulations, policies, accounting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on the Company and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via circulation of Board papers. The Directors are also provided with continuing education in areas such as Directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. Updates on relevant legal or regulatory developments may be provided to the Board by circulation or through seminars and presentations conducted or sponsored by the Company. Some Directors attended talks and forums on topics relating to governance and finance and accounting standards, among others.

Board Composition and Guidance

Principle 2:

Strong and independent element on the Board

Board Composition and Board Independence: The Board consists of six Directors, five of whom are non-executive and out of whom three are considered independent[2] by the Nominating Committee. The Board, taking into account the views of the Nominating Committee, determines on an annual basis whether or not a Director is independent, bearing in mind the 2012 Code's definition of who constitutes an independent Director and guidance as to relationships the existence of which would deem a director not to be independent. In this connection, the Nominating Committee takes into account, among other things, whether a Director has business relationships with the Company or any of its related companies, and if so, whether such relationships could interfere, with the exercise of the Director's independent judgment with a view to the best interests of the Company. The Nominating Committee (save for Dr Lee Suan Yew and Professor Neo Boon Siong who abstained from deliberation in this matter) noted that each of Dr Lee Suan Yew, Professor Neo Boon Siong and Professor Annie Koh has consistently shown himself/herself to be independent in character and judgment in his/her deliberation of the interests of the Company and all the shareholders of the Company as a whole, and his/her participation on the Board has benefited the Company given his/her expertise.

The 2012 Code states that the independence of any Director who has served on the Board beyond nine years

[1] The Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore on 2 May 2012.
[2] The 2012 Code defines an "independent" director as one who has no relationship with the company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the company. A related corporation in relation to a company includes its subsidiaries, fellow subsidiaries, or parent company and a 10% shareholder refers to a person who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the company.

The nature of the current Directors' appointments on the Board and details of their membership on Board Committees are set out below:

Director	Board Membership	Committee Membership		
		Audit	Nominating	Remuneration
Neo Boon Siong	Non-Executive and Independent Chairman	Chairman	Member	Member
Jeffrey Alan Safchik	Executive Director	–	–	
Lee Suan Yew	Non-Executive and Independent Director	–	Chairman	Member
Alexander Vahabzadeh	Non-Executive and Non-Independent Director	–	–	–
Annie Koh	Non-Executive and Independent Director	Member	–	Chairman
Tan Poh Lee Paul	Non-Executive and Non-Independent Director	Member	Member	–

from the date of first appointment should be subject to particularly rigorous review. In this regard, the Board, taking into account the views of the Nominating Committee (save for Dr Lee Suan Yew who abstained from deliberation in this matter), noted that Dr Lee Suan Yew was first appointed to the Board on 8 August 2002 and has therefore served on the Board for more than nine years. However, the Board, taking into account the views of the Nominating Committee which had considered in particular, Dr Lee Suan Yew's objective participation on the Board where he contributed by raising questions on issues relating to the Company's strategy, business and financial performance, results of the annual review of the independence of Dr Lee Suan Yew (which includes a review of whether he has any relationship with the Company, its related corporations or its officers that could interfere or reasonably be perceived to interfere with his independent judgment) and peer-review exercise, and Dr Lee Suan Yew's declaration and self-assessment of his own independence, considered that Dr Lee Suan Yew had demonstrated independent judgment at Board and Board committee meetings and was unanimously of the firm view that he has been exercising independent judgment in the best interests of the Company in the discharge of his duties as a Director. The Board therefore continued to deem Dr Lee Suan Yew as an independent Director. Over the years as a Director of the Company, Dr Lee Suan Yew has developed significant insights into the Group's business and operations and brings with him a wealth of useful and relevant experience which enable him to provide an invaluable contribution to the Company.

Taking into account the views of the Nominating Committee, the Board concurred that Dr Lee Suan Yew, Professor Neo Boon Siong and Professor Annie Koh are considered to be independent.

The Directors believe that the Board has sufficient independent Directors who can take a broader view of the Company's activities and bring independent judgment to bear on issues for the Board's consideration, particularly in view of the nature of the Company's business and the complex transactions in which it participates.

The number of Board and Board Committee meetings held during the financial year, as well as the attendance of each Board member, are disclosed as follows:

Director	Board Meetings	Board Committee Meetings			Non-Executive Directors' Meeting (without presence of Management)
		Audit Committee	Nominating Committee	Remuneration Committee	
Neo Boon Siong	6	4	4	2	1
Jeffrey Alan Safchik[1]	3 of 3	–	–	–	–
Lee Suan Yew	6	–	4	2	1
Alexander Vahabzadeh	4	–	–	–	1
Annie Koh	6	4	–	2	1
Tan Poh Lee Paul	6	4	4	–	1
Steven Jay Green[2]	1 of 3	–	–	–	–
No. of Meetings Held	**6**	**4**	**4**	**2**	**1**

1 Mr Jeffrey Alan Safchik was appointed as an executive Director with effect from 28 October 2016.
2 Mr Steven Jay Green retired as an executive Director at the conclusion of the Company's annual general meeting on 27 October 2016.

Board Size: The Board, in concurrence with the Nominating Committee, is of the view that, taking into account the nature and scope of the Company's activities, and the direction of the Company, a Board size of six members is appropriate. The independent Directors currently make up half of the Board. No individual or small group of individuals dominate the Board's decision making.

The nature of the Directors' appointments on the Board and details of their membership on Board committees are set out on page 9.

Board Competency: The Nominating Committee is of the view that the Board and Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender, knowledge of the Group, core competencies such as accounting or finance, business or management experience, or knowledge required for the Board and the Board committees to be effective.

Board Information: The Board and Management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate. For this to happen, the Board, in particular the non-executive Directors, are kept well informed of the Company's businesses and affairs. Towards this end, the Company has adopted initiatives to ensure that the non-executive Directors are well supported with accurate, complete and timely information, and have unrestricted access to Management. These initiatives include the circulation of relevant information on prospective deals and potential developments at an early stage whenever possible before formal board approval is sought, as well as business initiatives, industry developments and analyst and press commentaries on matters in relation to the Company and/or the industries in which it operates. The non-executive Directors have unrestricted

Corporate Governance

access to Management, and have sufficient time and resources to discharge their oversight function effectively, which includes reviewing the performance of Management in meeting agreed goals and objectives, and monitoring the reporting of performance. The non-executive Directors occasionally meet without the presence of Management, and from time to time communicate via telephonic conferences to discuss issues relating to board processes, corporate governance initiatives and other matters to be discussed during Board meetings.

Chairman and Chief Executive Officer

Principle 3:

Clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business

The positions of Chairman and Chief Executive Officer ("CEO") are held by two individuals to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman and the CEO are not related to each other.

The Chairman leads the Board in working together with Management, and facilitates the effective contribution of the non-executive Directors and the Board as a whole.

The Chairman, in consultation with Management and the Company Secretary, schedules meetings and prepares meeting agenda for the Board to perform its duties responsibly with regard to the Company's business activities.

The Chairman monitors the flow of information from Management to the Board to ensure that material information is provided in a timely manner to the Board. He also encourages constructive relations between the Board and Management.

The clear separation of roles of the Chairman and the CEO provides a healthy professional relationship between the Board and Management with clarity of roles and robust deliberation on the business activities of the Company.

Board Membership

Nominating Committee

Principle 4:

Formal and transparent process for the appointment and re-appointment of Directors to the Board

The Nominating Committee ("NC") comprises three Directors, namely, Dr Lee Suan Yew (Chairman of the NC), Professor Neo Boon Siong and Mr Tan Poh Lee Paul, two of whom (including the Chairman of the NC) are independent Directors. The NC had four meetings during the financial year ended 30 June 2017, which were attended by a majority of the members.

The terms of reference of the NC are as follows:

(a) recommend to the Board the appointment and/or re-appointment of Directors;
(b) annual review of balance and diversity of skills, experience, gender and knowledge required by the Board, and the size of the Board which would facilitate decision-making;
(c) annual review of independence of each Director, and to ensure that the Board comprises at least one-third independent Directors. In this connection, the NC should conduct particularly rigorous review of the independence of any Director who has served on the Board beyond nine years from the date of his/her first appointment;
(d) decide, where a Director has other listed company board representation and/or other principal commitments, whether the Director is able to and has been adequately carrying out his/her duties as Director of the Company;
(e) recommend to the Board the process for the evaluation of the performance of the Board, the Board Committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director;
(f) annual assessment of the effectiveness of the Board as a whole and individual Directors;
(g) review the succession plans for the Board (in particular, the Chairman) and senior management (in particular, the CEO);
(h) review the training and professional development programs for Board members;
(i) report to the Board on material matters and recommendations;
(j) review the NC's terms of reference annually and recommend any proposed changes to the Board;
(k) perform such other functions as the Board may determine; and
(l) sub-delegate any of its powers within its terms of reference as listed above, from time to time as the NC may deem fit.

Process for Appointment and Re-appointment of Directors

The Directors are subject to retirement and re-election at regular intervals of at least once every three years. Pursuant to Article 86 of the Company's Constitution, one-third of the Directors retire from office at the Company's Annual General Meeting (the "AGM"). In addition, Article 93 of the Company's Constitution provides that a Director appointed to fill a casual vacancy or as an addition to the existing Directors must submit himself/herself for re-election at the AGM immediately following his/her appointment.

The process for the re-appointment of Directors is as follows:

(a) The NC evaluates the retiring Director's performance and contribution to the Board based on factors such as preparedness, participation and candour at meetings with reference to the peer-review of the Director.
(b) The NC makes recommendations to the Board for approval.

The NC has in place a formal process for the selection of new Directors to increase transparency of the nominating process in identifying and evaluating nominees for Directors. The NC leads the process and makes recommendations to the Board as follows:

(a) The NC evaluates the balance of skills, knowledge and experience on the Board and, in light of such evaluation and in consultation with Management, prepares a description of the role and the essential and desirable competencies for a particular appointment.
(b) External help (for example, Singapore Institute of Directors, search consultants, open advertisement) may be used to source for potential candidates, if need be. Directors and Management may also make suggestions.
(c) The NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.
(d) The NC makes recommendations to the Board for approval.

Criteria for Appointment of New Directors

All new appointments are subject to the recommendation of the NC based on the following objective criteria:

(1) Integrity
(2) Independent mindedness
(3) Diversity – possess core competencies that meet the current needs of the Company and complement the skills and competencies of the existing Directors on the Board

(4) Able to commit time and effort to carry out duties and responsibilities effectively – proposed director does not have more than six listed company board representations and/or other principal commitments
(5) Track record of making good decisions
(6) Experience in high-performing organisations
(7) Business acumen

All new appointments and re-appointments of Directors are subject to the recommendation of the NC.

Annual Review of Directors' Independence

The NC is also charged with determining the independence status of the Directors annually. Please refer to pages 8 and 9 herein on the basis of the NC's determination as to whether a Director should or should not be deemed independent.

Annual Review of Directors' Time Commitments

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and have other principal commitments. As a guide, Directors should not have more than six listed company board representations and/or other principal commitments.

The NC determines annually whether a Director with other listed company board representations and/or other principal commitments is able to and has been adequately carrying out his/her duties as a Director. The NC takes into account the results of the assessment of the effectiveness of the individual Director, and the respective Directors' actual conduct on the Board, in making this determination. The NC was satisfied that in the financial year ended 30 June 2017, where a Director had other listed company board representations and/or other principal commitments, each Director was able and had been adequately carrying out his/her duties as a Director.

There were no alternate directors for the financial year ended 30 June 2017.

Key Information Regarding Directors

The following key information regarding directors is set out in the following pages of this Annual Report:

Pages 3 to 5: Academic and professional qualifications, Board committees served on (as a member or Chairman), date of first appointment as a Director, date of last re-election as Director, directorships or chairmanships both present and past held over the preceding five years in other listed companies and other major appointments, whether appointment is executive or non-executive, whether considered by the NC to be independent; and

Page 27: Shareholding in the Company as at 21 July 2017.

Board Performance

Principle 5:

Formal assessment of the effectiveness of the Board and Board Committees and the contribution by each Director to the effectiveness of the Board

Formal Process and Performance Criteria: The Board has implemented formal processes which are carried out by the NC annually for assessing the effectiveness of the Board as a whole and its Board committees and the contribution by the Chairman and each individual Director to the effectiveness of the Board. During the year, each Board member is required to complete a board evaluation questionnaire. The completed board evaluation questionnaires are collated and sent to the NC for its review, discussion and evaluation. The NC Chairman and members evaluate the returns and provide their comments and recommendations to the Board on the changes which should be made to help the Board discharge its duties more effectively.

The performance criteria for the Board evaluation are in respect of the board size and composition, board independence, board processes, board information and accountability, board performance in relation to discharging its principal functions, board committee performance in relation to discharging their responsibilities set out in their respective terms of reference. The Board is of the view that it has met its performance objectives.

Objectives and Benefits: The Board assessment exercise provides an opportunity to obtain constructive feedback from each Director and whether the Board's procedures and processes allow him/her to discharge his/her duties effectively and any changes which should be made to enhance the effectiveness of the Board as a whole. The assessment exercise also helps the Directors to focus on their key responsibilities.

The Board has deemed that the current measure of the Board's performance, which focuses on the ability of the Board to lend support to Management and to steer the Group in the right direction, is appropriate, especially in view of the nature of the Company's business. In addition, the Board, through the delegation of its authority to the NC, has used its best efforts to ensure that the Board comprises persons who represent the principal strategic shareholders of the Company as well as independent Directors who enhance governance in the interests of all shareholders and the Company.

The Board considers that financial performance criteria may not be entirely appropriate for tracking Board performance as it feels that such criteria does not evaluate a crucial element of the Board's role, namely, supervision and oversight. The Board therefore feels that its performance should be judged on the basis of accountability as a whole, rather than strict definitive financial performance criteria.

Where the Board is of the view that any changes should be made to enhance the effectiveness of the Board as a whole and its Board committees or to enhance the effectiveness of individual Directors, the Board will implement the changes accordingly. Any Board member may also give his feedback at any time to the Chairman of the NC and/or the Chairman of the Board with a view to enhancing the effectiveness of the Board and its Board committees or of the individual Directors.

Access To Information

Principle 6:

Board members to have complete, adequate and timely information

The Company recognises fully that the continual flow of relevant information on an accurate and timely basis is critical for the Board to be effective in the discharge of its duties. Board papers and related materials are circulated to the Board as early as practicable (and as a general rule, at least seven days before the board meeting) so that members of the Board may better understand the matters prior to the board meeting and discussions may be focused on questions that the Board has about the board papers. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed.

The information provided to the Board includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of the performance, financial position and prospects of the Group, and the performance of its investments. The financial results are also

Corporate Governance

compared against the budgets, together with explanations given for significant variances for the reporting period.

The Board has separate and independent access to the Management and the Company Secretary at all times. The Company Secretary administers, attends and prepares minutes of board proceedings. The Company Secretary assists the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and its Board committees, and between Management and the Directors) are followed and regularly reviewed to ensure effective functioning of the Board and that the Company's constitution and relevant rules and regulations are complied with. The Company Secretary also assists the Chairman and the Board to implement corporate governance practices and processes including assisting with professional development as required. The Company Secretary is also the primary channel of communication between the Company and the SGX. The appointment and the removal of the Company Secretary are subject to the approval of the Board. Should the Directors, whether as a group or individually, require access to independent professional advice in the furtherance of their duties, the cost of such advice will be borne by the Company.

Remuneration Matters

Principle 7:

The procedure for developing policy on executive remuneration and for fixing remuneration packages of individual directors should be formal and transparent

Principle 8:

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company and appropriate to attract, retain and motivate Directors to provide good stewardship of the company, and key management personnel to successfully manage the company

Principle 9:

There should be clear disclosure of remuneration policy, level and mix of remuneration, and procedure for setting remuneration

Remuneration Committee

The Remuneration Committee ("RC") comprises three independent non-executive Directors, namely, Professor Annie Koh (Chairman of the RC), Dr Lee Suan Yew and Professor Neo Boon Siong. The aim of the RC is to motivate and retain Directors and executives, and ensure that the Company is able to attract the best talent in the market in order to maximise shareholder value. The RC has access to expert advice in the field of executive compensation where required. There were two RC meetings during the financial year ended 30 June 2017.

The terms of reference of the RC are as follows:

(a) review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each Director as well as for the key management personnel;
(b) review the Company's obligations arising in the event of termination of the executive Directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous;
(c) consider whether Directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme);
(d) report to the Board on material matters and recommendations;
(e) review the RC's terms of reference annually and recommend any proposed changes to the Board;
(f) perform such other functions as the Board may determine; and
(g) sub-delegate any of its powers within its terms of reference as listed above, from time to time as the RC may deem fit.

For the financial year under review, the Company did not engage any remuneration consultant with regard to the remuneration of Directors.

Policy in respect of Non-Executive Directors' remuneration

The Directors' fees payable to non-executive Directors are paid in cash and/or fixed number of shares in the capital of the Company ("k1 Shares") as follows:

i. Cash Component: The non-executive Directors are paid Directors' fees in arrears, the amount of which is dependent on the level of responsibilities. Each Director is paid a basic fee. In addition, non-executive Directors who perform additional services through Board Committees are paid an additional fee for such services. The Chairman of the Board and of each Board Committee is also paid a higher fee compared with members of the Board and of such Board Committee in view of the greater responsibility carried by that office. Save as provided below, none of the Directors have any service contracts with the Company. The amount of Directors' fees payable is subject to shareholders' approval at the Company's AGMs.

ii. Share Component: At the AGM of the Company held in 2007, the shareholders approved the Board's recommendation relating to the remuneration of Directors to permit the Company to award a fixed number of k1 Shares, as shall from time to time be determined by an Ordinary Resolution of the Company, to non-executive Directors as part of their remuneration. The Company is therefore able to remunerate its non-executive Directors in the form of k1 Shares by the purchase of k1 Shares from the market for delivery to the non-executive Directors.

The Directors' fees payable to non-executive Directors is subject to shareholders' approval at the Company's AGMs.

Unlike previous years where Directors' remuneration comprised a cash payment and an award to non-executive Directors of existing shares in the Company from market purchases by the Company, the proposed Directors' remuneration for the financial year ended 30 June 2017 shall be paid entirely in cash. No shares will be awarded to the non-executive Directors

The framework for determining Directors' fees as set out under *"i. Cash Component"* above is as follows:

			Ratio to Retainer of $30,000
Chairman		$60,000 per annum	2.00
Director		$30,000 per annum	1.00
Audit Committee	Chairman	$25,000 per annum	0.83
	Member	$15,000 per annum	0.50
Other Board Committees	Chairman	$12,000 per annum	0.40
	Member	$8,000 per annum	0.27

for this period and instead, each non-executive Director will receive a sum of S$6,000. Accordingly, the proposed cash amount of S$351,000 for the financial year ended 30 June 2017 is higher than the cash amount paid to Directors as part of the Directors' fees for the financial year ended 30 June 2016 (S$321,000).

Remuneration Policy in respect of Executive Director and other Key Management Personnel

The remuneration of the Directors and other key management personnel is under the purview of the RC.

The Company currently only has one executive Director, being Mr Jeffrey Alan Safchik, who was appointed as an executive Director and CEO of the Company with effect from 28 October 2016.

The appointment and discharge of the role of Mr Jeffrey Alan Safchik are in connection with the consultancy and management services provided by Greenstreet Partners, L.P. ("Greenstreet") under the 2014 Restructured Management Agreements (as defined below).

Therefore, Mr Jeffrey Alan Safchik does not draw any salary from the Company.

Prior to 26 August 2014, Greenstreet provided the consultancy and management services to the Group under a second amended and restated management agreement dated 15 October 2010 and as approved in an extraordinary general meeting of the shareholders of the same date (the "2010 Management Agreement"). Pursuant to an internal restructuring of the Group in 2014, the 2010 Management Agreement was bifurcated into two management agreements as follows:

(1) a third amended and restated management agreement dated 26 August 2014 ("2014 Management Agreement") between the Company and Greenstreet, pursuant to which Greenstreet provides consultancy and management services to the Group (other than the services provided under the DFS Agreement (as defined below)); and
(2) a new agreement dated 26 August 2014 between DFS Holdings I Corp. ("DFS") (an indirect wholly-owned subsidiary of the Company) and Greenstreet pursuant to which Greenstreet provides consultancy services on investment opportunities for DFS and management services in respect of all other aspects of managing DFS and its business activities throughout the United States ("DFS Agreement"),

(together, the "2014 Restructured Management Agreements").

The 2014 Restructured Management Agreements do not contain any substantive change to the terms and arrangements under the 2010 Management Agreement. The fees paid under the 2014 Restructured Management Agreements are identical in amount as the fees paid under the 2010 Management Agreement save that the portion of the fees payable to Greenstreet relating to the services provided under the DFS Agreement shall be paid by DFS pursuant to the terms of the DFS Agreement. Accordingly, shareholders' approval was not required for the 2014 Restructured Management Agreements.

On 28 October 2014, shareholders' approval was obtained to enter into an amendment agreement to amend the 2014 Management Agreement pursuant to which Greenstreet would be entitled to a new carried interest component with respect to the investment by the Company and/or its affiliate(s) in Knowledge Universe Holdings, LLC ("Amendment Agreement").

More information on the 2014 Restructured Management Agreements and the Amendment Agreement can be found in the Directors' Statement on page 27 under the heading "Management Agreement".

The RC has however resolved that the executive Director would be compensated with Directors' fees based on the same framework as set out above under the section "Policy in respect of Non-Executive Directors' remuneration", subject to shareholders' approval at the Company's AGMs.

Level and Mix of Remuneration of Directors for the financial year ended 30 June 2017

The annual remuneration report for Directors is as follows:

	Below S$250,000		
Name of Director	**Base/Fixed Salary**	**Variable Income/Bonuses**	**Directors' Fees (S$)[1]**
Neo Boon Siong[2]	–	–	97,000
Jeffrey Alan Safchik[3]	–	–	20,000
Lee Suan Yew	–	–	56,000
Alexander Vahabzadeh	–	–	36,000
Annie Koh	–	–	63,000
Tan Poh Lee Paul	–	–	59,000
Steven Jay Green[4]	–	–	20,000

Note:

1 Unlike previous years where the Directors' remuneration comprised a cash payment and an award to non-executive Directors of existing shares in the Company from market purchases by the Company, the proposed Directors' remuneration for the financial year ended 30 June 2017 shall be paid entirely in cash. No shares will be awarded to the non-executive Directors for this period and instead, each non-executive Director will receive a sum of S$6,000. Accordingly, the proposed cash amount of S$351,000 for the financial year ended 30 June 2017 is higher than the cash amount paid to Directors as part of the Directors' fees for the financial year ended 30 June 2016 (S$321,000).

2 Professor Neo Boon Siong was appointed as independent Chairman of the Board with effect from 28 October 2016. Professor Neo Boon Siong served as a non-executive and independent Director of the Company, chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee prior to his appointment as Chairman of the Board and continues to serve in such capacities for the financial year ended 30 June 2017. His Directors' Fees are pro-rated accordingly.

3 Mr Jeffrey Alan Safchik was appointed as an executive Director with effect from 28 October 2016. His Directors' Fees are pro-rated accordingly.

4 Mr Steven Jay Green retired as Chairman of the Board and executive Director at the conclusion of the Company's annual general meeting on 27 October 2016. His Directors' Fees are pro-rated accordingly.

Level and Mix of Remuneration of Key Management Personnel (who are not also Directors) for the year ended 30 June 2017

Save for the CEO (Mr Jeffrey Alan Safchik), there are no other key management personnel of the Company.

Remuneration of Employees who are Immediate Family Members of a Director or the Executive Chairman

No employee of the Company and its subsidiaries was an immediate family member of a Director or the executive Chairman and whose remuneration exceeded $50,000 during the financial year ended 30 June 2017. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

There are no options to take up unissued shares of the Company or any corporation in the Group, and no unissued shares of

Corporate Governance

the Company or any corporation in the Group under option. The Company currently has no share schemes in place.

Accountability and Audit

Principle 10:

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects

Principle 12:

Establishment of Audit Committee with written terms of reference

The Board is responsible for providing a balanced and understandable assessment of the Company's and Group's performance, position and prospects, including interim and other price sensitive public reports and reports to regulators (if required). The Board, in consultation with the Company Secretary, takes adequate steps to ensure compliance with legislative and regulatory requirements under the listing rules of the SGX. Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNET, press releases and the Company's website.

The Company's Annual Report is accessible on the Company's website. The Company also sends its Annual Report to all its shareholders.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the Company's and Group's performance, position and prospects on a monthly basis and as the Board may require from time to time. Such reports keep the Board members informed of the Company's and Group's performance, position and prospects.

Audit Committee

The Audit Committee ("AC") comprises three non-executive Directors, two of whom (including the Chairman) are independent Directors, namely, Professor Neo Boon Siong (Chairman of the AC), Professor Annie Koh and Mr Tan Poh Lee Paul. All members of the AC have recent and relevant accounting and/or related financial management expertise or experience. None of the members of the AC is a former partner or director of the Company's existing auditors.

The AC had four meetings during the financial year ended 30 June 2017, which were attended by all of the members.

The terms of reference of the AC are as follows:

(a) review financial statements and any formal announcements relating to financial performance, and review significant financial reporting issues and judgments contained in them, so as to ensure the integrity of such statements and announcements;
(b) review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
(c) review audit plans and reports of the external auditor and their evaluation of the systems of internal controls arising from their audit examination, and consider the effectiveness of actions or policies taken by Management on the recommendations and observations;
(d) review the scope and results of the external audit, and the independence and objectivity of the external auditors annually;
(e) review the nature and extent of non-audit services performed by the external auditors to ensure objectivity;
(f) meet with external auditors and internal auditors, without the presence of Management, at least once annually;
(g) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;
(h) review the adequacy and effectiveness of the Company's internal audit function, at least annually;
(i) ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, at least annually;
(j) approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;
(k) review the valuation of investments;
(l) review the policy and arrangements by which employees of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken;
(m) review interested person transactions;
(n) receive, as and when appropriate, reports and recommendations from Management on risk tolerance and strategy, and recommend to the Board for its determination the nature and extent of significant risks which the Group overall may take in achieving its strategic objectives and the overall Group's levels of risk tolerance and risk policies;
(o) review and discuss, as and when appropriate, with Management the Group's risk governance structure and its risk policies and risk mitigation and monitoring processes and procedures;
(p) receive and review at least quarterly reports from Management on major risk exposures and the steps taken to monitor, control and mitigate such risks;
(q) review the Group's capability to identify and manage new risk types;
(r) review and monitor Management's responsiveness to the findings and recommendations of the AC;
(s) provide timely input to the Board on critical risk issues;
(t) investigate any matters within the AC's purview, whenever it deems necessary;
(u) report to the Board on material matters, findings and recommendations;
(v) review the AC's terms of reference annually and recommend any proposed changes to the Board;
(w) perform such other functions as the Board may determine; and
(x) sub-delegate any of its powers within its terms of reference as listed above from time to time as the AC may deem fit.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

During the financial year ended 30 June 2017, the AC performed independent reviews of the financial statements of the Group before the announcement of the financial results. Changes to accounting standards and issues which have a direct impact on the financial statements were reported to the AC by Management and highlighted by the external auditors in their report to the AC. All audit findings and recommendations put up by the external auditors were forwarded and discussed at the AC meetings. During the year, the AC met with the external auditors two times to discuss audit matters relating to the Group. At least one of the meetings with the external auditors was held without the presence of Management.

The AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors. No non-audit services were performed and accordingly no non-audit fees were payable to the external auditors for the financial year ended 30 June 2017. The AC concluded that the external auditors were independent. For details of the fees payable to the external auditors, please refer to Note 16 of the Notes to the Financial Statements on page 49.

The Company has complied with Rule 712, and Rule 715 read with Rule 716 of the Listing Manual in relation to its auditing firms.

The AC reviewed the Ethics Reporting Policy, which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. A set of guidelines, which was reviewed by the AC and approved by the Board, was also issued to assist the AC in managing allegations of fraud or other misconduct which may be made pursuant to the Ethics Reporting Policy, so that:

- investigations are carried out in an appropriate and timely manner;
- administrative, disciplinary, civil and/or criminal actions that are initiated following completion of investigations, are appropriate, balanced and fair; and
- action is taken to correct the weaknesses in the existing system of internal processes and policies which allowed the perpetration of the fraud and/or misconduct, and to prevent a recurrence.

Risk Management and Internal Controls

Principle 11:

Sound system of risk management and internal controls

The Board of Directors, supported by the AC, oversees the Company's system of risk management and internal controls.

The AC reviews the reports submitted by the external auditors relating to the adequacy and effectiveness of the Company's significant internal controls, including financial, operational, and compliance controls, and management of risks and fraud and other irregularities. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by Management on the recommendations made by the external auditors in this respect. There are significant information technology infrastructure and related controls in place including access security, data management/computer operations, and change management. Access to certain reports, files and programs are password protected to prevent inappropriate access. In the accounting software, business process owners are restricted from having administrative access, which separates duties. Computer data is routinely backed-up so that if files and/or documents are lost or damaged, they may be easily restored. Financial reporting applications and operations are secured to prevent unauthorised use, disclosure, modification, damage or loss of data. Database access is limited to the information technology team. Changes and enhancements to financial applications are approved and then implemented by the information technology team, and then testing of changes is performed by business process owners.

The Company's risk management system is a continuous process of analysis and communication. The Company recognises fully that it is crucial to provide timely input to the Board on critical risk issues. The Group has in place several processes towards ensuring the adequacy and effectiveness of the Group's system of internal controls and risk management. The Company is required to ensure good corporate governance through the implementation and management of policies and procedures relevant to the Group's business scope and environment. Such policies and procedures govern financial, operational, information technology and compliance matters and are reviewed and updated periodically. Significant risk areas of the Group are identified and assessed, with systems, policies and processes put in place to manage and mitigate the identified risks. The implementation of policies such as the Ethics Reporting Policy establishes a clear tone at the top with regard to business and ethical conduct.

The Board has received assurance from the CEO/Chief Financial Officer ("CFO"):

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;

(b) the internal controls of the Group are adequate and effective to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business scope and environment and that he is not aware of any material weakness in the system of internal controls; and

(c) he is of the view that the Group's risk management system is adequate and effective.

Based on the review of the Group's governing framework, systems, policies and processes in addressing key risks identified and assessed, the monitoring and review of the Group's overall performance and representation from the Management, the Board, with the concurrence of the Audit Committee, is of the view that, as at 30 June 2017, the Group's risk management system is adequate and effective.

Based on the Group's framework of management control, the internal control policies and procedures established and maintained by the Group, and the annual review performed by the external auditors, the Board, with the concurrence of the AC, is of the opinion that, as at 30 June 2017, the Group's internal controls are adequate and effective to address the financial, operational, compliance risks and information technology risks which the Group considers relevant and material to its current business scope and environment.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Internal Audit

Principle 13:

Effective and independent internal audit function that is adequately resourced and independent of the activities it audits

The Board believes it is crucial to put in place a system of internal controls of the Group's procedures and processes to safeguard shareholders' interests and the Group's assets, and to manage risks.

Corporate Governance

The AC reviews, on an annual basis, the adequacy of the internal audit function. During its review in the financial year ended 30 June 2017, the AC concluded that as the Company no longer has any major operating subsidiaries and the Company's main activities relate to head office functions and have no operational risks, the appointment of an internal auditor for the Company was not necessary. Instead, the Company has put in place certain review procedures to monitor the key controls and procedures and ensure their effectiveness. To assist the AC to ensure that the Company maintains a sound system of internal controls, Management monitors and reviews all financial activities and all disbursements are approved by the CEO/CFO. The Management's assurances on the Company's internal controls are reviewed by the AC and updated periodically. Such procedures complement the AC's oversight and supervision of the Company's internal controls.

Communication with Shareholders

Principle 14:

Fair and equitable treatment of shareholders and protection of shareholders' rights

Principle 15:

Regular, effective and fair communication with shareholders

Principle 16:

Greater shareholder participation at general meetings

The Company believes that a high standard of disclosure is key to raising the level of corporate governance. The Company does not practise selective disclosure. Material and price-sensitive information is publicly released, and results and annual reports are announced or issued within the mandatory periods. The Company has also engaged the Group Corporate Communications Department of Keppel Corporation Limited to facilitate communication with shareholders, and to receive and attend to their queries and concerns.

Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports and/or circulars sent to all shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. Shareholders are also informed of the rules, including voting procedures, governing such meetings. If any shareholder who is not a "relevant intermediary" (as defined in the Companies Act) is unable to attend, he or she is allowed to appoint up to two proxies to vote on his or her behalf at the meeting through proxy forms sent in advance.

At shareholders' meetings, each distinct issue is proposed as a separate resolution. To ensure transparency, the Company conducts electronic poll voting for shareholders/proxies present at the meeting for all the resolutions proposed at the general meeting. A scrutineer is also appointed to count and validate the votes cast at the meetings. Votes cast for and against and the percentages, on each resolution will be displayed 'live' to shareholders/proxies immediately after each poll conducted. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the general meeting via SGXNET. External auditors are also present at such meetings to assist the Directors to address shareholders' queries, if necessary.

The Company will not be considering implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretary prepares minutes of shareholders' meetings, which incorporate substantial comments or queries from shareholders and responses from the Board and Management. These minutes are available to shareholders upon their request.

Investors' questions are also addressed over the phone and through email as part of the Company's continuous efforts to enhance shareholder communications. The Company provides investors with weblinks and other information regarding the Company's businesses and investments via its website (http://www.k1ventures.com.sg).

Securities Transactions

In compliance with Rule 1207(19) of the Listing Manual on best practices on dealing in securities, the Company issues circulars to its Directors and officers informing that the Company and its officers must not deal in listed securities of the Company one month before the announcement of the Company's full-year financial results and two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, as the case may be, and if they are in possession of unpublished material price-sensitive information. Directors and officers have also been informed of the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations.

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Yes, unless otherwise explained in the Corporate Governance Report.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Please see explanations in the Corporate Governance Report.
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	All new investments, divestments, commitment to loans and lines of credit from banks and financial institutions require the written approval of the Board.
Members of the Board		
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	The Nominating Committee (NC) reviews annually the balance and diversity of skills, experience, gender and knowledge required by the Board, and the size of the Board which would facilitate decision-making. Thereafter, in consultation with Management, the NC prepares a description of the role and the essential and desirable competencies for a particular appointment.
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	The NC is of the view that the Board and Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender, knowledge of the Group, core competencies such as accounting or finance, business or management experience, or knowledge required for the Board and the Board committees to be effective.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	See above on the considerations for the appointment of new Directors. See also Guideline 4.6 below.
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	**For new directors** The NC has in place a formal process for the selection of new Directors to increase transparency of the nominating process in identifying and evaluating nominees for Directors. The NC leads the process and makes recommendations to the Board as follows: (a) The NC evaluates the balance of skills, knowledge and experience on the Board and, in light of such evaluation and in consultation with Management, prepares a description of the role and the essential and desirable competencies for a particular appointment. (b) External help (for example,Singapore Institute of Directors, search consultants, open advertisement) may be used to source for potential candidates if need be. Directors and Management may also make suggestions. (c) The NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required. (d) The NC makes recommendations to the Board for approval.

Corporate Governance

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
		For incumbent directors The Directors are subject to retirement and re-election at regular intervals of at least once every three years. Pursuant to Article 86 of the Company's Constitution, one-third of the Directors retire from office at the Company's Annual General Meeting (the "AGM"). In addition, Article 93 of the Company's Constitution provides that a Director appointed to fill a casual vacancy or as an addition to the existing Directors must submit himself/herself for re-election at the AGM immediately following his/her appointment. The process for the re-appointment of Directors is as follows: (a) The NC evaluates the retiring Director's performance and contribution to the Board based on factors such as preparedness, participation and candour at meetings with reference to the peer-review of the Director. (b) The NC makes recommendations to the Board for approval.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	Yes.
	(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	A formal letter is sent to newly-appointed Directors explaining their duties and obligations as Director. The Directors are provided with a Director's tool kit containing information on directors' duties, the relevant provisions of the Companies Act, Chapter 50 (the "Companies Act") and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX") (the "Listing Manual") and the Company's governance policies and practices. Changes to laws, regulations, policies, accounting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on the Company and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via circulation of Board papers. The Directors are also provided with continuing education in areas such as Directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. Updates on relevant legal or regulatory developments may be provided to the Board by circulation or through seminars and presentations conducted or sponsored by the Company.
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	Directors should not have more than six listed company board representations and/or other principal commitments. This serves as a guide and the NC takes into account other factors in deciding on the capacity of a director.
	(b) If a maximum number has not been determined, what are the reasons?	Not applicable.
	(c) What are the specific considerations in deciding on the capacity of directors?	The NC takes into account the results of the assessment of the effectiveness of the individual Director, and the respective Directors' actual conduct on the Board, in making this determination.

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	The Board has implemented formal processes which are carried out by the NC annually for assessing the effectiveness of the Board as a whole and its Board committees and the contribution by the Chairman and each individual Director to the effectiveness of the Board. During the year, each Board member is required to complete a board evaluation questionnaire. The completed board evaluation questionnaires are collated and sent to the NC for its review, discussion and evaluation. The NC Chairman and members evaluate the returns and provide their comments and recommendations to the Board on the changes which should be made to help the Board discharge its duties more effectively. The detailed process is set out on page 11 of the Corporate Governance Report.
	(b) Has the Board met its performance objectives?	Yes.
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	No.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Yes, Dr Lee Suan Yew has served on the Board for more than nine years from the date of his first appointment. The Board, taking into account the views of the NC which had considered in particular, Dr Lee Suan Yew's objective participation on the Board where he contributed by raising questions on issues relating to the Company's strategy, business and financial performance, results of the annual review of the independence of Dr Lee Suan Yew (which includes a review of whether he has any relationship with the Company, its related corporations or its officers that could interfere or reasonably be perceived to interfere with his independent judgment) and peer-review exercise, and Dr Lee Suan Yew's declaration and self-assessment of his own independence, considered that Dr Lee Suan Yew had demonstrated independent judgment at Board and Board committee meetings and was unanimously of the firm view that he has been exercising independent judgment in the best interests of the Company in the discharge of his duties as a Director. The Board therefore continued to deem Dr Lee Suan Yew as an independent Director.

Corporate Governance

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Not applicable. Greenstreet Partners, L.P. provide consultancy and management services to the Group and in return receive a fee for their services under the 2014 Restructured Management Agreements (as defined in the Corporate Governance Report), as amended by the Amendment Agreement (as defined in the Corporate Governance Report) . The details are set out on page 13 of the Corporate Governance Report.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Not applicable.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	See Guideline 9.3 above.
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	See Guideline 9.3 above.
	(c) Were all of these performance conditions met? If not, what were the reasons?	See Guideline 9.3 above.

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
Risk Management and Internal Controls		
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	The Company has adopted initiatives to ensure that the non-executive Directors are well supported with accurate, complete and timely information, and have unrestricted access to Management. These initiatives include the circulation of relevant information on prospective deals and potential developments at an early stage whenever possible before formal board approval is sought, as well as business initiatives, industry developments and analyst and press commentaries on matters in relation to the Company and/or the industries in which it operates. The information provided to the Board also includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of the performance, financial position and prospects of the Group, and the performance of its investments. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period. Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the Company's and Group's performance, position and prospects on a monthly basis and as the Board may require from time to time. Such reports keep the Board members informed of the Company's and Group's performance, position and prospects.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	No. During its review in the financial year ended 30 June 2017, the AC concluded that as the Company no longer has any major operating subsidiaries and the Company's main activities relate to head office functions and have no operational risks, the appointment of an internal auditor for the Company was not necessary. Instead, the Company has put in place certain review procedures to monitor the key controls and procedures and ensure their effectiveness. To assist the AC to ensure that the Company maintains a sound system of internal controls, Management monitors and reviews all financial activities and all disbursements are approved by the CEO/CFO. The Management's assurances on the Company's internal controls are reviewed by the AC and updated periodically. Such procedures complement the AC's oversight and supervision of the Company's internal controls.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board of Directors, supported by the AC, oversees the Company's system of risk management and internal controls. Further details are set out on page 15 of the Corporate Governance Report. The Board's view on the adequacy and effectiveness of the Company's internal controls is based on the Group's framework of management control, the internal control policies and procedures established and maintained by the Group, and the annual review performed by the external auditors. The AC has concurred with this view. The Board's view on the adequacy and effectiveness of the Company's risk management system is based on the review of the Group's governing framework, systems, policies and processes in addressing key risks identified and assessed, the monitoring and review of the Group's overall performance and representation from the Management. The Audit Committee has concurred with this view.

Corporate Governance

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	The Board has received assurance from the CEO/CFO on points (i) and (ii).
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	The estimated audit fees payable to the external auditors of the Company for the financial year ended 30 June 2017 is S$60,000. The external auditors did not provide any non-audit services during the financial year ended 30 June 2017 and therefore no non-audit fees were payable to the external auditors for the financial year ended 30 June 2017.
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	The external auditors did not provide any non-audit services during the financial year ended 30 June 2017.
Communication with Shareholders		
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Yes. Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports and/or circulars sent to all shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. Shareholders are also informed of the rules, including voting procedures, governing such meetings. Investors' questions are also addressed over the phone and through email as part of the Company's continuous efforts to enhance shareholder communications.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes, the role is performed by the Group Corporate Communications Department of Keppel Corporation Limited.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	The Company provides investors with weblinks and other information regarding the Company's businesses and investments via its website (http://www.k1ventures.com.sg).
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable.

Code of Corporate Governance 2012
Specific Principles and Guidelines for Disclosure

Relevant Guideline or Principle	Page Reference in Corporate Governance Report
Guideline 1.3 Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	Pages 8, 10 to 15
Guideline 1.4 The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	Page 9
Guideline 1.5 The type of material transactions that require board approval under guidelines	Page 8
Guideline 1.6 The induction, orientation and training provided to new and existing directors	Page 8
Guideline 2.3 The Board should identify in the company's Annual Report each director it considers to be independent. Where the Board considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem a director not to be independent, the nature of the director's relationship and the reasons for considering him as independent should be disclosed	Pages 8 and 9
Guideline 2.4 Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed.	Page 9
Guideline 3.1 Relationship between the Chairman and CEO where they are immediate family members	Not applicable
Guideline 4.1 Names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board	Pages 10 and 11
Guideline 4.4 The maximum number of listed company board representations which directors may hold should be disclosed	Page 11
Guideline 4.6 Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	Pages 10 and 11
Guideline 4.7 Key information regarding directors, including which directors are executive, non-executive or considered by the NC to be independent	Pages 3 to 5 and 9
Guideline 5.1 The Board should state in the company's Annual Report how assessment of the Board, its board committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the company's Annual Report whether the external facilitator has any other connection with the company or any of its directors. This assessment process should be disclosed in the company's Annual Report	Page 11
Guideline 7.1 Names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board	Pages 12 to 14
Guideline 7.3 Names and firms of the remuneration consultants (if any) should be disclosed in the annual remuneration report, including a statement on whether the remuneration consultants have any relationships with the company	Page 12
Principle 9 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration	Pages 12 to 14
Guideline 9.1 Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. The annual remuneration report should include the aggregate amount of any termination, retirement and post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	Pages 12 to 14
Guideline 9.2 Fully disclose the remuneration of each individual director and the CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives	Pages 12 to 14

Corporate Governance

Code of Corporate Governance 2012
Specific Principles and Guidelines for Disclosure

Relevant Guideline or Principle	Page Reference in Corporate Governance Report
Guideline 9.3 Name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel	Pages 12 to 14
Guideline 9.4 Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S$50,000	Page 13
Guideline 9.5 Details and important terms of employee share schemes	Pages 13 and 14
Guideline 9.6 For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met	Pages 12 to 14
Guideline 11.3 The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems The commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems The Board should also comment on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems	Pages 15 and 16
Guideline 12.1 Names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board	Pages 14 and 15
Guideline 12.6 Aggregate amount of fees paid to the external auditors for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	Page 15
Guideline 12.7 The existence of a whistle-blowing policy should be disclosed in the company's Annual Report	Page 15
Guideline 12.8 Summary of the AC's activities and measures taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements	Pages 14 to 16
Guideline 15.4 The steps the Board has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings	Page 16
Guideline 15.5 Where dividends are not paid, companies should disclose their reasons.	Not applicable

Directors' Statement & Financial Statements

Directors' Statement

The directors present their statement together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2017.

In the opinion of the directors, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 32 to 54 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2017, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1. Directors

The directors of the Company in office at the date of this statement are:

Neo Boon Siong (Chairman)
Jeffrey Alan Safchik (Chief Executive Officer) (Appointed on 28 October 2016)
Lee Suan Yew
Alexander Vahabzadeh
Annie Koh
Tan Poh Lee Paul

2. Audit Committee

The Audit Committee of the Company, consisting of all non-executive directors, is chaired by Neo Boon Siong and other members include Annie Koh and Tan Poh Lee Paul. The Audit Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive director and the external auditors of the Company:

(a) The audit plans and results of the auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) The Group's financial and operating results and accounting policies;

(c) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors of the Company and the external auditors' report on the annual financial statements;

(d) The quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) The co-operation and assistance given by the management to the Group's external auditors; and

(f) The re-appointment of the external auditors of the Group.

The Audit Committee has full access to and co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

3. Arrangements to enable directors to acquire benefits by means of acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other corporate body.

4. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year and their interests in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act are as follows:

	Interest held at		
	01.07.16	30.06.17	21.07.17
k1 Ventures Limited			
(Ordinary shares)			
Neo Boon Siong	39,800	48,800	48,800
Jeffrey Alan Safchik	-	-	-
Lee Suan Yew	69,000	78,000	78,000
Alexander Vahabzadeh	39,800	48,800	48,800
Alexander Vahabzadeh (deemed interest)	53,000,000	53,000,000	53,000,000
Annie Koh	22,600	31,600	31,600
Tan Poh Lee Paul	2,500	2,500	2,500

5. Management agreement

The Company entered into a Management Agreement dated 18 November 2003, which was amended and/or restated from time to time, with Greenstreet Partners, L.P. ("Greenstreet"), pursuant to which Greenstreet will provide the Company with consultancy services on investment opportunities and management services in respect of all other aspects of managing the Company and its business activities throughout the world. Pursuant to an internal restructuring of the Group, the Second Amended and Restated Management Agreement dated 15 October 2010 ("2010 Management Agreement") was bifurcated into two separate management agreements being the Third Amended and Restated Management Agreement and the DFS Management Agreement dated 26 August 2014 (collectively, the "Agreements"). The Agreements do not contain any substantive change to the terms and arrangements under the 2010 Management Agreement, save for the portion of fees payable to Greenstreet were bifurcated between the Agreements. The Agreements provide for the Company or its affiliates to pay Greenstreet (i) a monthly fee of between US$50,000 to US$200,000 and (ii) a monthly management fee of 0.0625% of the aggregate amount of capital invested by the Company or its affiliates in any investment after 15 October 2010, provided that once such aggregate amount of capital invested is equal to the existing capital amount, then any new capital shall be subject to a monthly management fee of 0.125% thereof, provided however that the entire existing capital amount must be fully committed for such investments prior to the investment of any new capital. Greenstreet will also be entitled to receive a carried interest in respect of each new investment undertaken by the Company or its affiliates to be determined on a transaction-by-transaction basis. The carried interest payable shall be based upon the realised net profits, after the return of invested capital and management fees paid to Greenstreet generated with respect to each investment, whereby Greenstreet will receive a specified proportion of the realised net profits in excess of agreed rates of return for each new investment. The Company entered into the First Amendment to Third Amended and Restated Management Agreement dated 28 October 2014, pursuant to which Greenstreet will be entitled to receive a carried interest in respect of the investment by the Group in Knowledge Universe Holdings, LLC ("KUH"). The carried interest payable shall be based upon proceeds received by the Group from the KUH investment on or following 1 July 2014 (the "Relevant Date"), after the return of Invested Capital and management fees paid to Greenstreet with respect to the KUH investment following the Relevant Date, whereby Greenstreet will receive a specified portion of proceeds from the KUH investment in excess of agreed rates of return.

Except as disclosed in this statement and in the notes to the financial statements, no director of the Company has since the beginning of the financial year received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Companies Act by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

6. Share options

(a) Option to take up unissued shares
During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) Option exercised
During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option
At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

Directors' Statement

7. Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Directors

Neo Boon Siong
Chairman

Jeffrey Alan Safchik
Chief Executive Officer

Singapore
6 September 2017

Independent Auditors' Report

to the Members of k1 Ventures Limited
For the financial year ended 30 June 2017

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of k1 Ventures Limited (the "Company") and its subsidiaries (the "Group") which comprise the balance sheets of the Group and the Company as at 30 June 2017, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 32 to 54.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the scope of our audit responded to the key audit matters
Valuation for investments As at 30 June 2017, the Group classified the Guggenheim Interest as follows: • $129,975,000 as investment classified as Fair Value through Profit or Loss ("FVTPL"). • $173,713,000 as investment classified as available-for-sale ("AFS"). Management assesses at each reporting date (1) the fair value of the investments and (2) whether there is any objective evidence that a financial asset or group of financial assets is impaired in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*. The assessment of fair value requires management to make significant estimations and assumptions. In addition, the assessment of objective evidence of impairment for investments classified as AFS requires management to make significant estimations and assumptions regarding the duration or extent to which the fair value of an investment is less than its carrying value, the financial health of and near-term business outlook for the investee. If there is objective evidence that an impairment loss has been incurred on the AFS investments, the amount of the impairment loss is measured as the difference between its carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss is also taken to profit or loss. The accounting policy for investments is disclosed in Note 2 to the consolidated financial statements and its relevant disclosure has been set out in Note 7 to the consolidated financial statements.	We have enquired with management on analysis and assessments made with respect to the valuation and impairment of the investments. We reviewed the disclosures and presentation of the above investments in accordance with FRS 39. We have also obtained a copy of the share and purchase agreement ("S&P") signed between the Company's subsidiaries and Guggenheim Capital LLC ("Guggenheim") subsequent to year end for the redemption of 100,000 Series A preferred units, 250,000 common units, 11,111,111 detachable warrants and an additional 1.85 million common units, detailing (i) the repurchase price, (ii) the repurchase date and (iii) other terms and conditions for the repurchase. We have compared the actual price per the S&P with the values used to revalue the warrants, common units and additional units and noted no material differences. We have also assessed the adequacy and appropriateness of the disclosures made in Note 7 to the consolidated financial statements.

Independent Auditors' Report

Emphasis of Matter
We draw attention to Note 2 of the financial statements, which decribes the basis of preparation of the financial statements. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr Tay Boon Suan.

Deloitte & Touche LLP

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

6 September 2017

Balance Sheets

30 June 2017

	Note	Company 30.06.17 $'000	Company 30.06.16 $'000	Group 30.06.17 $'000	Group 30.06.16 $'000
Share capital	3	**131,471**	163,955	**131,471**	163,955
Reserves	4	**35,015**	14,090	**198,004**	43,777
Share capital and reserves		**166,486**	178,045	**329,475**	207,732
Capital employed		**166,486**	178,045	**329,475**	207,732
Represented by:					
Non-current assets					
Subsidiaries	6	**55,526**	59,594	**-**	-
Investments	7	**-**	-	**-**	146,804
		55,526	59,594	**-**	146,804
Current assets					
Amounts due from subsidiaries	9	**32**	28	**-**	-
Debtors	10	**11,049**	10,991	**13,969**	14,211
Investments	7	**-**	-	**303,688**	-
Note receivable	8	**69,498**	67,943	**-**	-
Deposits, bank balances and cash	11	**34,355**	43,367	**54,652**	53,670
		114,934	122,329	**372,309**	67,881
Current liabilities					
Creditors	12	**598**	578	**34,557**	1,561
Provision for taxation		**3,376**	3,300	**8,277**	3,300
		3,974	3,878	**42,834**	4,861
Net current assets		**110,960**	118,451	**329,475**	63,020
Non-current liabilities					
Deferred taxation	13	**-**	-	**-**	2,092
		-	-	**-**	2,092
Net assets		**166,486**	178,045	**329,475**	207,732

See accompanying notes to the financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 June 2017

	Note	30.06.17 $'000	30.06.16 $'000
Revenue	14	**94,160**	195,081
Net carrying value of investment disposed		**(6,658)**	(7,507)
Staff costs	15	**(277)**	(238)
Investment impairment loss		**(162)**	-
Other operating income/(expenses)		**75,848**	(42,971)
Profit before tax	16	**162,911**	144,365
Taxation	17	**(12,929)**	(3,799)
Profit for the year		**149,982**	140,566
Attributable to:			
Shareholders of the Company		**149,982**	140,566
Earnings per ordinary share (cents):	18		
- basic		**34.63**	32.45
- diluted		**34.63**	32.45

See accompanying notes to the financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	30.06.17 $'000	30.06.16 $'000
Profit for the year	**149,982**	140,566
Items that may be reclassified subsequently to profit and loss account:		
Fair value changes on available-for-sale investments	**12,368**	(622)
Fair value changes on available-for-sale assets realised and transferred to profit and loss account	**119**	658
Exchange differences arising on consolidation	**189**	(687)
Reclassification of currency translation reserve to profit or loss on liquidation of subsidiary	**231**	19,926
Other comprehensive income for the year, net of tax	**12,907**	19,275
Total comprehensive income for the year	**162,889**	159,841
Attributable to:		
Shareholders of the Company	**162,889**	159,841

See accompanying notes to the financial statements.

Statements of Changes in Equity

Year ended 30 June 2017

	Share capital $'000	Revenue reserves $'000	Total $'000
Company			
Balance as at 1 July 2016	**163,955**	**14,090**	**178,045**
Total comprehensive income for the year			
Profit for the year	**-**	**29,587**	**29,587**
Total comprehensive income for the year	**-**	**29,587**	**29,587**
Transactions with owners, recognised directly in equity			
Distribution to owners (Note 19)			
Capital distribution	**(32,484)**	**-**	**(32,484)**
Dividends paid	**-**	**(8,662)**	**(8,662)**
Balance as at 30 June 2017	**131,471**	**35,015**	**166,486**
Balance as at 1 July 2015	196,439	10,720	207,159
Total comprehensive income for the year			
Profit for the year	-	133,307	133,307
Total comprehensive income for the year	-	133,307	133,307
Transactions with owners, recognised directly in equity			
Distribution to owners			
Capital distribution	(32,484)	-	(32,484)
Dividends paid	-	(129,937)	(129,937)
Balance as at 30 June 2016	163,955	14,090	178,045

See accompanying notes to the financial statements.

Statements of Changes in Equity

	Attributable to owners of the Company				
	Share capital $'000	Fair value reserve $'000	Foreign exchange translation account $'000	Revenue reserves $'000	Share capital & reserves $'000
Group					
Balance as at 1 July 2016	**163,955**	**(119)**	**5,848**	**38,048**	**207,732**
Total comprehensive income for the year					
Profit for the year	**-**	**-**	**-**	**149,982**	**149,982**
Other comprehensive income	**-**	**12,487**	**420**	**-**	**12,907**
Total comprehensive income for the year	**-**	**12,487**	**420**	**149,982**	**162,889**
Transactions with owners, recognised directly in equity					
Distribution to owners (Note 19)					
Capital distribution	**(32,484)**	**-**	**-**	**-**	**(32,484)**
Dividends paid	**-**	**-**	**-**	**(8,662)**	**(8,662)**
Balance as at 30 June 2017	**131,471**	**12,368**	**6,268**	**179,368**	**329,475**
Balance as at 1 July 2015	196,439	(155)	(13,391)	27,419	210,312
Total comprehensive income for the year					
Profit for the year	-	-	-	140,566	140,566
Other comprehensive income	-	36	19,239	-	19,275
Total comprehensive income for the year	-	36	19,239	140,566	159,841
Transactions with owners, recognised directly in equity					
Distribution to owners					
Capital distribution	(32,484)	-	-	-	(32,484)
Dividends paid	-	-	-	(129,937)	(129,937)
Balance as at 30 June 2016	163,955	(119)	5,848	38,048	207,732

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

Year ended 30 June 2017

	30.06.17 $'000	30.06.16 $'000
OPERATING ACTIVITIES		
Profit before tax	**162,911**	144,365
Adjustments for:		
Investment impairment loss	**162**	-
Accretion of interest income on financial assets	**(2,886)**	(2,715)
Fair value gain on investment	**(119,006)**	-
Investment income (non-cash)	**(30,435)**	-
Exchange loss on liquidation of subsidiary	**231**	19,926
(Profit)/loss on sale of investments	**(28,195)**	642
Unrealised foreign exchange differences	**(2,771)**	(856)
Operating cash flows before changes in working capital	**(19,989)**	161,362
Working capital changes:		
Debtors	**(116)**	(11)
Creditors	**32,973**	988
Cash generated from operations	**12,868**	162,339
Income taxes paid, net of refunds received	**(9,509)**	(3,708)
Net cash from operating activities	**3,359**	158,631
INVESTING ACTIVITIES		
Net proceeds from disposal and capital distribution of investments	**37,638**	10,479
Net cash from investing activities	**37,638**	10,479
FINANCING ACTIVITIES		
Capital distribution	**(32,484)**	(32,484)
Dividends paid to shareholders of the Company	**(8,662)**	(129,937)
Net cash used in financing activities	**(41,146)**	(162,421)
Net (decrease)/increase in cash and cash equivalents	**(149)**	6,689
Cash and cash equivalents at beginning of year	**53,670**	46,983
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	**1,131**	(2)
Cash and cash equivalents at end of year	**54,652**	53,670

See accompanying notes to the financial statements.

Notes to Financial Statements

30 June 2017

1. General

The Company (Registration Number 197000535W) is incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its principal place of business and registered office is 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632.

The principal activities of the Company are to manage its investment portfolio.

The principal activities of the subsidiaries are detailed in Note 6 to the financial statements.

The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the year ended 30 June 2017 were authorised for issue by the Board of Directors on 6 September 2017.

2. Significant accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The Company is in the process of disposing its remaining investments and will distribute excess cash to its shareholders thereafter. Following the distribution of excess cash, the Company is expected to take steps to commence voluntary liquidation but will also consider other options which are consistent with the Company's stated objective of monetization of investments and distribution of excess cash. The financial statements have therefore been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the Company's assets to net realizable value. Provision has also been made for any contractual commitments that have been onerous at the end of the reporting period. The financial statements do not include any future cost of terminating the business of the entity except to the extent that such cost have been committed at the end of the reporting period.

Adoption of New and Revised Standards

In the current financial year, the Group adopted the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to the Group and effective for annual periods beginning on or after 1 July 2016. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- Amendments to FRS 7 Statement of Cash Flows: Disclosure Initiative (1)
- FRS 109 Financial Instruments (2)

(1) Applies to annual periods beginning on or after January 1, 2017, with early application permitted.
(2) Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

Management anticipates that the adoption of the above FRS and Amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

FRS 109 Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) derecognition and (iii) impairment requirements for financial assets.

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt instruments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

With some exceptions, financial liabilities are generally measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

It is anticipated that the initial application of the new FRS 109 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities. Additional disclosures will also be made with respect of trade and other receivables, including any significant judgement and estimation made, and describe any other significant new disclosures. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the entity's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 109.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The financial statements of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated financial statements from their respective dates of acquisition or disposal. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders that present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to Financial Statements

2. Significant accounting policies (continued)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except for deferred tax assets/liabilities, share-based related accounts and assets held for sale.

c) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any impairment in value. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. Profits or losses on disposal of fixed assets are included in the profit or loss account.

Depreciation of fixed assets is calculated on a straight-line basis to write off the cost of the fixed assets over their estimated useful lives. The estimated useful lives of the fixed assets are as follows:

Plant, machinery & equipment	3 to 7 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

d) Subsidiaries

Investment in subsidiaries is stated in the financial statements of the Company at cost less accumulated impairment losses. On disposal of a subsidiary, the difference between net disposal proceeds and carrying amount of the investment is taken to profit or loss.

e) Investments

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

<u>Financial assets</u>

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition, it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'other gains and losses' line in the statement of profit or loss and other comprehensive income.

Held-to-maturity
Investments with fixed or determinable payments and fixed maturity dates where the Group has a positive interest and ability to hold to maturity are classified as held-to-maturity investments. Subsequent to initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale
Investments classified as available-for-sale investments are initially measured at fair value plus directly attributable transaction costs.

Investments are recognised and derecognised on the trade-date where the purchase or sale of an investment is under a contract whose terms require delivery of investment within the timeframe established by the market concerned.

Any resultant gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the profit or loss account.

The fair value of quoted investments is based on current bid prices. For investments where there is no active market, the fair value is determined using valuation techniques. Such techniques include using recent arm's length transactions, reference to the underlying net asset value of the investee companies, discounted cash flow analysis and option pricing models. For unquoted equity investments without quoted market prices in active markets whose fair values cannot be reliably measured by management using alternative valuation methods, such investments are carried at cost less any impairment loss.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Loans and receivables
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Notes to Financial Statements

2. Significant accounting policies (continued)

f) Impairment of assets

Financial Assets
The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables
Significant financial difficulties of the debtor and default or significant delay in payment are objective evidence that the financial assets are impaired. The carrying amount of these assets is reduced through the use of an allowance account and the loss is recognised in the profit or loss account. When the asset becomes uncollectible, the carrying amount is written off against the allowance account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively measured, the previously recognised impairment loss is reversed to the extent that the carrying amount does not exceed the amortised cost had no impairment been recognised in the prior periods. The amount of reversal is recognised in the profit or loss account.

Investments
Significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit or loss account is removed from equity and recognised in the profit or loss account. For available-for-sale investments, impairment losses previously recognised in the profit or loss account are not reversed through the profit or loss account until the investments is disposed of.

Non-Financial Assets
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets (excluding goodwill) to determine whether there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as impairment loss in the profit or loss account.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of impairment loss for an asset is recognised in the profit or loss account.

g) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

h) Revenue recognition
Revenue consists of proceeds from disposal of investments, investment income, interest income, and others.

Investment income is recognised when the shareholders' rights to receive payment have been established, and in the case of fixed interest bearing investments, on a time proportion basis using the effective interest method. Interest income is recognised on an accrual basis. Proceeds from disposal of investments, including that of subsidiaries, are recognised at the fair value of the consideration received or receivable.

i) Employee benefits

Defined contribution plan
The Group makes contributions to pension schemes as defined by the laws of the countries in which it has operations. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

j) Income taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation and amortisation, revaluation of investments, unremitted offshore income and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit or loss account, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

k) Financial assets

Financial assets include cash and bank balances, intercompany and other receivables and investments. Intercompany and other receivables are stated at their fair values as reduced by appropriate allowances for estimated irrecoverable amounts.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

l) Financial liabilities

Financial liabilities include intercompany and other payables. Intercompany and other payables are stated at their amortised cost.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

m) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

n) Foreign currencies

Functional currency
Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency").

The consolidated financial statements of the Group and the balance sheet of the Company are presented in Singapore Dollars, which is the functional currency of the Company.

Notes to Financial Statements

2. Significant accounting policies (continued)

Foreign currency transactions
Transactions in foreign currencies are translated at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates approximating those ruling at that date. Exchange differences arising from translation of monetary assets and liabilities are taken to the profit or loss account. Exchange differences on non-monetary items, such as available-for-sale investments, are included in other comprehensive income.

Foreign currency translation
For inclusion in the Group's financial statements, the assets and liabilities of foreign subsidiaries and associated companies that are in functional currencies other than Singapore Dollars are translated into Singapore Dollars at the exchange rates ruling at the balance sheet date. The trading results of foreign subsidiaries and associated companies are translated into Singapore Dollars using the average exchange rates for the financial year. Exchange differences due to such currency translation are recognised in other comprehensive income and accumulated in a separate component of equity. Goodwill and fair value adjustments arising on acquisition of a foreign entity are treated as non-monetary foreign currency assets and liabilities of the foreign operation and recorded at the closing exchange rate.

o) Cash and cash equivalents
Cash and cash equivalents include highly liquid investments with maturity of three months or less.

p) Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of the new ordinary shares are deducted against the share capital account.

q) Critical accounting judgements and key sources of estimation uncertainty

(i) Critical judgements in applying the Group's accounting policies
In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described below.

(ii) Key sources of estimation uncertainty
The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment of available-for-sale investments
Determining whether available-for-sale investments are other than temporarily impaired requires assumptions made regarding the duration or extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The fair value of available-for-sale investments is disclosed in Note 7.

Income taxes
The Group has exposure to income taxes in numerous jurisdictions. Significant assumptions are required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due and derecognises liabilities when such obligations are no longer expected or discharged. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the balance sheets.

3. Share capital

	Company and Group			
	30.06.17 '000	30.06.17 $'000	30.06.16 '000	30.06.16 $'000
Issued and paid up Ordinary shares:				
At beginning of year	**433,124**	**163,955**	2,165,618	196,439
Share consolidation	**-**	**-**	(1,732,494)	-
Capital distribution (Note 19)	**-**	**(32,484)**	-	(32,484)
At end of the year	**433,124**	**131,471**	433,124	163,955

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends declared by the Company.

On 9 December 2015, the Company completed the share consolidation of every five existing issued ordinary shares into one ordinary share. This resulted in 433,123,585 consolidated shares as at 9 December 2015.

There are no outstanding share options of the Company as at the end of the financial year.

4. Reserves

	Company		Group	
	30.06.17 $'000	30.06.16 $'000	30.06.17 $'000	30.06.16 $'000
Fair value reserve	**-**	-	**12,368**	(119)
Foreign exchange translation account	**-**	-	**6,268**	5,848
Revenue reserves	**35,015**	14,090	**179,368**	38,048
	35,015	14,090	**198,004**	43,777

Movements in the Group's and the Company's reserves are set out in the Statements of Changes in Equity.

5. Fixed assets

	Plant, machinery & equipment $'000
Group	
30.06.17	
Cost:	
At beginning and end of year	**20**
Accumulated depreciation & impairment losses:	
At beginning and end of year	**20**
Net book value	**-**
30.06.16	
Cost:	
At beginning and end of year	20
Accumulated depreciation & impairment losses:	
At beginning and end of year	20
Net book value	-

As of 30 June 2017 and 2016, the net book value of the Company's fixed assets is nil.

Notes to Financial Statements

6. Subsidiaries

	Company	
	30.06.17 **$'000**	30.06.16 $'000
Unquoted shares, at cost	**55,526**	59,594

Details of the subsidiaries are as follows:

	Effective equity interest		Cost of investment		Place of incorporation/ operation	Principal activities
	30.06.17 **%**	30.06.16 %	**30.06.17** **$'000**	30.06.16 $'000		
Subsidiaries						
Held by the Company						
Focus Up Holdings Ltd(1)	**100**	100	**3,933**	8,001	British Virgin Islands	Under liquidation
FSHCO Holdings Pte Ltd(2)	**100**	100	**51,593**	51,593	Singapore	Investment holding
			55,526	59,594		
Held by subsidiaries						
PRB Corp(1)	**100**	100	**-**	-	United States of America	Investment holding
Powder River, LLC(1)	**80.1**	80.1	**-**	-	United States of America	Investment holding
DFS Holdings I Limited(1)	**100**	100	**-**	-	British Virgin Islands	Investment holding
DFS Holdings II Limited(1)	**100**	100	**-**	-	British Virgin Islands	Investment holding
DFS Holdings I Corp(1)	**100**	100	**-**	-	United States of America	Investment holding

Notes:
(1) Audited by Deloitte & Touche LLP, Singapore for consolidation purposes as not required to be audited by law in its country of incorporation.
(2) Audited by Deloitte & Touche LLP, Singapore.

7. Investments

	Group	
	30.06.17 Current $'000	30.06.16 Non-current $'000
Available-for-sale:		
Unquoted investments, at fair value (1)	**173,713**	-
Unquoted equity investments, at cost (2)	**-**	8,066
	173,713	8,066
Held-to-maturity:		
Held-to-maturity financial assets, at amortised cost (1)	**-**	126,630
Financial assets at fair value through profit or loss:		
Warrants (1)	**129,975**	12,108
	303,688	146,804

(1) Available for sale investments is comprised of the Group's entire ownership interests in Guggenheim excluding the warrants. In 2016, the series A preferred units were classified as held to maturity. In 2017, they were reclassified to available-for-sale investment resulting from the divestment agreement with Guggenheim, as disclosed in Note 23. The Guggenheim Investment was revalued based upon the agreement announced by the Company on 28 July 2017.

(2) In June 2016, the Group's interest in the remaining assets of KUH, which consisted of the real estate assets and cash reserves, was restructured as a result of the sales of the operating businesses. In exchange for the Group's interest in KUH, the Group received its pro rata interest in KUE 3 LP, which indirectly owns the real estate assets, and a contractual right to receive its pro rata share of the cash reserves as distributed.

During the year, the Group has divested its 10.2% equity interest in KUE 3 LP for a gross cash consideration of approximately US$29 million, before any deductions for U.S. income taxes and the Greenstreet carried interest. The Group also received its share of the remaining net cash reserves from KUH of approximately US$8 million. The Group no longer holds an interest in KUH or KUE 3 LP.

8. Note receivable

	Company	
	30.06.17 Due within one year $'000	30.06.16 Due within one year $'000
Loan to a subsidiary	**69,498**	67,943
	69,498	67,943

Loan to a subsidiary is unsecured, bears interest at 2.25% per annum and matures in June 2018.

9. Amounts due from subsidiaries

	Company	
	30.06.17 $'000	30.06.16 $'000
Due from subsidiaries - non-trade	**32**	28

The amounts due from subsidiaries are unsecured, repayable on demand and interest-free.

Some of the Company's transactions and arrangements are between members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements.

Notes to Financial Statements

10. Debtors

	Company		Group	
	30.06.17 $'000	30.06.16 $'000	30.06.17 $'000	30.06.16 $'000
Other debtors - non-trade	3,377	3,301	3,925	3,695
Escrow receivable from disposal of subsidiary	7,672	7,690	9,639	9,633
Prepayments and deposits	-	-	260	244
Tax recoverable	-	-	145	639
Total	11,049	10,991	13,969	14,211

Escrow receivable from disposal of subsidiary pertains to the disposal of Long Haul Holdings Corp ("Helm"). The Group has filed a legal complaint against the purchaser of Helm for release of the escrow.

11. Deposits, bank balances and cash

	Company		Group	
	30.06.17 $'000	30.06.16 $'000	30.06.17 $'000	30.06.16 $'000
Deposits, bank balances and cash	3,225	38,752	23,522	49,055
Deposits with related parties	31,130	4,615	31,130	4,615
Cash and cash equivalents	34,355	43,367	54,652	53,670

Fixed deposits with related parties mature on varying periods between 6 days to 2 months (2016: 6 days to 2 months) and bear interest ranging from 0.22% to 0.97% (2016: from 0.15% to 1.29%) per annum.

12. Creditors

	Company		Group	
	30.06.17 $'000	30.06.16 $'000	30.06.17 $'000	30.06.16 $'000
Trade creditors	39	-	39	-
Accrued expenses	153	212	34,067	1,195
Sundry creditors	406	366	451	366
	598	578	34,557	1,561

Included in accrued expenses is the accrued Greenstreet carried interest of $33.7 million associated with the Guggenheim Disposal as disclosed in Note 23.

13. Deferred taxation

	Company		Group	
	30.06.17 $'000	30.06.16 $'000	30.06.17 $'000	30.06.16 $'000
At beginning of year	-	-	2,092	1,913
Exchange difference	-	-	48	-
Transfer to provision for taxation	-	-	(2,140)	-
Charge for the year	-	-	-	179
At end of year	-	-	-	2,092
Deferred taxation recognised arises as a result of:				
Deferred tax liabilities:				
Offshore income and other provisions	-	-	-	2,092
	-	-	-	2,092
Net deferred tax liabilities	-	-	-	2,092

Deferred taxation does not include the Group's unutilised tax losses of $6.0 million (2016: $4.3 million) that can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation.

14. Revenue

	Group 30.06.17 $'000	Group 30.06.16 $'000
Proceeds from sale of investments	**39,755**	6,865
Investment income	**54,221**	187,875
Interest income	**184**	341
	94,160	195,081

15. Staff costs

	Group 30.06.17 $'000	Group 30.06.16 $'000
Salaries, wages and benefits	**277**	238

16. Profit before tax

Profit before tax is arrived at after charging/(crediting) the following:

	Group 30.06.17 $'000	Group 30.06.16 $'000
Emoluments to Directors of the Company	**288**	236
Fair value gain on investment	**(119,006)**	-
Investment impairment loss	**162**	-
Auditors' remuneration:		
Auditors of the Company	**60**	59
(Profit)/loss on sale of investments	**(28,195)**	642
Foreign exchange translation loss realised on liquidation of subsidiary	**231**	19,926
Foreign exchange (gain)/loss	**(2,343)**	227
Management fees	**10,174**	20,384

17. Taxation

	Group 30.06.17 $'000	Group 30.06.16 $'000
Current tax:		
Tax expense	**14,634**	3,277
Over provision for prior year	**(82)**	(133)
Others	**469**	476
	15,021	3,620
Deferred tax:		
Movements in temporary differences	**(2,092)**	179
	12,929	3,799

The income tax expense on the results of the Group differs from the amount of income tax expense determined by applying the Singapore standard rate of income tax of 17% to profit before tax due to the following:

	Group 30.06.17 $'000	Group 30.06.16 $'000
Profit before tax:	**162,911**	144,365
Tax expense calculated at tax rate of 17% (2016:17%)	**27,695**	24,542
Income not subject to tax	**(27,945)**	(23,446)
Effect of different tax rates in other countries	**8,566**	1,988
Expenses not deductible for tax purposes	**4,226**	372
Over provision for prior year	**(82)**	(133)
Others	**469**	476
	12,929	3,799

Notes to Financial Statements

18. Earnings per share

	Group			
	30.06.17 Basic $'000	30.06.17 Diluted $'000	30.06.16 Basic $'000	30.06.16 Diluted $'000
Net profit attributable to shareholders of the Company	**149,982**	**149,982**	140,566	140,566
	30.06.17 Number of Shares '000		30.06.16 Number of Shares '000	
Weighted average number of ordinary shares	**433,124**	**433,124**	433,124	433,124
Weighted average number of ordinary shares used to compute earnings per share	**433,124**	**433,124**	433,124	433,124
Earnings per ordinary share (cents)	**34.63**	**34.63**	32.45	32.45

19. Dividends and capital distributions

	$'000
During the financial year, the following dividends and capital distribution were paid:	
Capital distribution of 7.5 cents per share on the issued and paid up ordinary shares in respect of the previous financial year	32,484
Interim tax exempt one-tier dividends of 2.0 cents per share on the issued and paid up ordinary shares in respect of the current financial year	8,662
	41,146

20. Significant related party transactions

Some of the Group's transactions and arrangements are with related parties and the effects of these on the basis determined between the parties are reflected in these financial statements.

Significant related party transactions

	Group	
	30.06.17 $'000	30.06.16 $'000
Revenue		
Substantial shareholder and its subsidiaries		
Interest income	**139**	125
	139	125
Expenses		
Substantial shareholder and its subsidiaries		
Professional fee, office rental and other expenses	**517**	509
Management fee	**10,174**	20,384
	10,691	20,893

21. Financial risk management

The activities of the Group are exposed to a variety of financial risks, including the effect of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group manages its risk through diversification of investments. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

Market risk

i) Interest rate risk

The Group has exposure to market risk for changes in interest rate and such exposure relates to investment in fixed deposits. The Group does not use derivative financial instruments to hedge investment in fixed deposits.

Sensitivity analysis for interest rate risk

A change of 0.5% (2016: 0.5%) in interest rate at the reporting date would increase/decrease profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit for the year	
	0.5% increase $'000	0.5% decrease $'000
Group		
30.06.17		
Deposits with financial institutions	**82**	**(82)**
Deposits with related parties	**149**	**(149)**
30.06.16		
Deposits with financial institutions	227	(227)
Deposits with related parties	20	(20)

ii) Currency risk

The Group has currency deposits and transactions denominated in foreign currencies arising from its investing activities, primarily the US dollar. The Group's foreign currency exposures arise mainly from the exchange rate movement of these foreign currencies against the Singapore dollar, which is the Group's reporting currency. The Group does not use derivative financial instruments to hedge such risk.

The Company has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. Exchange differences arising from the translation are recognised in other comprehensive income and accumulated in a separate component of equity.

At the reporting date, the carrying amounts of unhedged monetary assets and liabilities denominated in foreign currencies other than the respective Group entities' functional currencies are as follows:

	30.06.17 $'000	30.06.16 $'000
Balances denominated in USD		
Group		
Financial Assets		
Debtors and other receivables	**7,671**	7,690
Deposits, bank balances and cash	**27,515**	39,120
Company		
Financial Assets		
Notes receivable	**69,498**	67,943
Debtors and other receivables	**7,671**	7,690
Deposits, bank balances and cash	**27,515**	39,120
Amounts due from subsidiaries – non-trade	**17**	16

Notes to Financial Statements

21. Financial risk management (continued)

Sensitivity analysis for currency risk
If the relevant foreign currency change against SGD by 5% (2016: 5%) with all other variables held constant, the effects will be as follows:

	Profit		Equity	
	30.06.17 $'000	30.06.16 $'000	**30.06.17 $'000**	30.06.16 $'000
Group				
USD against SGD				
- Strengthened	**1,759**	2,341	**-**	-
- Weakened	**(1,759)**	(2,341)	**-**	-
Company				
USD against SGD				
- Strengthened	**5,235**	5,737	**-**	-
- Weakened	**(5,235)**	(5,737)	**-**	-

Price risk
As at 30 June 2017 and 30 June 2016, the Group does not hold quoted investments, hence is not exposed to equity securities price risk arising from equity investments classified as available-for-sale investments.

Liquidity risk
Prudent liquidity risk management requires the Group to maintain sufficient cash and marketable securities, internally generated cash flows, and the availability of funding resources through an adequate amount of committed credit facilities. Due to the dynamic nature of business, the Group maintains flexibility in funding by ensuring that ample working capital lines are available at any one time.

Investment risk
The Group's activities expose it to the effects of changes in debt and equity market prices, resulting from economic and non-economic events. Its overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Capital risk
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2017 and 30 June 2016.

Fair value of financial instruments
The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset and liability that are not based on observable market data (unobservable inputs)

The following table presents the assets measured at fair value at 30 June 2017.

	Level 2 $'000	Level 3 $'000	Total $'000
Group			
30.06.17			
Available-for-sale investments	**173,713**	**-**	**173,713**
Financial assets at fair value through profit or loss	**129,975**	**-**	**129,975**
	303,688	**-**	**303,688**
30.06.16			
Available-for-sale investments	-	-	-
Financial assets at fair value through profit or loss	-	12,108	12,108
	-	12,108	12,108
Company			
30.06.17			
Available-for-sale investments	**-**	**-**	**-**
30.06.16			
Available-for-sale investments	-	-	-

The following table presents the reconciliation of available-for-sale investments measured at fair value based on significant unobservable inputs (Level 3).

	Company		Group	
	30.06.17 $'000	30.06.16 $'000	**30.06.17 $'000**	30.06.16 $'000
At beginning of year	**-**	-	**-**	2,031
Fair value gain recognised in other comprehensive income	**-**	-	**-**	90
Distributions	**-**	-	**-**	(2,121)
At end of year	**-**	-	**-**	-

22. Segment analysis

Geographical Information

Financial year ended 30 June 2017

	Singapore $'000	USA $'000	Others $'000	Total $'000
External sales	**138**	**94,021**	**1**	**94,160**

Financial year ended 30 June 2016

	Singapore $'000	USA $'000	Others $'000	Total $'000
External sales	120	194,956	5	195,081
Non-current assets	-	146,804	-	146,804

The Group has only one reportable operating segment: Investments. The Group's investment activities consist of the Group's investments in quoted and unquoted investments.

The Group's operating segment operates in two main geographical areas. The operating activities and investment activities are predominantly in the USA. Singapore is the home country of the Company and its assets are mainly cash and cash equivalents.

For the years ended 30 June 2017 and 30 June 2016, no single external customer accounted for 10% or more of the Group's revenue.

Notes to Financial Statements

23. Subsequent events

Divestment of interests in Guggenheim Capital, LLC

On 28 July 2017, the Board of Directors announced that the Company's indirect wholly-owned subsidiaries, DFS Holdings I Corp and DFS Holdings II Limited have entered into a definitive agreement with Guggenheim Capital, LLC ("Guggenheim") for the redemption of the Group's entire ownership interests in Guggenheim, comprising 100,000 Series A preferred units, 250,000 common units, 11,111,111 detachable warrants, and an additional 1.85 million common units for a gross cash consideration of approximately US$221 million ("Guggenheim Disposal"), which is prior to any deductions for U.S. income taxes and the Greenstreet carried interest. The Guggenheim Disposal is expected to be completed during the fourth quarter of 2017.

As at 30 June 2017, the carrying amount of the Group's interests in Guggenheim has been adjusted to reflect the indicative fair values.

Capital Distribution

On 16 August 2017, the Board of Directors announced the proposed capital distribution of up to 30.35 cents per share (2016: 7.5 cents per share) out of the Company's share capital account. The capital distribution will be subject to the completion of the Guggenheim Disposal having taken place, approval of shareholders at an Extraordinary General Meeting, all other relevant approvals and consents being obtained and made pursuant to relevant sections of the Companies Act (Chapter 50).

Interested Person Transactions

Interested persons as defined by the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual") are the Directors, the chief executive officer, or controlling shareholders of the Company, or the associates of any such Director, chief executive officer or controlling shareholder.

Interested person transactions carried out during the financial year pursuant to the Shareholders' Mandate obtained under Chapter 9 of the Listing Manual by the Group are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	1 Jul 16 to 30 Jun 17 $'000	1 Jul 15 to 30 Jun 16 $'000	**1 Jul 16 to 30 Jun 17 $'000**	1 Jul 15 to 30 Jun 16 $'000
General Transactions				
KCL Group	**-**	-	**517**	509
Greenstreet Partners	**-**	-	**10,174**	20,384
Corporate Treasury Transactions				
KCL Group	**-**	-	**31,269**	4,740
Total	**-**	-	**41,960**	25,633

Saved as disclosed above, in the Directors' Statement and in the Financial Statements, the Company and its subsidiaries did not enter into any material contracts involving the interests of the Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Statistics of Shareholdings
As at 31 August 2017

Issued and fully paid-up capital	:	S$131,470,102.54
No. of Shares issued	:	433,123,585
Class of Shares	:	Ordinary Shares with equal voting rights
No. of Treasury Shares	:	Nil

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 99	141	1.54	4,301	0.00
100 - 1,000	1,424	15.58	960,604	0.22
1,001 - 10,000	5,399	59.07	24,614,716	5.69
10,001 - 1,000,000	2,162	23.66	91,478,910	21.12
1,000,001 & above	14	0.15	316,065,054	72.97
Total	9,140	100.00	433,123,585	100.00

Top Twenty Largest Shareholders as at 31 August 2017

Name of Shareholders	No. of Shares	% of Shares
Kephinance Investment Pte Ltd	156,085,138	36.04
UOB Kay Hian Pte Ltd	116,124,510	26.81
DBS Nominees Pte Ltd	9,889,685	2.28
Lee Pineapple Company Pte Ltd	8,000,000	1.85
Citibank Nominees S'pore Pte Ltd	7,804,844	1.80
United Overseas Bank Nominees Pte Ltd	4,632,674	1.07
OCBC Nominees Singapore Pte Ltd	3,060,275	0.71
Raffles Nominees (Pte) Ltd	2,237,978	0.52
Heng Yong Seng	2,000,000	0.46
Hong Joo Co Pte Ltd	1,700,000	0.39
Peh Kok Wah @ Peh Wah Chye	1,274,000	0.29
Chua Geok Lin	1,240,000	0.29
RHB Securities Singapore Pte Ltd	1,015,850	0.23
Chow Swee Liang	1,000,100	0.23
Phillip Securities Pte Ltd	958,026	0.22
OCBC Securities Private Ltd	910,949	0.21
Maybank Kim Eng Securities Pte Ltd	806,445	0.19
Oo Soon Hee	702,800	0.16
Ang Keng Boon	630,000	0.15
Sloane Court Hotel Pte Ltd	612,200	0.14
Total	320,685,474	74.04

Substantial Shareholders

Name of shareholders	Direct Interest No. of shares	%	Deemed Interest No. of shares	%	Total interest No. of shares	%
Kephinance Investment Pte Ltd	156,085,138	36.04	-	-	156,085,138	36.04
Keppel Corporation Limited ("KCL")	-	-	156,085,138	36.04	156,085,138	36.04
Temasek Holdings (Private) Limited ("Temasek")	-	-	156,085,138	36.04	156,085,138	36.04
Greenstreet Partners L.P.	35,200,000	8.13	-	-	35,200,000	8.13
Green Family Foundation, Inc ("GFF")	25,866,560	5.97	-	-	25,866,560	5.97
Steven Jay Green	-		61,066,560	14.10	61,066,560	14.10
Alexander Vahabzadeh	48,800	0.01	53,000,000	12.24	53,048,800	12.25
Kamal Bahamdan	27,000	0.01	53,000,000	12.24	53,027,000	12.24
BV Singapore Holdings Limited	53,000,000	12.24	-	-	53,000,000	12.24

Notes:
1. The deemed interests of KCL arise from its interest in Kephinance Investment Pte Ltd, a wholly-owned subsidiary of KCL.
2. The deemed interests of Temasek arise from its shareholdings in KCL. Please also refer to Note 1 above.
3. The deemed interests of Steven Jay Green arise from his interests in Greenstreet Partners L.P. and GFF.
4. The interests of Alexander Vahabzadeh and Kamal Bahamdan arise from their direct interests as well as their interests in BV Singapore Holdings Limited.

Public Shareholders

Based on the information available to the Company as at 31 August 2017, approximately 37.57% of the issued shares of the Company is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the ordinary shares of the Company is at all times held by the public.

Treasury Shares

As at 31 August 2017, there are no treasury shares held.

Financial Calendar

FY 2017

Financial year-end	30 June 2017
Announcement of 2017 1Q results	26 October 2016
Announcement of 2017 2Q results	01 February 2017
Announcement of 2017 3Q results	24 April 2017
Announcement of 2017 full year results	01 August 2017
Despatch of Annual Report to shareholders	27 September 2017
Annual General Meeting	20 October 2017
2017 Proposed final dividend	
Books closure date	5.00 p.m., 27 October 2017
Payment date	8 November 2017

Corporate Information

Board of Directors
Neo Boon Siong (Chairman)
Jeffrey Alan Safchik (Chief Executive Officer)
Lee Suan Yew
Alexander Vahabzadeh
Annie Koh
Tan Poh Lee Paul

Audit Committee
Neo Boon Siong (Chairman)
Annie Koh
Tan Poh Lee Paul

Remuneration Committee
Annie Koh (Chairman)
Lee Suan Yew
Neo Boon Siong

Nominating Committee
Lee Suan Yew (Chairman)
Neo Boon Siong
Tan Poh Lee Paul

Company Secretary
Winnie Mak

Registered Office
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Tel no. : (65) 6438 8898
Fax no. : (65) 6413 6352
Email : info@k1ventures.com
Website : www.k1ventures.com.sg

Share Registrar
B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

Auditors
Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809
Audit Partner: Tay Boon Suan
(Year appointed: 2013)

Notice of Annual General Meeting

k1 Ventures Limited
Co. Reg. No. 197000535W
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of k1 Ventures Limited (the "Company") will be held at Suntec Singapore Convention and Exhibition Centre, Rooms 324 - 326, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on Friday, 20 October 2017 at 2.30 p.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 30 June 2017. **Resolution 1**

2. To declare a final tax-exempt (one-tier) dividend of 6.5 cents per share for the financial year ended 30 June 2017 (2016: nil). **Resolution 2**

3. To re-elect the following directors, each of whom will retire pursuant to Article 86 of the Company's Constitution and who, being eligible, offer themselves for re-election pursuant to Article 87 (see Note 2).

   (a) Mr Alexander Vahabzadeh **Resolution 3(a)**

   (b) Mr Tan Poh Lee Paul **Resolution 3(b)**

4. To re-elect Mr Jeffrey Alan Safchik, who ceases to hold office as a director in accordance with Article 93 of the Company's Constitution and who, being eligible, offers himself for re-election (see Note 2). **Resolution 4**

5. To approve the remuneration of the directors of the Company for the financial year ended 30 June 2017, comprising the payment of directors' fees of S$351,000 in cash (2016: S$321,000) (see Note 3). **Resolution 5**

6. To approve the remuneration of the directors of the Company for the financial year ending 30 June 2018, comprising the payment of directors' fees in cash of up to S$321,000, pro-rated on a daily basis for each director who has served for less than the entire financial year ending 30 June 2018, based on the length of his/her service during that financial year (that is, until he/she ceases to hold office or his/her management powers have ceased (whichever is earlier)) (see Note 4). **Resolution 6**

7. To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company for the financial year ending 30 June 2018, and to authorise the directors to fix their remuneration. **Resolution 7**

As Special Business

To consider and, if thought fit, approve with or without modification, the following resolution as an Ordinary Resolution:

8. That: **Resolution 8**

   (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in the Appendix to this Notice of Annual General Meeting (the "Appendix"), with any person who falls within the classes of Interested Persons described in the Appendix, provided that such transactions are made on arm's length basis and on normal commercial terms and in accordance with the review procedures for Interested Person Transactions as set out in the Appendix (the "Shareholders' Mandate");

   (b) the Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier;

(c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

(d) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders' Mandate and/or this Resolution (see Note 5).

BY ORDER OF THE BOARD

Winnie Mak
Company Secretary
Singapore, 27 September 2017

Notice of Annual General Meeting

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting ("AGM"). Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than one proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

   A proxy need not be a member of the Company. The proxy form must be deposited 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 holding the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

2. Detailed information about these directors can be found in the "Board of Directors" and "Senior Management" sections of the Company's Annual Report 2017.

   Mr Vahabzadeh is Managing Partner of the Beaumont Group of companies. Prior to Beaumont, he was the co-founder and president of SAFANAD, an international investment firm, with investment professionals in Geneva, Switzerland, the United States and the GCC. From 1994 to 2009, Mr Vahabzadeh was the co-founder and managing partner of the BV Group, which built a portfolio of private equity and real estate holdings in the US, Europe and Asia. He has developed several successful real estate operating platforms and aggregated a significant portfolio of assets in specialized sectors such as government leased office buildings, healthcare real estate facilities and student housing projects. Over the past 20 years, Mr Vahabzadeh has led investments in over 100 private equity transactions and funds. In addition, he serves on the advisory board of several venture capital and corporate buyout funds in which his group is an investor. Mr Vahabzadeh holds a BBA in International Business from George Washington University. Mr Vahabzadeh has a 50% interest in the shares of BV Singapore Holdings Limited, a substantial shareholder of the Company.

   Mr Tan Poh Lee Paul will upon re-election continue to serve as a member of the Audit Committee and Nominating Committee. Mr Tan is the Group Controller of Keppel Corporation Limited, the holding company of Kephinance Investment Pte Ltd, a substantial shareholder of the Company. Mr Tan is also the Chief Financial Officer of Keppel Offshore & Marine Ltd, a wholly-owned subsidiary of Keppel Corporation Limited. He joined Keppel Group in 1980 and has held various management positions over the years within the Keppel Group. Mr Tan is responsible for the Group Accounts of Keppel Corporation Limited and provides advice to the Keppel Group on accounting and corporate finance matters. He is also involved in investor relations for the Keppel Group. Mr Tan is also an independent director of Penguin International Limited and an alternate director of Dyna-Mac Holdings Ltd, both of which are companies listed on the SGX-ST.

   Mr Jeffrey Alan Safchik will upon re-election continue to serve as Executive Director of the Company. He is currently the Chief Executive Officer and Chief Financial Officer of the Company. Mr Safchik is also the Managing Director and Chief Financial Officer of Greenstreet Partners. He is also a founder of Greenstreet Real Estate Partners, a company engaged in the business of real estate investment, and is the Chairman of their Investment and Advisory Committees. He is an active member of a number of civic and charitable institutions in Miami, Florida, and is the Chairman of the University of Miami, Department of Pediatrics Children's Council, as well as a trustee of the Green Family Foundation.

3. The framework of directors' fees is set out in the Company's Corporate Governance Report on pages 12 and 13 of the Company's Annual Report 2017. Unlike previous years where directors' remuneration comprised a cash payment and an award to non-executive directors of existing shares in the Company from market purchases by the Company, the proposed directors' remuneration for the financial year ended 30 June 2017 shall be paid entirely in cash. No shares will be awarded to the non-executive directors for this period and instead, each non-executive director will receive a sum of S$6,000. Accordingly, the proposed cash amount of S$351,000 for the financial year ended 30 June 2017 is higher than the cash amount paid to directors as part of the directors' fees for the financial year ended 30 June 2016 (S$321,000). The directors will abstain from voting, and will procure that their respective associates shall abstain from voting, in respect of Resolution 5.

4. The proposed directors' remuneration for the financial year ending 30 June 2018 is based on the cash component of the current remuneration framework which can be found in the Company's Corporate Governance Report on page 12 of the Company's Annual Report 2017. No shares will be awarded to directors for this period. The amount of fees payable to each director who has served for less than the entire financial year ending 30 June 2018 will be *pro-rated* accordingly on a daily basis, based on the length of his/her service during that financial year (that is, until he/she ceases to hold office or his/her management powers have ceased (whichever is earlier)). The directors will abstain from voting, and will procure that their respective associates shall abstain from voting, in respect of Resolution 6.

   As announced by the Company on 28 July 2017, following the completion of the Guggenheim Disposal (as defined in the announcement of 28 July 2017), the Company would have disposed of all or substantially all of its assets and property. Accordingly, the Company will take steps to suspend the trading of its shares from the date of completion of the Guggenheim Disposal. The Company also intends to distribute its excess cash to its shareholders. The Company is expected to take steps to commence voluntary liquidation after the Company distributes excess cash to its shareholders following completion of the Guggenheim Disposal, but will also consider other options which are consistent with the Company's stated objective of monetization of investments and distribution of excess cash. The Company will, in compliance with its obligations under the Listing Manual of the SGX-ST, make further announcement(s) and/or seek shareholders' approval on such plans for the Company at the appropriate time.

5. Resolution 8 is to renew a mandate which was originally approved by shareholders on 23 June 1997 (last amended on 31 October 2007) and was last approved at the annual general meeting of the Company on 27 October 2016, allowing the Company, its subsidiaries and associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the SGX-ST. Please refer to the Appendix to this Notice of AGM for details.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

k1 Ventures Limited
Co. Reg. No. 197000535W
(Incorporated in the Republic of Singapore)

IMPORTANT
1. Relevant Intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), may appoint more than two proxies to attend and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy ordinary shares in the capital of k1 Ventures Limited ("Shares"), this report is forwarded to them at the request of their Agent Banks/SRS Operators and is sent solely FOR INFORMATION ONLY.
3. This proxy form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. A CPF/SRS investor who wishes to attend the Annual General Meeting as proxy has to submit his request to his Agent Bank/SRS Operator so that his Agent Bank/SRS Operator may appoint him as its proxy within the specified timeframe. (Agent Banks/SRS Operators: Please refer to Notes 2(b) and 5 on the reverse side of this form on the required details.)

Personal Data Privacy
By submitting an instrument appointing proxy or proxies and/or representative(s), a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 September 2017.

ANNUAL GENERAL MEETING

Proxy Form

I/We, ______________________________ (Name) ______________ (NRIC/Passport/UEN Number)

of ____ (Address)

being a member(s) of k1 Ventures Limited (the "Company") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies to attend, speak and vote on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 20 October 2017 at Suntec Singapore Convention and Exhibition Centre, Rooms 324-326, Level 3, 1 Raffles Boulevard Suntec City Singapore 039593 at 2.30 p.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting and at any adjournment thereof.

Resolutions	Number of Votes For *	Number of Votes Against *
Ordinary Business		
1. Adoption of Directors' Statement and Audited Financial Statements		
2. Declaration of Dividend		
3(a). Re-election of Mr Alexander Vahabzadeh as director		
3(b). Re-election of Mr Tan Poh Lee Paul as director		
4. Re-election of Mr Jeffrey Alan Safchik as director		
5. Approval of remuneration to directors for financial year ended 30 June 2017		
6. Approval of remuneration to directors for financial year ending 30 June 2018		
7. Re-appointment of Auditors		
Special Business		
8. To approve the proposed renewal of the Shareholders' Mandate for Interested Person Transactions		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick ("✔") within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this ________ day of ______________ 2017

Total Number of Shares held	

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

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Notes to proxy form:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you only have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. However, 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 of the Shares held by you.

2. (a) A member of the Company entitled to attend and vote at a meeting of the Company, and who is not a Relevant Intermediary, is entitled to appoint not more than two proxies to attend, speak and vote instead of him. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy.

   (b) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's form of proxy appoints more than one proxy, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of Shares, class of Shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF/SRS investors as its proxies shall comply with this Note.

   (c) "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

Fold along this line (1)

Affix
Postage
Stamp

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

Fold along this line (2)

3. A proxy need not be a member of the Company.

4. Completion and return of instrument appointing a proxy or proxies shall not preclude a member from attending and voting in person at the Annual General Meeting. Any appointment of a proxy or proxies will be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies to the Annual General Meeting.

5. The instrument appointing a proxy or proxies must be deposited 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 Annual General Meeting.

6. 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 its officer or attorney duly authorised in writing. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

8. 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 (including any related attachment) appointing a proxy or proxies. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

k1 Ventures Limited
(Incorporated in the Republic of Singapore)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Tel: (65) 6438 8898
Fax: (65) 6413 6352
www.k1ventures.com.sg

Co Reg No: 197000535W