

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

CIRCULAR DATED 5 OCTOBER 2016

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

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

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



K1 VENTURES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197000535W)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO
THE PROPOSED CAPITAL REDUCTION

IMPORTANT DATES AND TIMES:

| | | |
|------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Last date and time for lodgement of Proxy Form | : | 25 October 2016, at 3.00 p.m. |
| Date and time of Extraordinary General Meeting | : | 27 October 2016, at 3.00 p.m., or as soon thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 2.30 p.m. on the same day and at the same place |
| Place of Extraordinary General Meeting | : | Four Seasons Hotel Four Seasons Ballroom (Level 2) 190 Orchard Boulevard Singapore 248646 |

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DEFINITIONS

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

| | | |
|-------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Board" | : | The Board of Directors of the Company |
| "Books Closure Date" | : | A date to be announced by the Company on which the Transfer Books and the Register will be closed in order to determine the entitlements of Shareholders under the Proposed Capital Reduction |
| "Cash Distribution" | : | The proposed cash distribution by the Company to Shareholders of S\$0.075 in cash for each Share held by Shareholders or on their behalf as at the Books Closure Date, amounting to an aggregate distribution of approximately S\$32,484,269, as described in paragraph 1.1 of the Letter to Shareholders in this Circular |
| "CDP" | : | The Central Depository (Pte) Limited |
| "Companies Act" | : | The Companies Act, Chapter 50 of Singapore |
| "Company" | : | k1 Ventures Limited |
| "Court" | : | The High Court of the Republic of Singapore |
| "Directors" | : | The directors of the Company as at the Latest Practicable Date |
| "EGM" | : | The extraordinary general meeting of the Company, notice of which is set out on pages 14 and 15 of this Circular |
| "EPS" | : | Earnings per Share |
| "FY2016" | : | The financial year ended 30 June 2016 |
| "Group" | : | The Company and its subsidiaries |
| "Income Tax Act" | : | The Income Tax Act, Chapter 134 of Singapore |
| "Latest Practicable Date" | : | The latest practicable date prior to the printing of this Circular, being 19 September 2016 |
| "Market Day" | : | A day on which the SGX-ST is open for trading in securities |
| "NAV" | : | Net asset value, being total assets less total liabilities and non-controlling interests |
| "Notice of EGM" | : | The notice of EGM set out on pages 14 and 15 of this Circular |
| "NTA" | : | Net tangible assets |
| "Proposed Capital Reduction" | : | The proposed capital reduction exercise to be carried out by the Company pursuant to Section 78G of the Companies Act to effect the Cash Distribution, details of which are set out in paragraph 1.1 of the Letter to Shareholders in this Circular |

| | | |
|------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Register" | : | The Register of Members of the Company |
| "Resolution" | : | The special resolution relating to the Proposed Capital Reduction to be proposed at the EGM |
| "Securities Accounts" | : | Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent |
| "SGX-ST" | : | Singapore Exchange Securities Trading Limited |
| "Share Registrar" | : | B.A.C.S. Private Limited |
| "Shareholders" | : | Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with Shares |
| "Shares" | : | Ordinary shares in the capital of the Company |
| "S\$" or "S\$" | : | Singapore dollars |
| "Transfer Books" | : | The share transfer books of the Company |
| "VWAP" | : | Volume weighted average share price |
| "%" or "per cent." | : | Per centum or percentage |

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

The term **"subsidiaries"** shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

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

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

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

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

INDICATIVE TIMETABLE

The following are indicative dates and times for the Proposed Capital Reduction for illustrative purposes only⁽¹⁾:

| | | |
|-------------------------------------------------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Last date and time for lodgement of Proxy Forms for the EGM ⁽²⁾ | : | 25 October 2016 at 3.00 p.m. |
| Date and time of the EGM | : | 27 October 2016 at 3.00 p.m., or as soon thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 2.30 p.m. on the same day and at the same place |
| <i>Expected announcement date of the Books Closure Date</i> | : | <i>On or about 15 November 2016</i> |
| <i>Expected date for approval of the Court for the Proposed Capital Reduction</i> | : | <i>On or about 17 November 2016</i> |
| <i>Expected announcement date of Court sanction for the Proposed Capital Reduction</i> | : | <i>On or about 17 November 2016</i> |
| <i>Expected last date and time of "cum" trading of the Shares on the SGX-ST in relation to the Proposed Capital Reduction</i> | : | <i>On or about 18 November 2016 at 5.00 p.m.</i> |
| <i>Expected commencement of "ex" trading of the Shares on the SGX-ST in relation to the Proposed Capital Reduction</i> | : | <i>On or about 21 November 2016 at 9.00 a.m.</i> |
| <i>Expected Books Closure Date</i> | : | <i>On or about 23 November 2016 at 5.00 p.m.</i> |
| <i>Expected effective date of the Proposed Capital Reduction</i> | : | <i>On or about 24 November 2016</i> |
| <i>Expected payment date for the Cash Distribution pursuant to the Proposed Capital Reduction</i> | : | <i>On or about 2 December 2016</i> |

Notes:

- (1) Save for the date and time by which the Proxy Forms must be lodged and the date and time of the EGM, the timetable above is only indicative and the actual dates of the events in italics will be announced in due course by way of SGXNET announcement(s) released on the SGX-ST.
- (2) All Proxy Forms must be duly completed and deposited at the registered office of the Company at 1 Harbourfront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, not later than 48 hours before the time appointed for the EGM. Completion and return of a Proxy Form will not preclude a Shareholder from attending and voting at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

LETTER TO SHAREHOLDERS

K1 VENTURES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197000535W)

Directors:

Mr. Steven Jay Green (Chairman and Chief Executive Officer)
Dr. Lee Suan Yew (Independent Director)
Mr. Alexander Vahabzadeh (Non-Executive Director)
Prof. Neo Boon Siong (Independent Director)
Prof. Annie Koh (Independent Director)
Mr. Paul Tan (Non-Executive Director)

Registered Office:

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

5 October 2016

To: The Shareholders of k1 Ventures Limited

Dear Sir/Madam

1. INTRODUCTION

- 1.1 Proposed Capital Reduction.** On 3 August 2016, the Directors announced that the Company intends to distribute approximately S\$32,484,269 in aggregate to Shareholders by way of the Proposed Capital Reduction. The Proposed Capital Reduction is subject to, *inter alia*, the approval of Shareholders and the Court. The Proposed Capital Reduction will involve a cash distribution (the "**Cash Distribution**") by the Company to Shareholders of S\$0.075 in cash for each Share held by Shareholders or on their behalf as at the Books Closure Date, amounting to an aggregate distribution of approximately S\$32,484,269.
- 1.2 EGM.** The Directors are convening the EGM to seek the approval of Shareholders for the Proposed Capital Reduction.
- 1.3 Circular.** The purpose of this Circular is to provide Shareholders with information relating to the Proposed Capital Reduction, as well as to seek the approval of Shareholders for the special resolution relating to the Proposed Capital Reduction to be proposed at the EGM (the "**Resolution**").

2. THE PROPOSED CAPITAL REDUCTION

- 2.1 Proposed Capital Reduction.** As at the Latest Practicable Date, the Company had an issued share capital of approximately S\$163,954,371. The Company is proposing to return S\$0.075 in cash for each Share held by Shareholders or on their behalf as at the Books Closure Date. Based on the number of existing issued Shares of 433,123,585 as at the Latest Practicable Date, an aggregate amount of approximately S\$32,484,269 will be returned to Shareholders pursuant to the Proposed Capital Reduction.
- 2.2 Effects of the Proposed Capital Reduction.** The Proposed Capital Reduction will not result in any change in the number of Shares held by any Shareholder. Each Shareholder will hold the same number of Shares before and immediately after the Proposed Capital Reduction.

- 2.3 **Funds for the Proposed Capital Reduction.** The Proposed Capital Reduction will be funded from existing cash and cash equivalents. The Company is undertaking the Proposed Capital Reduction in order to distribute surplus cash to Shareholders.
- 2.4 **Illustration.** The following illustrates the position of a Shareholder who holds 1,000 Shares as at the Books Closure Date:

| | Shareholder |
|------------------------------------------------------------|-------------|
| Shareholding before the Proposed Capital Reduction | |
| Number of Shares currently held | 1,000 |
| Shareholding after the Proposed Capital Reduction | |
| Cash received (S\$) | 75 |
| Number of Shares held after the Proposed Capital Reduction | 1,000 |

In summary, Shareholders will receive S\$75.00 in cash for every 1,000 Shares (or S\$0.075 in cash for each Share) held as at the Books Closure Date. Shareholders holding odd lots of Shares (i.e. lots other than board lots of 100 Shares) will likewise receive S\$0.075 in cash for each Share held by them or on their behalf as at the Books Closure Date. The aggregate amount received by each Shareholder will be rounded down to the nearest cent. The shareholding of each Shareholder in the Company shall remain unchanged after the Proposed Capital Reduction.

- 2.5 **Conditions to the Proposed Capital Reduction.** The Proposed Capital Reduction is subject to, *inter alia*:
 - 2.5.1 the approval of Shareholders by way of a special resolution for the Proposed Capital Reduction at the EGM;
 - 2.5.2 the approval of the Court for the Proposed Capital Reduction; and
 - 2.5.3 all other relevant approvals and consents being obtained.
- 2.6 **Payment Date.** On the lodgement of the copy of the Order of Court approving the Proposed Capital Reduction, together with the other documents as prescribed under the Companies Act, with the Accounting and Corporate Regulatory Authority of Singapore, the Proposed Capital Reduction shall take effect, and the Cash Distribution will become payable.
- 2.7 **Rationale.** The Board has reviewed the capital structure of the Company while taking into consideration that the Company will not be making any new investments, but will focus on managing the current portfolio of assets, with a view to monetise when appropriate and distribute surplus cash to Shareholders. As such, the Board is of the view that the capital of the Company is in excess of its requirements and the Proposed Capital Reduction will allow the Company to return approximately S\$32,484,269 to Shareholders.

The main objective of the Proposed Capital Reduction is the maximisation of shareholder value, through the distribution of surplus cash to Shareholders.

The Board believes that following the Proposed Capital Reduction, the Company will continue to maintain a sufficient capital base which will allow it to continue to execute on the strategy of proactively managing the current portfolio of investments.

2.8 Taxation

2.8.1 General

Shareholders should note that the following statements are not to be regarded as advice on the tax position of any Shareholder or on any tax implications arising from the Proposed Capital Reduction or Cash Distribution. Shareholders should consult their own professional advisers as to any tax implications that may arise from the Proposed Capital Reduction or Cash Distribution.

2.8.2 Tax implications under Singapore Law

In relation to the Cash Distribution to be made to Shareholders pursuant to the Proposed Capital Reduction, as the amounts which are to be paid to Shareholders pursuant to the Cash Distribution will be paid out of the reduction of the existing issued and paid-up share capital of the Company, the Cash Distribution should generally be regarded as a return of capital and not taxable for Shareholders unless the proceeds constitute taxable revenue gains or profits from a trade or business carried on by Shareholders.

3. FINANCIAL EFFECTS OF THE PROPOSED CAPITAL REDUCTION AND PRO FORMA BALANCE SHEET

The pro forma financial effects of the Proposed Capital Reduction are set out in Appendix 1 to this Circular. The pro forma financial effects are for illustration purposes only and do not reflect the actual financial position of the Group after the Proposed Capital Reduction. The pro forma balance sheet of the Group after the Proposed Capital Reduction is set out in Appendix 2 to this Circular.

4. ADMINISTRATIVE PROCEDURES FOR THE PROPOSED CAPITAL REDUCTION

4.1 Books Closure Date. Persons registered in the Register, and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date would be entitled to receive a Cash Distribution of S\$0.075 for each Share held by them or on their behalf as at the Books Closure Date.

Persons registered in the Register and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date would be considered for the purposes of the Proposed Capital Reduction on the basis of the number of such Shares registered in their names or standing to the credit of their Securities Accounts as at the Books Closure Date.

The Company will announce the Books Closure Date as soon as practicable.

4.2 Shareholders holding Scrip Shares. Shareholders who hold Shares registered in their own names in the Register and who wish to deposit their Shares with CDP prior to the Books Closure Date must deliver their existing share certificates in respect of their Shares, together with the duly executed instruments of transfer in favour of CDP at least 12 Market Days prior to the Books Closure Date in order for their Securities Accounts maintained with CDP to be credited with the relevant Shares by the Books Closure Date.

4.3 Payment of the Cash Distribution. Payment of the Cash Distribution pursuant to the Proposed Capital Reduction will be made in the following manner:

4.3.1 Shareholders holding Scripless Shares

Shareholders who are Depositors and who have Shares standing to the credit of their Securities Accounts as at the Books Closure Date, will have the cheques for payment of their respective entitlements to the Cash Distribution under the Proposed Capital Reduction despatched to them by CDP by ordinary post at their own risk. Alternatively, such Shareholders will have payment of their respective entitlements to the Cash Distribution under the Proposed Capital Reduction made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions. The Company will arrange for the relevant funds to be remitted to CDP on or around the eighth Market Day after the Books Closure Date and CDP will arrange for payment to be made to Shareholders in the manner set out above.

4.3.2 Shareholders holding Scrip Shares

Shareholders whose Shares are registered in the Register as at the Books Closure Date will have the cheques for payment of their entitlements to the Cash Distribution under the Proposed Capital Reduction despatched to them by ordinary post at their own risk. The Company will arrange for the relevant funds to be remitted to the Share Registrar on or around the eighth Market Day after the Books Closure Date and the Share Registrar will arrange for cheques to be despatched to Shareholders in the manner set out above.

5. EFFECT OF THE PROPOSED CAPITAL REDUCTION ON SHARE PRICE

5.1 VWAP. For illustrative purposes only, based on the six-month VWAP of the Company of approximately S\$0.8101 for the period from 4 February 2016 to 3 August 2016, being the date of the Company's announcement of the Proposed Capital Reduction, the theoretical six-month VWAP as adjusted for the Proposed Capital Reduction would be approximately S\$0.7351.

5.2 Last Transacted Price. For illustrative purposes only, based on the last transacted price of the Shares as at the Latest Practicable Date of S\$0.9700, the theoretical price of the Shares after the Proposed Capital Reduction would be S\$0.8950.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

| Directors | Direct Interest | Number of Shares | | |
|-------------------------------------|-----------------|------------------|---------------------------|-------|
| | | % ⁽¹⁾ | Deemed Interest | % |
| Steven Jay Green | – | – | 61,066,560 ⁽²⁾ | 14.10 |
| Lee Suan Yew | 69,000 | 0.016 | – | – |
| Alexander Vahabzadeh ⁽³⁾ | 39,800 | 0.009 | 53,000,000 | 12.24 |
| Neo Boon Siong | 39,800 | 0.009 | – | – |
| Annie Koh | 22,600 | 0.005 | – | – |
| Tan Poh Lee Paul | 2,500 | 0.001 | – | – |

Notes:

- (1) Percentages are based on 433,123,585 Shares as at the Latest Practicable Date.
- (2) The deemed interest of Steven Jay Green arises from his interests in Greenstreet Partners L.P. and Green Family Foundation, Inc. Please see paragraph 6.2 below.
- (3) The interests of Alexander Vahabzadeh arise from his direct interest as well as his interest in BV Singapore Holdings Limited. Please see paragraph 6.2 below.

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

| Substantial Shareholders | Direct Interest | Number of Shares | | |
|------------------------------------------------|-----------------|------------------|----------------------------|------------------|
| | | % ⁽¹⁾ | Deemed Interest | % ⁽¹⁾ |
| Kephinance Investment Pte Ltd | 156,076,138 | 36.04 | – | – |
| Keppel Corporation Limited ("KCL") | – | – | 156,076,138 ⁽²⁾ | 36.04 |
| Temasek Holdings (Private) Limited ("Temasek") | – | – | 156,076,138 ⁽³⁾ | 36.04 |
| Greenstreet Partners L.P. | 35,200,000 | 8.13 | – | – |
| Green Family Foundation, Inc ("GFF") | 25,866,560 | 5.97 | – | – |
| Steven Jay Green | – | – | 61,066,560 ⁽⁴⁾ | 14.10 |
| Alexander Vahabzadeh ⁽⁵⁾ | 39,800 | 0.01 | 53,000,000 | 12.24 |
| Kamal Bahamdan ⁽⁵⁾ | 27,000 | 0.01 | 53,000,000 | 12.24 |
| BV Singapore Holdings Limited | 53,000,000 | 12.24 | – | – |

Notes:

- (1) Percentages are based on 433,123,585 Shares as at the Latest Practicable Date.
- (2) The deemed interest of KCL arises from its interest in Kephinance Investment Pte Ltd, a wholly-owned subsidiary of KCL.
- (3) The deemed interest of Temasek arises from its interest in KCL.
- (4) The deemed interest of Steven Jay Green arises from his interests in Greenstreet Partners L.P. and GFF.
- (5) The interests of Alexander Vahabzadeh and Kamal Bahamdan arise from their direct interests as well as their interests in BV Singapore Holdings Limited.

7. DIRECTORS' RECOMMENDATION

Having considered the terms of and the rationale for the Proposed Capital Reduction, the Directors are of the opinion that the Proposed Capital Reduction is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the special resolution relating to the Proposed Capital Reduction at the EGM.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 14 and 15 of this Circular, will be held on Thursday, 27 October 2016 at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 at 3.00 p.m. (Singapore time), or as soon thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 2.30 p.m. on the same day and at the same place, for the purpose of considering and, if thought fit, passing with or without any modifications, the Resolution as set out in the Notice of EGM.

9. NOTICE OF BOOKS CLOSURE DATE

The Books Closure Date for the purpose of determining Shareholders' entitlements pursuant to the Proposed Capital Reduction will be announced at a later date.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

10.1 Lodgement of Proxies. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 1 Harbourfront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 not later than 3.00 p.m. (Singapore time) on Tuesday, 25 October 2016. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM 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 to the EGM.

10.2 When Depositor regarded as Shareholder. A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Capital Reduction, the Company, and its subsidiaries which are relevant in the context of the Proposed Capital Reduction, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to the date of the EGM:

- (i) the Constitution of the Company; and
- (ii) the Company's Annual Report for FY2016.

Yours faithfully
For and on behalf of the Board of Directors of
k1 Ventures Limited

Steven Jay Green
Chairman

APPENDIX 1

PRO FORMA FINANCIAL EFFECTS

1. **Assumptions.** The pro forma financial effects of the Proposed Capital Reduction on the NAV per Share, the share capital and the leverage ratios of the Group have been prepared based on the audited consolidated financial statements of the Group for FY2016. The pro forma financial effects are purely for illustration purposes only and do not reflect the actual financial position of the Group after the Proposed Capital Reduction.
2. **NAV.** The pro forma financial effects of the Proposed Capital Reduction on the NAV of the Group for FY2016 are as follows:

| | Pro Forma | |
|----------------------------|---------------------------------------|--------------------------------------|
| | Before the Proposed Capital Reduction | After the Proposed Capital Reduction |
| NAV (S\$'000) | 207,732 | 175,248 |
| NAV per Share (S\$) | 0.480 | 0.405 |

3. **Share Capital.** The Proposed Capital Reduction will not have any impact on the number of Shares held by Shareholders. The pro forma financial effects of the Proposed Capital Reduction on the share capital of the Company for FY2016 are as follows:

| | Shares | Value (S\$) |
|---------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Share capital as at 30 June 2016 | 433,123,585 | 163,954,371 |
| Pro forma adjusted issued share capital after the Proposed Capital Reduction and the Cash Distribution | 433,123,585 | 131,470,102 |

4. **Leverage Ratios.** The Group has no outstanding borrowings as at 30 June 2016.

APPENDIX 2

PRO FORMA BALANCE SHEET OF THE GROUP

GROUP BALANCE SHEET

As at 30 June 2016

| | Before Proposed Capital Reduction S\$'000 | After Proposed Capital Reduction S\$'000 |
|-------------------------------------|----------------------------------------------------------|---------------------------------------------------------|
| Share capital | 163,955 | 131,471 |
| Reserves | 43,777 | 43,777 |
| | <hr/> | <hr/> |
| Share capital & reserves | 207,732 | 175,248 |
| Represented by: | | |
| Investments | 146,804 | 146,804 |
| | <hr/> | <hr/> |
| | 146,804 | 146,804 |
| | <hr/> | <hr/> |
| Current assets | | |
| Debtors | 14,211 | 14,211 |
| Bank balances, deposits and cash | 53,670 | 21,186 |
| | <hr/> | <hr/> |
| | 67,881 | 35,397 |
| | <hr/> | <hr/> |
| Current liabilities | | |
| Creditors | 1,561 | 1,561 |
| Provision for taxation | 3,300 | 3,300 |
| | <hr/> | <hr/> |
| | 4,861 | 4,861 |
| | <hr/> | <hr/> |
| Net current assets | 63,020 | 30,536 |
| | <hr/> | <hr/> |
| Non-current liabilities | | |
| Deferred taxation | 2,092 | 2,092 |
| | <hr/> | <hr/> |
| | 2,092 | 2,092 |
| | <hr/> | <hr/> |
| Net assets | 207,732 | 175,248 |
| | <hr/> <hr/> | <hr/> <hr/> |

K1 VENTURES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 197000535W)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of k1 Ventures Limited (the "**Company**") will be held at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 on Thursday, 27 October 2016 at 3.00 p.m. (Singapore time), or as soon thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 2.30 p.m. on the same day and at the same place, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

Special Resolution

Approval of the Proposed Capital Reduction

RESOLVED THAT pursuant to Article 53 of the Constitution of the Company and contingent upon the approval of the High Court of the Republic of Singapore:

- (a) the issued share capital of the Company shall be reduced by the sum of up to S\$32,484,268.87, and such reduction be effected by returning the sum of up to S\$32,484,268.87 from the issued share capital of the Company to the shareholders of the Company ("**Shareholders**", being registered holders of the Shares (as defined below), other than the Company, except that where the registered holder is The Central Depository (Pte) Limited, the term "**Shareholders**" shall mean Depositors (other than the Company), as defined under the Companies Act, Chapter 50 of Singapore), on the basis of S\$0.075 for each issued ordinary share in the capital of the Company (each, a "**Share**") held by a Shareholder or on his/her behalf as at a books closure date to be determined by the Directors (the "**Proposed Capital Reduction**"). The aggregate amount received by each Shareholder will be rounded down to the nearest cent; and
- (b) the Directors, the Chief Financial Officer and any of them be and are hereby authorised to do all acts and things and to execute all such documents as he or she may consider necessary or expedient to give effect to this Resolution.

BY ORDER OF THE BOARD OF
K1 VENTURES LIMITED

Winnie Mak
Company Secretary

5 October 2016

Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting (“EGM”). 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.
2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, 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 EGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing 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

(Incorporated in the Republic of Singapore)
Company Registration No. 197000535W

EXTRAORDINARY GENERAL MEETING PROXY FORM

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 Extraordinary General Meeting.
2. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares of k1 Ventures Limited ("Shares") through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal data privacy

By submitting an instrument appointing proxy or proxy(ies) and/or representative(s), a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 5 October 2016.

I/We _____ (Name) _____ (NRIC/Passport/UEN Number)
of _____ (Address)
being a member/members 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 Extraordinary General Meeting of the Company to be held at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 on Thursday, 27 October 2016 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 2.30 p.m. on the same day and at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution to be proposed at the Extraordinary 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 Extraordinary General Meeting and at any adjournment thereof.

| Special Resolution | Number of Votes For* | Number of Votes Against* |
|--------------------------------------------|----------------------|--------------------------|
| Approval of the Proposed Capital Reduction | | |

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

Dated this _____ day of _____ 2016.

| | |
|--------------------------------|--|
| Total number of Shares Held | |
|--------------------------------|--|

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

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

Notes:

1. Please insert the total number of Shares held by you. If you only 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.
(b) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend 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.
3. A proxy need not be a member of the Company.

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)

4. Completion and return of instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies will be revoked if a member attends the Extraordinary 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 Extraordinary 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 Extraordinary 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 Extraordinary 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 Extraordinary General Meeting as certified by The Central Depository (Pte) Limited to the Company.

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