

Issuer: k1 Ventures Limited
Security: k1 Ventures Limited

Meeting details:

Date: 27 Oct 2016

Time: 15:00H

Venue: Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646

Company Description

K1 Ventures Limited is a principal investment firm specializing in acquisitions, strategic partnerships, and other strategic business relationships. The firm focuses on investments in mature industries and markets. It primarily invests in education, energy, and transportation leasing companies in the United States but is not averse to investments in new markets and industries. The firm prefers to make investments through a mixture of debt and equity financing and will take a minority or controlling position based on each investment and such investments can be structured using its ability to invest across an entire capital structure, from senior debt to common equity. It was formerly known as Keppel Marine Industries Limited. K1 Ventures Limited was founded on July 7, 1970 and is based in Miami, Florida with additional offices in Singapore; Santa Monica, California; and New York City.

(Source: http://sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=BLT)

Q1. In the “Review of Investments” (page 10 of the annual report), it was disclosed that:

The Group has received its share of all cash proceeds arising from the Sales, except for approximately US\$128 million of cash reserves being held by KUE for potential contingent liabilities associated with the transactions, and will receive its pro-rata share of the net available reserves as distributed.

- a) **Can the company confirm that the US\$128 million is the total cash reserves being held by KUE and the group will only receive its 10.2% pro-rata share when the net available reserves are distributed? Please also let shareholders know the expiry of the contingent liabilities period.**
- b) **Please give shareholders a better understanding of the real estate portfolio (size, location, lease, last/estimated valuation) which is now being held via KUE 3 LP.**

Q2. For the group’s investments in the financial services, the group currently holds 100,000 Series A Preferred Units, 250,000 Common Units and 11,111,111 Warrants to acquire common units issued by Guggenheim Capital, LLC. In the Chairman’s Statement (page 2), it was disclosed that the group intends to exercise the Put in accordance with the provisions contained within the definitive documents.

- a) Preferred Units: The Preferred Units may also be redeemed by Guggenheim under certain circumstances at par value with full payment of any accumulated unpaid dividends. **Please disclose the circumstances in which Guggenheim has the right to redeem the Preferred Units.**
- b) Common Units: **What are the circumstances in which k1 retains the rights to receive an additional 1.85 million Common Units?**
- c) Warrants: **Is the sixth anniversary of issuance also the expiry date of the warrants? Under what certain circumstances can the warrants be redeemed by Guggenheim?**

Q3. The group has just two investments left. The Guggenheim Preferred Units mature in June 2017 and the put for the Guggenheim Warrants has an expiry at the same time. The Put Right for the real estate investment has a Put date of 31 March 2017. It is likely that by the end of the next financial year the group would be in the final stages of the monetisation of the investments and the distribution of surplus cash. **Would the board be exploring opportunities to capture more value for shareholders perhaps via a reverse takeover?** A voluntary liquidation may be more expedient but there might be some more value for shareholders in the listing status of the company.