KR INVESTMENT LTD.

INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTH ENDED FEBRUARY 28, 2011

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors. The Company’s independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditors.

KR INVESTMENT LTD.

BALANCE SHEET

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	February 28, 2011 $ (Unaudited)	**August 31, 2010 $** (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	114,230	209,864
DEFERRED FINANCING COSTS	84,069	1,680
	198,299	211,544
LIABILITIES		
CURRENT LIABILITIES		
Accounts payables and accrued liabilities	4,193	5,799
Due to related party (Note 5)	11,100	11,100
	15,293	16,899
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	197,760	197,760
Deficit	(14,754)	(3,115)
	183,006	194,645
	198,299	211,544

NATURE OF OPERATIONS (Note 1)
COMMITMENTS (Note 4(c) and 4(d))
SUBSEQUENT EVENT (Note 8)

Approved on behalf of the Board: *"Ki Bong Cho"* Ki Bong Cho, Director *"S. John Kim"* S. John Kim, Director

The accompanying notes are an integral part of these financial statements

KR INVESTMENT LTD.

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Three Month Period Ended February 28, 2011 $	Six Month Period Ended February 28, 2011 $	Period from Inception on August 3, 2010 to August 31, 2010 $
REVENUE	-	-	-
EXPENSES			
Accounting and legal	952	8,392	3,115
Bank charges	110	269	-
Telephone	145	233	-
Transfer agent and filing fees	2,596	2,745	-
	3,803	11,639	3,115
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(3,803)	(11,639)	(3,115)
DEFICIT, BEGINNING OF PERIOD	(10,951)	(3,115)	-
DEFICIT, END OF PERIOD	(14,754)	(14,754)	(3,115)
LOSS PER SHARE			
Loss Per Share – Basic and Diluted	-	-	(0.02)
Weighted Average Shares Outstanding	4,000,000	4,000,000	142,860

The accompanying notes are an integral part of these financial statements

KR INVESTMENT LTD.

STATEMENTS OF CASH FLOWS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Three Month Period Ended February 28,2011 $	**Six Month Period Ended February 28, 2011 $**	**Period from Inception on August 3, 2010 to August 31, 2010 $**
OPERATING ACTIVITIES			
Net loss for the period	(3,803)	(11,639)	(3,115)
Changes in operating assets and liabilities:			
Accounts payable and accrued liabilities	(10,622)	(1,606)	5.799
	(14,425)	(13,245)	2,684
FINANCING ACTIVITIES			
Advances from a related party	-	-	11,100
Common shares issued for cash	-	-	200,000
Share issuance and deferred financing costs	(25,155)	(82,389)	(3,920)
	(25,155)	(82,389)	207,180
INCREASE IN CASH AND CASH EQUIVALENTS	(39,580)	(95,634)	209,864
CASH AND CASH EQUIVALENTS, BEGINNING O PERIOD	153,810	209,864	-
CASH AND CASH EQUIVALENTS, END OF PERIOI	114,230	114,230	209,864
CASH AND CASH EQUIVALENTS			
Demand deposits	99,746	99,746	200,000
Cash held in trust	14,484	14,484	9,864
	114,230	114,230	209,864
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for:			
Interest	-	-	-
Income taxes	-	-	-

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

KR Investment Limited. (the "Company") was incorporated on August 3, 2010 under the Business Corporations Act (British Columbia). The Company is a Capital Pool Company ("CPC") as defined in TSX Venture Exchange Policy 2.4, and accordingly, its planned principal activity is to use its capital to investigate and find a business or group of assets to acquire (the "Qualifying Transaction"). The Company completed its Initial Public Offering ("IPO") on March 24, 2011 and its shares commenced trading on the TSX Venture Exchange on March 29, 2011.

The Company does not currently have operations or assets capable of generating ongoing revenues or cash flows and there is no certainty that it will complete a Qualifying Transaction within the twenty-four month time period specified by TSX Venture Exchange Policy 2.4.

Although these financial statements have been prepared and presented on a going concern basis, there is significant risk that the Company will not become a going concern, in which case this basis of presentation will not be appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian GAAP for interim financial statements, applied on a consistent basis. These unaudited interim financial statements follow the same significant accounting policies and methods of application as those disclosed in Note 2 to the Company's audited financial statements for the period from inception on August 3, 2010 to August 31, 2010 (the "Audited Financial Statements"). These unaudited interim financial statements and notes thereon should be read in conjunction with the Audited Financial Statements.

The preparation of these unaudited interim financial statements and the accompanying notes requires management to make estimates and assumptions that affect the amounts reported. In the opinion of management, these unaudited interim financial statements reflect all adjustments (which only normal, recurring adjustments) necessary to state fairly the results for the period presented. Actual results could vary from these estimates and the operating results for the interim periods presented are not necessarily indicative of the results expected for the full year.

(Expressed in Canadian Dollars)

3. RECENT ACCOUNTING PRONOUNCEMENTS

Recent Canadian accounting pronouncements that have been announced but are not yet effective are as follows:

(i) CICA 1582, “Business Combinations”, CICA 1601, “Consolidated Financial Statements” and CICA 1602, “Non-Controlling Interests”

In January 2009, the CICA issued Section 1582 “Business Combinations” to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards (“IFRS”). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The CICA concurrently issued Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-Controlling Interests,” which replace Section 1600 “Consolidated Financial Statements.” Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 “Business Combinations.” The adoption of this standard is not expected to have a material effect on the Company’s financial statements.

(ii) International Financial Reporting Standards

In February 2008, the CICA Accounting Standards Board confirmed that public companies will be required to prepare interim and annual financial statements under International Financial Reporting Standards (“IFRS”) for fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of adopting IFRS and has not yet determined its effect on its financial statements.

4. SHARE CAPITAL

(a) Authorized: Unlimited number of common shares without par value.

(b) Issued and Outstanding

	Number of Shares	Amount $
Balance, August 3, 2010	–	–
Issued for cash	4,000,001	200,001
Cancelled	(1)	(1)
Less: related issuance costs	–	(2,240)
Balance, August 31, 2010	4,000,000	197,760
Less: related issuance costs	–	(84,069)
Balance as at February 28, 2011	4,000,000	113,691

On August 3, 2010, the Company issued 1 common share at a price of $1 and 1 common share at a price of $0.05. The first common share issued at $1 was subsequently returned to treasury and cancelled.

4. SHARE CAPITAL (continued)

On August 5, 2010, the Company issued 2 common shares at a price of $0.05.

On August 30, 2010, the Company issued 3,999,997 common shares at a price of $0.05 per share for gross proceeds of $200,000. These shares were subscribed for by the Company's directors.

(c) On September 2, 2010, the Company entered into an agreement with its agent to commit to offer 2,000,000 common shares of the Company at a price of $0.10 per share for gross proceeds of $200,000 (the "IPO"). In connection with the IPO, the Company filed a preliminary prospectus on SEDAR on October 15, 2010, and agreed to pay to its agent a cash commission equal to 10% of the gross proceeds of the IPO and to issue agent options to acquire the number of common shares of the Company equal to 10% of the common shares issued under the IPO. The agent options will be exercisable at a price of $0.10 per share for a period of two years from the date the common shares are listed for trading on the TSX Venture Exchange.

(d) On September 15, 2010, the Company approved the issuance of 400,000 share purchase options to directors of the Company, at an exercise price of $0.10 per share, exercisable for a period of ten years from the date of issuance. These options will be issued at the time of closing the Initial

Public Offering as described in Note 4(c) and will be subject to the same escrow provisions as described in Note 4(e).

(e) Escrowed Shares

In conjunction with the Company's application to become a CPC, the 4,000,000 shares outstanding at February 28, 2011 will be held in escrow and released in accordance with TSX Venture Exchange Policy 2.4 over a period of up to 36 months from the date of the Final Exchange Bulletin following the completion of a Qualifying Transaction.

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the six month period ended February 28, 2011, the Company had no related party transactions.

During August 2010, a director of the company advanced a retainer of $11,100 to the Company's legal counsel on behalf of the Company. This advance remains outstanding as of February 28, 2011, is unsecured, non-interest bearing and due on demand.

6. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to complete a qualifying transaction to raise equity or other financing and to safeguard the Company's ability to continue as a going concern (see Note 1). The Company does not have any externally imposed capital requirements to which it is subject.

As at February 28, 2011, the Company considers capital to consist of share capital deficit. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or long term debt.

The Company expects its current and future capital resources to be sufficient to pursue a Qualifying

Transaction and to fund current operations.

7. FINANCIAL INSTRUMENTS AND RISKS

(a) Financial instruments

The Company's financial instruments include cash and cash equivalents, accounts payable and amounts due to a related party. The Company classified its cash and cash equivalents as held-for-trading and its accounts payable as other financial liabilities.

(b) Fair value measurements

CICA 3862, *Financial Instruments – Disclosures*, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. CICA 3862 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. CICA 3862 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

(Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS AND RISKS (continued)

(b) Fair value measurements (continued)

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents is determined based on “Level 1” inputs, which consist of quoted prices in active markets for identical assets.

Assets measured at fair value on a recurring basis were presented on the Company’s balance sheet as at February 28, 2011 and August 31, 2010 as follows:

	Fair Value Measurements as at February 28, 2011 Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	February 28, 2011 $
Assets:				
Cash and cash equivalents	114,230	–	–	114,230

	Fair Value Measurements as at August 31, 2010 Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	August 31, 2010 $
Assets:				
Cash and cash equivalents	209,864	–	–	209,864

(c) Financial risks

In management's opinion, the Company is not exposed to significant interest rate, currency exchange rate or liquidity risk arising from these financial instruments. The fair values of these financial instruments approximate their carrying values because of their current or on demand nature. The Company is not exposed to derivative financial instruments.

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with high credit quality financial institutions. The values of these instruments may exceed the amounts insured by an agency of the government of Canada.

8. SUBSEQUENT EVENT

On January 17, 2011, the Company filed its final Initial Public Offering Prospectus with the British Columbia and Alberta Securities Commissions to offer 2,000,000 common shares of the Company at a price of $0.10 per share for gross proceeds of $200,000 in accordance with the agreement described in Note 4(c).

On March 24, 2011, the Company completed the 2,000,000 common shares offering as described above.