



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013

PART 1 - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		
	Period Ended 28/29 February		
	2013	Restated 2012	%
	S\$'000	S\$'000	change + / (-)
<b>Continuing operations</b>			
<b>Revenue</b>	19,800	26,450	(25.1)
Cost of sales	(13,951)	(17,461)	(20.1)
Gross profit	5,849	8,989	(34.9)
Other income	12,825	836	1,434.1
Marketing and distribution costs	(118)	(209)	(43.5)
Administrative expenses	(7,385)	(6,144)	20.2
Finance costs	(8)	(18)	(55.6)
Other expenses	(128)	(51)	151.0
Share of results of associate	372	-	100.0
<b>Profit before tax from continuing operations</b>	11,407	3,403	
Income tax (expense)/ credits	(49)	290	(116.9)
<b>Profit from continuing operations, net of tax</b>	11,358	3,693	
<b>Discontinued operation</b>			
Loss from discontinued operation, net of tax	-	(1,086)	(100.0)
<b>Profit for the period</b>	11,358	2,607	
<b>Attributable to:</b>			
Owners of the Company			
Profit from continuing operations, net of tax	11,436	3,596	218.0
Loss from discontinued operation, net of tax	-	(597)	(100.0)
<b>Profit for the period attributable to the owners of the Company</b>	11,436	2,999	
Non-controlling interests			
(Loss)/ profit from continuing operations, net of tax	(78)	97	(180.4)
Loss from discontinued operation, net of tax	-	(489)	(100.0)
<b>Loss for the period attributable to non-controlling interests</b>	(78)	(392)	

Profit for the period includes the following items :

	The Group		
	Period Ended 28/29 February		
	2013	2012	%
	S\$'000	S\$'000	change + / (-)
Loss on foreign exchange	(128)	(142)	(9.9)
Gain on disposal of available-for-sale investments	405	574	(29.4)
Depreciation of property, plant and equipment	(2,442)	(3,089)	(20.9)
Amortisation of land used rights	(53)	-	(100.0)
Dividend income from available-for-sale investments	-	39	(100.0)
Interest income	33	51	(35.3)
Gain on disposal of property, plant and equipment	189	37	410.8
Property, plant and equipment written off	-	(3)	(100.0)
Grant income from jobs credit scheme	16	-	100.0
Allowance for doubtful debts	(1,032)	-	(100.0)
Impairment of available-for-sale investments	(746)	-	(100.0)
Legal and professional fees	(227)	(317)	(28.4)
Gain on disposal of subsidiaries	6,943	-	100.0
Gain on remeasurement of investment in associate to fair value	5,168	-	100.0



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1 (a)(i) Consolidated Statement of Comprehensive Income for the period ended 28 February 2013

The Statement of Comprehensive Income included as part of the results of the announcement is in compliance with the revised Financial Reporting Standard (FRS) 1 (effective from 1 January 2009).

	<b>The Group</b>		
	<b>Period Ended 28/29 February</b>		
	<b>2013</b>	<b>Restated 2012</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</b>
<b>Profit for the period</b>	11,358	2,607	335.7
<b>Other comprehensive income, net of tax</b>			
Foreign currency translation	(29)	618	(104.7)
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	(583)	(100.0)
Fair value gain/ (loss) on available-for-sale investments	298	(1,278)	(123.3)
Share of foreign currency translation of associate	6	-	100.0
<b>Total comprehensive income for the period</b>	<b>11,633</b>	<b>1,364</b>	
<b>Attributable to:</b>			
Owners of the Company	11,714	1,582	640.5
Non-controlling interests	(81)	(218)	(62.8)
<b>Total comprehensive income for the period</b>	<b>11,633</b>	<b>1,364</b>	
<b>Attributable to:</b>			
Owners of the Company			
Total comprehensive income from continuing operations, net of tax	11,738	2,041	475.1
Total comprehensive income from discontinued operation, net of tax	(24)	(459)	(94.8)
<b>Total comprehensive income for the period attributable to the owners of the Company</b>	<b>11,714</b>	<b>1,582</b>	

	<b>The Company</b>		
	<b>Period Ended 28/29 February</b>		
	<b>2013</b>	<b>Restated 2012</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</b>
<b>Profit/ (loss) for the period</b>	13,781	(741)	(1,959.8)
<b>Other comprehensive income, net of tax</b>			
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	(583)	(100.0)
Fair value gain/ (loss) on available-for-sale investments	298	(1,278)	(123.3)
<b>Total comprehensive income for the period</b>	<b>14,079</b>	<b>(2,602)</b>	
<b>Attributable to:</b>			
Owners of the Company	14,079	(2,602)	(641.1)



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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	28.02.2013 S\$'000	31.05.2012 S\$'000	28.02.2013 S\$'000	31.05.2012 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	39,020	36,815	202	336
Land use rights	3,486	3,569	-	-
Investments in subsidiaries	-	-	37,254	32,735
Investments in associate	6,993	-	6,615	-
Available-for-sale investments	1,466	2,257	1,465	2,257
Deferred tax assets	-	26	-	26
<b>Total non-current assets</b>	<b>50,965</b>	<b>42,667</b>	<b>45,536</b>	<b>35,354</b>
<b>Current assets</b>				
Trade and other receivables	9,842	4,358	5,840	5,792
Prepaid operating expenses	251	326	-	14
Cash and cash equivalents	14,730	7,964	8,732	4,705
	24,823	12,648	14,572	10,511
Assets of disposal groups classified as held for sale	-	15,612	-	799
<b>Total current assets</b>	<b>24,823</b>	<b>28,260</b>	<b>14,572</b>	<b>11,310</b>
<b>Total assets</b>	<b>75,788</b>	<b>70,927</b>	<b>60,108</b>	<b>46,664</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	62,215	62,215	62,215	62,215
Treasury shares	(848)	-	(848)	-
Accumulated losses	(1,801)	(12,878)	(4,584)	(16,975)
Other reserves	4,580	4,278	(81)	(379)
Reserves of disposal groups classified as held for sale	-	1,055	-	-
<b>Equity attributable to owners of the Company</b>	<b>64,146</b>	<b>54,670</b>	<b>56,702</b>	<b>44,861</b>
Non-controlling interests	2,721	2,292	-	-
<b>Total equity</b>	<b>66,867</b>	<b>56,962</b>	<b>56,702</b>	<b>44,861</b>
<b>Non-current liabilities</b>				
Borrowings	997	-	-	-
Deferred tax liabilities	2,293	2,258	35	-
Other liabilities	330	-	-	-
<b>Total non-current liabilities</b>	<b>3,620</b>	<b>2,258</b>	<b>35</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	2,732	1,171	2,785	541
Other liabilities	2,197	2,197	399	1,020
Finance lease liabilities	181	293	-	-
Tax payable	191	524	187	242
	5,301	4,185	3,371	1,803
Liabilities directly associated with disposal groups classified as held for sale	-	7,522	-	-
<b>Total current liabilities</b>	<b>5,301</b>	<b>11,707</b>	<b>3,371</b>	<b>1,803</b>
<b>Total liabilities</b>	<b>8,921</b>	<b>13,965</b>	<b>3,406</b>	<b>1,803</b>
<b>Total equity and liabilities</b>	<b>75,788</b>	<b>70,927</b>	<b>60,108</b>	<b>46,664</b>



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1(b)(ii) Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

	The Group		The Group	
	As at 28 February 2013		As at 31 May 2012	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Finance lease liabilities	181	-	293	-
Borrowings				
- continuing operations	-	-	-	-
- discontinued operation	-	-	1,945	-

(b) Amount repayable after one year

	The Group		The Group	
	As at 28 February 2013		As at 31 May 2012	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Finance lease liabilities	-	-	-	-
Borrowings	997	-	-	-

(c) Details of any collateral

Finance leases are entered into for certain motor vehicles, trailers and forklifts that are secured by the lessor's charge over the leased assets and are secured by Corporate Guarantee from GKE Corporation Limited ("GKEC").

Borrowings are entered into for to finance the construction of the warehouse in Shanghai, China. The borrowings are secured by Corporate Guarantee from GKEC.



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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group	
	Period Ended 28/29	
	February	
	2013	Restated 2012
	S\$'000	S\$'000
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	11,407	3,403
Loss before tax from discontinued operations	-	(1,086)
Profit before tax	11,407	2,317
Adjustments for:		
Dividend income from available-for-sale investments	-	(39)
Interest income	(33)	(51)
Interest expense	8	153
Depreciation of property, plant and equipment	2,442	3,089
Property, plant and equipment written off	-	3
Impairment of available-for-sale investments	746	-
Gain on disposal of subsidiaries	(6,943)	-
Amortisation of land use rights	53	-
Gain on disposal of property, plant and equipment	(189)	(37)
Gain on remeasurement of investment in associate to fair value	(5,168)	-
Gain on disposal of available-for-sale investments	(405)	(574)
Share of results of associate	(372)	-
Effect of exchange rate changes	(14)	512
<b>Operating cash flows before changes in working capital</b>	1,532	5,373
<b>Changes in working capital:</b>		
Inventories	-	176
Trade and other receivables	(8,035)	(10,066)
Prepaid operating expenses	75	292
Trade and other payables	3,665	267
Other liabilities	(666)	1,069
<b>Cash used in operations</b>	(3,429)	(2,889)
Interest received	33	51
Income tax paid	(382)	(15)
<b>Net cash flows used in operating activities</b>	(3,778)	(2,853)
<b>Cash flows from investing activities</b>		
Purchase of available-for-sale investments	-	(19)
Purchase of property, plant and equipment	(4,689)	(1,421)
Capital contribution from non-controlling interests	863	1,707
Net cash inflow on disposal of subsidiaries <sup>(2)</sup>	6,936	-
Proceeds from disposal of available-for-sale investments	810	1,239
Dividend received from available-for-sale investments	-	39
Proceeds from disposal of property, plant and equipment	241	91
<b>Net cash flows generated from investing activities</b>	4,161	1,636
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	997	463
Proceeds from finance lease	-	229
Dividends paid	(1,390)	(4,634)
Interest paid	(8)	(153)
Drawdown of loan from non-controlling interests	330	-
Purchase of treasury shares	(848)	-
Repayment of obligation under finance leases	(112)	(242)
<b>Net cash used in financing activities</b>	(1,031)	(4,337)
<b>Net decrease in cash and cash equivalents</b>	(648)	(5,554)
Cash and cash equivalents at the beginning of financial period <sup>(1)</sup>	15,374	17,128
Effect of exchange rate changes on cash and cash equivalents	4	61
Cash and cash equivalents at the end of financial period <sup>(1)</sup>	14,730	11,635



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**UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013**

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Explanatory Notes:

(1) Cash and cash equivalents in the cash flow statement comprise the following:-

	The Group	
	28.02.2013 S\$'000	29.02.2012 S\$'000
Cash and bank balances	8,430	8,935
Fixed deposits - current	6,300	2,700
<b>Cash and cash equivalents</b>	14,730	11,635

	The Group	
	01.06.2012 S\$'000	01.06.2011 S\$'000
Cash and bank balances		
- Continuing operations	7,964	13,128
- Discontinued operation	7,410	-
Fixed deposits - current	-	4,000
<b>Cash and cash equivalents</b>	15,374	17,128

(2) During the period, the Group disposed its 51% shareholding interest in its wholly-owned subsidiary, GKE Metal Logistics Pte Ltd ("GKEML") and its entire 52% shareholding interest in Liaoning China Starzyme Co., Ltd ("LCS"). The effects of the disposal on the cash flows of the Group were:

Carrying amounts of assets and liabilities disposed of

	GKEML S\$'000	LCS S\$'000	Total S\$'000
Property, plant and equipment	73	4,112	4,185
Trade and other receivables	2,736	140	2,876
Cash and bank balances	1,036	28	1,064
<b>Total assets</b>	3,845	4,280	8,125
Trade and other Payables	1,747	4,119	5,866
Income tax payable	329	28	357
Deferred tax liabilities	-	1,069	1,069
<b>Total liabilities</b>	2,076	5,216	7,292
<b>Net assets derecognised</b>	1,769	(936)	833
Less: Non controlling interests	(263)	487	224
<b>Net assets disposed of</b>	1,506	(449)	1,057
Gain on disposal	6,494	449	6,943
<b>Cash proceeds from disposal</b>	8,000	-	8,000
Less: Cash and cash equivalents in subsidiaries disposed of	(1,036)	(28)	(1,064)
<b>Net cash inflow/ (outflow) on disposal of subsidiaries</b>	6,964	(28)	6,936



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

Statement of Changes in Equity for the period ended 28 February 2013

The Group	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Reserves of disposal groups classified as held for sale S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Balance as at 1 June 2011</b>	62,215	-	(8,767)	7,109	-	60,557	2,383	62,940
Profit/ (loss) for the period	-	-	2,999	-	-	2,999	(392)	2,607
<u>Other comprehensive income:</u>								
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	-	-	(583)	-	(583)	-	(583)
Fair value loss on available-for-sale investments	-	-	-	(1,278)	-	(1,278)	-	(1,278)
Foreign currency translation	-	-	-	444	-	444	174	618
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	(1,417)	-	(1,417)	174	(1,243)
<b>Total comprehensive income for the period</b>	-	-	2,999	(1,417)	-	1,582	(218)	1,364
<u>Contributions by and distributions to owners:</u>								
Dividend paid on ordinary shares, representing total contributions by and distributions to owner	-	-	(4,634)	-	-	(4,634)	-	(4,634)
Capital contribution from non-controlling interests that do not result in a loss of control, representing total changes in ownership interests in subsidiaries	-	-	-	-	-	-	1,707	1,707
<b>Total transactions with owners in their capacity as owners</b>	-	-	(4,634)	-	-	(4,634)	1,707	(2,927)
<b>Balance as at 29 February 2012</b>	62,215	-	(10,402)	5,692	-	57,505	3,872	61,377



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

Statement of Changes in Equity for the period ended 28 February 2013

The Group	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Reserves of disposal groups classified as held for sale S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Balance as at 1 June 2012</b>	62,215	-	(12,878)	4,278	1,055	54,670	2,292	56,962
Profit/ (loss) for the period	-	-	11,436	-	-	11,436	(78)	11,358
<u>Other comprehensive income:</u>								
Fair value loss on available-for-sale investments	-	-	-	298	-	298	-	298
Foreign currency translation	-	-	-	(2)	(24)	(26)	(3)	(29)
Share of other comprehensive income of associate	-	-	-	6	-	6	-	6
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	302	(24)	278	(3)	275
<b>Total comprehensive income for the period</b>	-	-	11,436	302	(24)	11,714	(81)	11,633
<u>Contributions by and distributions to owners:</u>								
Dividend paid	-	-	(1,390)	-	-	(1,390)	(326)	(1,716)
Purchase of treasury shares	-	(848)	-	-	-	(848)	-	(848)
Disposal of subsidiaries	-	-	1,031	-	(1,031)	-	(27)	(27)
<b>Total contributions by and distributions to owners</b>	-	(848)	(359)	-	(1,031)	(2,238)	(353)	(2,591)
Capital contribution from non-controlling interests that do not result in a loss of control, representing total changes in ownership interests in subsidiaries	-	-	-	-	-	-	863	863
<b>Total transactions with owners in their capacity as owners</b>	-	(848)	(359)	-	(1,031)	(2,238)	510	(1,728)
<b>Balance as at 28 February 2013</b>	<b>62,215</b>	<b>(848)</b>	<b>(1,801)</b>	<b>4,580</b>	<b>-</b>	<b>64,146</b>	<b>2,721</b>	<b>66,867</b>





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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

Statement of Changes in Equity for the period ended 28 February 2013

The Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
<b>Balance as at 1 June 2011</b>	62,215	-	(14,486)	1,262	48,991
Loss for the period	-	-	(741)	-	(741)
<u>Other comprehensive income:</u>					
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	-	-	(583)	(583)
Fair value loss on available-for-sale investments	-	-	-	(1,278)	(1,278)
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	(1,861)	(1,861)
<b>Total comprehensive income for the period</b>	-	-	(741)	(1,861)	(2,602)
<u>Contributions by and distributions to owners:</u>					
Dividend paid on ordinary shares, representing total contributions by and distributions to owner	-	-	(4,634)	-	(4,634)
<b>Balance as at 29 February 2012</b>	62,215	-	(19,861)	(599)	41,755
<b>Balance as at 1 June 2012</b>	62,215	-	(16,975)	(379)	44,861
<b>Profit for the period</b>	-	-	13,781	-	13,781
<u>Other comprehensive income:</u>					
Fair value gain on available-for-sale investments, representing other comprehensive income for the period, net of tax	-	-	-	298	298
<b>Total comprehensive income for the period</b>	-	-	13,781	298	14,079
<u>Contributions by and distributions to owners:</u>					
Dividend paid	-	-	(1,390)	-	(1,390)
Purchase of treasury shares	-	(848)	-	-	(848)
<b>Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners</b>	-	(848)	(1,390)	-	(2,238)
<b>Balance as at 28 February 2013</b>	62,215	(848)	(4,584)	(81)	56,702



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

**Details of any changes in the Company's issued share capital**

	28.02.2013	30.11.2012	31.05.2012	29.02.2012
Total number of issued shares (excluding treasury shares)	457,946,636	459,996,636	463,363,636	463,363,636
Total number of treasury shares	5,417,000	3,367,000	-	-

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to 1(d)(ii).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or used of treasury shares as at end of the current financial year reported on.

Treasury shares relate to ordinary shares of the Company that are bought-back and held by the Company.

The Company acquired 5,417,000 shares (2012: nil) in the Company through purchases on the Singapore Stock Exchange during the financial period. The total amount paid to acquire the shares was \$848,000 (2012: nil) and this was presented as a component within shareholders' equity.

There are no sale, transfer, disposal, cancellation and/or use of treasury shares as at 28 February 2013.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or equivalent standard)**

The figures have not been reviewed nor audited.

**3. Where these figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)**

Not Applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those used in the most recently audited financial statements for the year ended 31 May 2012, except for the adoption of new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") applicable to the Group for the financial period beginning 1 June 2012.

The adoption of new/revised FRS and INT FRS have no material financial impact on the financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not Applicable.



**GKE CORPORATION LIMITED**  
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**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends**

	<b>The Group</b>	
	<b>Period Ended 28/29 February</b>	
	<b>2013</b>	<b>2012</b>
Earnings per share (in SGD cents)		
- Basic <sup>(1)</sup>	2.48	0.65
- Fully diluted <sup>(2)</sup>	2.48	0.65

Notes:

(1) The calculation of basic earnings per share is based on the profit for the period of S\$11,436,000 (2012: S\$2,999,000) divided by the weighted number of ordinary shares in issue during the year of 461,715,610 (2012: 463,363,636).

(2) The calculation of fully diluted earnings per share is based on the profit for the year of S\$11,436,000 (2012: S\$2,999,000) divided by the weighted number of ordinary shares in issue during the year of 461,715,610 (2012: 463,363,636). Diluted earnings per share for financial period ended 28 February 2013 is the same as basic earnings per share as the Group does not have any dilutive potential ordinary shares.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial period**

	<b>The Group</b>		<b>The Company</b>	
	<b>28.02.2013</b>	<b>31.05.2012</b>	<b>28.02.2013</b>	<b>31.05.2012</b>
Net assets (S\$'000)	64,146	54,670	56,702	44,861
<b>Net asset value per share (in SGD cents)</b>	14.01	11.80	12.38	9.68
Number of shares used in calculating NAV	457,946,636	463,363,636	457,946,636	463,363,636

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**8 (a) REVIEW OF THE PERFORMANCE OF THE GROUP**

Revenue decreased by 25.1% from S\$26.5 million to S\$19.8 million mainly due to the disposal of 51% shareholding of GKE Metal Logistics Pte Ltd and its subsidiaries ("Metal Group") and therefore minimal revenue contributed by Metal Group during the period.

The Group's gross profit reduced by 34.9% from S\$9 million to S\$5.8 million which is in tandem with the decrease in revenue.

The significant increase in other income from S\$0.8 million to S\$12.8 million is mainly due to one time gain on remeasurement of investment in associate to fair value, gain on disposal of available-for-sale investments and gain on disposal and liquidation of subsidiaries.

The decrease in marketing and distribution costs is largely due to the disposal of Metal Group.

Administrative expenses registered a 20.2% increase from S\$6.1 million to S\$7.4 million mainly due to allowance for doubtful debts, increase in staff costs and impairment of available-for-sale investments during the period under review.

The reduction in finance costs is due to the settlement of finance lease liability by the Group's subsidiaries, GKE Warehousing & Logistics Pte Ltd and GKE Express Logistics Pte Ltd in the previous financial year.

Other expenses for the period under review represents loss on foreign exchange resulted from the appreciation of US dollars payables.

The share of results of associate represents the share of profit from investment in an associate, GKE Metal Logistics Pte Ltd.



GKE CORPORATION LIMITED  
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**UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013**

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**8 (b) REVIEW OF THE FINANCIAL POSITION OF THE GROUP**

The increase in property, plant and equipment from S\$36.8 million to S\$39 million mainly relates to renovation works performed at our warehouse located at No. 1 Jalan Besut and preliminary construction of the warehouse in Shanghai, China.

Investment in associate represents the investment of 49% interest in GKE Metal Logistics Pte Ltd.

Available-for-sale investments decreased from S\$2.3 million to S\$1.5 million due to the downwards adjustment of fair valuation for quoted investments, disposal of unquoted investment and impairment of quoted investments.

Increase in trade and other receivables from S\$4.4 million to S\$9.8 million mainly relates to deposits paid for construction materials for the warehouse in Shanghai, tender deposit paid for the proposed warehouse acquisition located at No. 39 Benoi Road as well as increase in sales volume towards the end of the period under review.

Cash and cash equivalents increased mainly due to proceeds from disposal of subsidiaries received and proceeds from disposal of available-for-sale investments.

Borrowings represents loan drawdown by the Group's subsidiary, Van der Horst (Shanghai) Logistics Co., Ltd ("VDHS") to finance the construction of the warehouse in Shanghai, China.

Other liabilities represents interest-bearing loan given by non-controlling interests to VDHS to finance the construction of the warehouse in Shanghai, China.

Increase in trade and other payables from S\$1.2 million to S\$2.7 million is mainly due to is in line with the increase in business volume during the period.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, and variance between it and the actual results**

No forecast or prospect statement was previously announced.

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The global economic outlook for the next 12 months remains uncertain, there are signs of general slowdown and volatility in the market.

Going forward, the Group will continue to strengthen its core logistics business and pursue new opportunities to develop new markets.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

**(c) Date Payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

Not Applicable.



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13. Interest Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Chippel Overseas Supplies	Rental income - \$1,482	NIL
LegalStandard LLP	Professional fee - \$1,779	NIL
Grand total	- \$3,261	NIL

14. Negative confirmation pursuant to Rule 705(5)

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the third quarter financial results of the Company and of the Group for the period ended 28 February 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Neo Cheow Hui  
Executive Director and Chief Executive Officer  
11 April 2013

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*This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The details of the contact person for the Sponsor is:-*

*Name: Mr Wong Chee Meng Lawrence (Registered Professional, RHT Capital Pte. Ltd.)  
Address: Six Battery Road, #10-01, Singapore 049909  
Tel: 6381 6757*