



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 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 30 November		
	2013	2012	%
	S\$'000	S\$'000	change + / (-)
<b>Continuing operations</b>			
<b>Revenue</b>	14,748	13,389	10.2
Cost of sales	(11,350)	(9,776)	16.1
Gross profit	3,398	3,613	(6.0)
Other income	115	12,736	(99.1)
Marketing and distribution costs	(147)	(86)	70.9
Administrative expenses	(5,782)	(5,539)	4.4
Finance costs	(428)	(5)	8,460.0
Other expenses	(64)	(65)	(1.5)
Share of results of associates	213	297	(28.3)
<b>(Loss)/ Profit before tax from continuing operations</b>	(2,695)	10,951	(124.6)
Tax expense	-	(77)	(100.0)
<b>(Loss)/ Profit from continuing operations, net of tax</b>	(2,695)	10,874	(124.8)
<b>Discontinued operation</b>			
Profit from discontinued operation, net of tax	-	-	-
<b>(Loss)/ Profit for the period</b>	(2,695)	10,874	(124.8)
<b>(Loss)/ Profit attributable to:</b>			
Owners of the Company			
(Loss)/ Profit from continuing operations, net of tax	(2,256)	10,910	(120.7)
Profit from discontinued operation, net of tax	-	-	-
<b>(Loss)/ Profit for the period attributable to the owners of the Company</b>	(2,256)	10,910	(120.7)
Non-controlling interests			
Loss from continuing operations, net of tax	(439)	(36)	1,119.4
Profit from discontinued operation, net of tax	-	-	-
<b>(Loss)/ Profit for the period attributable to non-controlling interests</b>	(439)	(36)	1,119.4

(Loss)/ Profit before tax from continuing operations includes the following items :

	The Group		
	Period ended 30 November		
	2013	2012	%
	S\$'000	S\$'000	change + / (-)
Fees for audit services by auditor of the Company	(67)	(36)	86.1
Loss on foreign exchange	(64)	(65)	(1.5)
Gain on disposal of available-for-sale investments	-	405	(100.0)
Depreciation of property, plant and equipment	(2,949)	(1,629)	81.0
Amortisation of land used rights	(37)	(36)	2.8
Interest income	8	9	(11.1)
Gain on disposal of property, plant and equipment	20	167	(88.0)
Grant income from jobs credit scheme	9	11	(18.2)
Allowance for doubtful debts written back	2	-	100.0
Allowance for doubtful debts	-	(1,018)	(100.0)
Impairment of available-for-sale investments	(223)	(682)	(67.3)
Legal and professional fees	(739)	(184)	301.6
Gain on disposal of subsidiaries	-	6,943	(100.0)
Gain on revaluation of investment in associate to fair value	-	5,168	(100.0)



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

---

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013

---

1 (a)(i) Consolidated Statement of Comprehensive Income for the period ended 30 November 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 30 November</b>		
	<b>2013</b>	<b>2012</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</b>
<b>(Loss)/ Profit for the period</b>	(2,695)	10,874	(124.8)
<b>Other comprehensive income, net of tax</b>			
Foreign currency translation	(9)	(40)	(77.5)
Fair value gain on available-for-sale investments	178	171	4.1
Share of foreign currency translation of associates	(28)	5	(660.0)
<b>Total comprehensive income for the period</b>	<u>(2,554)</u>	<u>11,010</u>	<u>(123.2)</u>
<b>(Loss)/ Profit attributable to:</b>			
Owners of the Company	(2,121)	11,052	(119.2)
Non-controlling interests	(433)	(42)	931.0
<b>Total comprehensive income for the period</b>	<u>(2,554)</u>	<u>11,010</u>	<u>(123.2)</u>
<b>(Loss)/ Profit attributable to:</b>			
Owners of the Company			
Total comprehensive income from continuing operations, net of tax	(2,121)	11,076	(119.1)
Total comprehensive income from discontinued operation, net of tax	-	(24)	(100.0)
<b>Total comprehensive income for the period attributable to the owners of the Company</b>	<u>(2,121)</u>	<u>11,052</u>	<u>(119.2)</u>

	<b>The Company</b>		
	<b>Period ended 30 November</b>		
	<b>2013</b>	<b>2012</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</b>
<b>(Loss)/ Profit for the period</b>	(564)	13,798	(104.1)
<b>Other comprehensive income, net of tax</b>			
Fair value gain on available-for-sale investments	178	171	4.1
<b>Total comprehensive income for the period</b>	<u>(386)</u>	<u>13,969</u>	<u>(102.8)</u>
<b>(Loss)/ Profit attributable to:</b>			
Owners of the Company	<u>(386)</u>	<u>13,969</u>	<u>(102.8)</u>



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013

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	
	30.11.2013 S\$'000	31.05.2013 S\$'000	30.11.2013 S\$'000	31.05.2013 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	118,203	56,400	155	185
Land use rights	3,567	3,597	-	-
Investments in subsidiaries	-	-	50,082	42,909
Investments in associates	9,475	6,902	6,615	6,615
Investments in joint ventures	4,203	-	-	-
Available-for-sale investments	1,173	1,181	1,173	1,181
Other receivables	-	-	-	597
Prepayments	8,953	8,722	-	-
<b>Total non-current assets</b>	<b>145,574</b>	<b>76,802</b>	<b>58,025</b>	<b>51,487</b>
<b>Current assets</b>				
Trade and other receivables	10,338	6,143	17,313	9,872
Prepaid operating expenses	388	295	29	23
Cash and cash equivalents	5,341	10,924	23	193
<b>Total current assets</b>	<b>16,067</b>	<b>17,362</b>	<b>17,365</b>	<b>10,088</b>
<b>Total assets</b>	<b>161,641</b>	<b>94,164</b>	<b>75,390</b>	<b>61,575</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	62,215	62,215	62,215	62,215
Treasury shares	(848)	(848)	(848)	(848)
Accumulated losses	(6,541)	(2,911)	(8,237)	(6,299)
Other reserves	15,904	15,769	191	13
<b>Equity attributable to owners of the Company</b>	<b>70,730</b>	<b>74,225</b>	<b>53,321</b>	<b>55,081</b>
Non-controlling interests	5,079	3,688	-	-
<b>Total equity</b>	<b>75,809</b>	<b>77,913</b>	<b>53,321</b>	<b>55,081</b>
<b>Non-current liabilities</b>				
Borrowings	67,796	1,035	19,186	-
Deferred tax liabilities	4,469	4,432	62	25
Loan from non-controlling interests	340	347	-	-
<b>Total non-current liabilities</b>	<b>72,605</b>	<b>5,814</b>	<b>19,248</b>	<b>25</b>
<b>Current liabilities</b>				
Trade and other payables	2,011	1,443	577	4,958
Other liabilities	1,939	3,251	-	1,511
Borrowings	5,273	2,300	2,244	-
Finance lease liabilities	3,900	3,259	-	-
Tax payable	104	184	-	-
<b>Total current liabilities</b>	<b>13,227</b>	<b>10,437</b>	<b>2,821</b>	<b>6,469</b>
<b>Total liabilities</b>	<b>85,832</b>	<b>16,251</b>	<b>22,069</b>	<b>6,494</b>
<b>Total equity and liabilities</b>	<b>161,641</b>	<b>94,164</b>	<b>75,390</b>	<b>61,575</b>



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

---

---

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013

---

---

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 30 November 2013		As at 31 May 2013	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Finance lease liabilities	3,900	-	3,259	-
Borrowings	5,273	-	2,300	-

(b) Amount repayable after one year

	The Group		The Group	
	As at 30 November 2013		As at 31 May 2013	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Loan from non-controlling interests	-	340	-	347
Borrowings	67,796	-	1,035	-

(c) Details of any collateral

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

The borrowings repayable in one year or less comprise the current portion of the borrowings entered into to finance the acquisition of warehouses located at No. 6 Pioneer Walk and No. 39 Benoi Road and funds used as working capital of the Group. The borrowing is secured by Corporate Guarantee from GKEC and first legal mortgage over the properties located at No. 1 Jalan Besut, No. 30 Pioneer Road, No. 6 Pioneer Walk and No. 39 Benoi Road.

The loan from non-controlling interests repayable after one year are entered into to finance the construction of the warehouse in Yangshan Shanghai, China. The loan from non-controlling interests is unsecured.

The borrowings repayable after one year are entered into to finance the construction of the warehouse in Yangshan Shanghai, China and to finance the acquisition of the new warehouses located at No. 6 Pioneer Walk and No. 39 Benoi Road, Singapore. The borrowings are secured by Corporate Guarantee from GKEC and first legal mortgage over the properties located at No. 6 Pioneer Walk and No. 39 Benoi Road.



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013

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 30 November 2013	2012
	S\$'000	S\$'000
<b>Cash flow from operating activities</b>		
(Loss)/ Profit before tax from continuing operations	(2,695)	10,951
Profit before tax from discontinued operations	-	-
(Loss)/ Profit before tax	(2,695)	10,951
Adjustments for:		
Interest income	(8)	(9)
Interest expense	428	-
Depreciation of property, plant and equipment	2,949	1,629
Impairment of available-for-sale investments	223	682
Allowance for doubtful debts written back	(2)	-
Gain on disposal of subsidiaries	-	(6,943)
Amortisation of land use rights	37	36
Gain on disposal of property, plant and equipment	(20)	(167)
Gain on revaluation of investment in associate to fair value	-	(5,168)
Gain on disposal of available-for-sale investments	-	(405)
Share of results of associates	(213)	(297)
Effect of exchange rate changes	(27)	50
<b>Operating cash flows before changes in working capital</b>	672	359
<b>Changes in working capital:</b>		
Trade and other receivables	(4,224)	(4,894)
Prepaid operating expenses	(62)	45
Trade and other payables	(486)	1,940
Other liabilities	(258)	(538)
<b>Cash used in operations</b>	(4,358)	(3,088)
Interest received	8	9
Income tax paid	(80)	(244)
<b>Net cash flows used in operating activities</b>	(4,430)	(3,323)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,281)	(2,246)
Prepayments relating to acquisition of property, plant and equipment	(7,708)	-
Net cash inflow on disposal of subsidiaries <sup>(2)</sup>	-	6,936
Net cash outflow on acquisition of associate	(2,388)	-
Proceeds from disposal of available-for-sale investments	-	810
Capital contribution from non-controlling interests	1,824	863
Proceeds from disposal of property, plant and equipment	46	208
<b>Net cash flows (used in)/ generated from investing activities</b>	(12,507)	6,571
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	16,757	-
Repayments of loans and borrowings	(3,067)	-
Dividends paid	(1,374)	(1,390)
Interest paid	(428)	-
Purchase of treasury shares	-	(529)
Repayment of obligation under finance leases	(531)	(75)
<b>Net cash generated from/ (used in) financing activities</b>	11,357	(1,994)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(5,580)	1,254
Cash and cash equivalents at the beginning of financial period <sup>(1)</sup>	10,924	15,374
Effect of exchange rate changes on cash and cash equivalents	(3)	(48)
Cash and cash equivalents at the end of financial period <sup>(1)</sup>	5,341	16,580



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

---

---

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013

---

---

Explanatory Notes:

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

	The Group	
	30.11.2013	30.11.2012
	S\$'000	S\$'000
Cash and bank balances		
- Continuing operations	5,341	10,280
Fixed deposits - current	-	6,300
<b>Cash and cash equivalents</b>	<b>5,341</b>	<b>16,580</b>

	The Group	
	01.06.2013	01.06.2012
	S\$'000	S\$'000
Cash and bank balances		
- Continuing operations	10,924	7,964
- Discontinued operation	-	7,410
<b>Cash and cash equivalents</b>	<b>10,924</b>	<b>15,374</b>

(2) In the financial period ended 31 August 2012, 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

	Total
	S\$'000
Property, plant and equipment	4,255
Trade and other receivables	5,329
Cash and bank balances	2,059
<b>Total assets</b>	<b>11,643</b>
Trade and other Payables	7,544
Income tax payable	673
Deferred tax liabilities	1,069
<b>Total liabilities</b>	<b>9,286</b>
<b>Net assets derecognised</b>	<b>2,357</b>
Less: Non controlling interests	(27)
<b>Net assets disposed of</b>	<b>2,330</b>
Less: 49% of net assets of GKEMLPL retained by the Group	(1,447)
Add: Reclassification of translation reserves	174
Gain on disposal	6,943
<b>Cash proceeds from disposal</b>	<b>8,000</b>
Less: Cash and cash equivalents in subsidiaries disposed of	(1,064)
<b>Net cash inflow on disposal of subsidiaries</b>	<b>6,936</b>



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013

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 year.

Statement of Changes in Equity for the year ended 30 November 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 for the period	-	-	10,910	-	-	10,910	(36)	10,874
<u>Other comprehensive income:</u>								
Fair value gain on available-for-sale investments	-	-	-	171	-	171	-	171
Foreign currency translation	-	-	-	(12)	(3)	(15)	(25)	(40)
Share of other comprehensive income of associate	-	-	-	5	-	5	-	5
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	164	(3)	161	(25)	136
<b>Total comprehensive income for the period</b>	-	-	10,910	164	(3)	11,071	(61)	11,010
<u>Contributions by and distributions to owners:</u>								
Dividend paid on ordinary shares	-	-	(1,390)	-	-	(1,390)	(326)	(1,716)
Purchase of treasury shares	-	(529)	-	-	-	(529)	-	(529)
Reserves attributable to disposal groups classified as held for sale	-	-	1,031	-	(1,031)	-	(27)	(27)
<b>Total contributions by and distributions to owners</b>	-	(529)	(359)	-	(1,031)	(1,919)	(353)	(2,272)
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>	-	(529)	(359)	-	(1,031)	(1,919)	510	(1,409)
<b>Balance as at 30 November 2012</b>	<b>62,215</b>	<b>(529)</b>	<b>(2,327)</b>	<b>4,442</b>	<b>21</b>	<b>63,822</b>	<b>2,741</b>	<b>66,563</b>



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013

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 year.

Statement of Changes in Equity for the year ended 30 November 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
Balance as at 1 June 2013	62,215	(848)	(2,911)	15,769	-	74,225	3,688	77,913
Loss for the period	-	-	(2,256)	-	-	(2,256)	(439)	(2,695)
<u>Other comprehensive income:</u>								
Fair value gain on available-for-sale investments	-	-	-	178	-	178	-	178
Foreign currency translation	-	-	-	(15)	-	(15)	6	(9)
Share of other comprehensive income of associate	-	-	-	(28)	-	(28)	-	(28)
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	135	-	135	6	141
<b>Total comprehensive income for the period</b>	-	-	(2,256)	135	-	(2,121)	(433)	(2,554)
<u>Contributions by and distributions to owners:</u>								
Dividend paid on ordinary shares			(1,374)			(1,374)	-	(1,374)
<b>Total contributions by and distributions to owners</b>	-	-	(1,374)	-	-	(1,374)	-	(1,374)
Capital contribution from non-controlling interests that do not result in a loss of control, representing total changes in ownership interests in subsidiaries	-	-	-	-	-	-	1,824	1,824
<b>Total transactions with owners in their capacity as owners</b>	-	-	(1,374)	-	-	(1,374)	1,824	450
<b>Balance as at 30 November 2013</b>	<b>62,215</b>	<b>(848)</b>	<b>(6,541)</b>	<b>15,904</b>	<b>-</b>	<b>70,730</b>	<b>5,079</b>	<b>75,809</b>





GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013

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 year.

Statement of Changes in Equity for the year ended 30 November 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 2012</b>	62,215	-	(16,975)	(379)	44,861
Profit for the period	-	-	13,798	-	13,798
<u>Other comprehensive income:</u>					
Fair value gain on available-for-sale investments, representing other comprehensive income for the period, net of tax	-	-	-	171	171
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	171	171
<b>Total comprehensive income for the period</b>	-	-	13,798	171	13,969
<u>Contributions by and distributions to owners:</u>					
Dividend paid on ordinary shares	-	-	(1,390)	-	(1,390)
Purchase of treasury shares	-	(529)	-	-	(529)
<b>Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners</b>	-	(529)	(1,390)	-	(1,919)
<b>Balance as at 30 November 2012</b>	<b>62,215</b>	<b>(529)</b>	<b>(4,567)</b>	<b>(208)</b>	<b>56,911</b>
<b>Balance as at 1 June 2013</b>	62,215	(848)	(6,299)	13	55,081
Loss for the period	-	-	(564)	-	(564)
<u>Other comprehensive income:</u>					
Fair value gain on available-for-sale investments, representing other comprehensive income for the period, net of tax	-	-	-	178	178
<b>Total comprehensive income for the period</b>	-	-	(564)	178	(386)
<u>Contributions by and distributions to owners:</u>					
Dividend paid on ordinary shares	-	-	(1,374)	-	(1,374)
<b>Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners</b>	-	-	(1,374)	-	(1,374)
<b>Balance as at 30 November 2013</b>	<b>62,215</b>	<b>(848)</b>	<b>(8,237)</b>	<b>191</b>	<b>53,321</b>



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

---

---

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013

---

---

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**

	30.11.2013	31.05.2013	30.11.2012	31.05.2012
Total number of issued shares (excluding treasury shares)	457,946,636	457,946,636	459,234,916	459,234,916
Total number of treasury shares	5,417,000	5,417,000	3,367,000	-

1(d)(iii) To show the 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 period reported on.

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

There are no sale, transfer, disposal, cancellation and/or use of treasury shares as at 30 November 2013.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been reviewed nor audited.

**3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a 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 2013, 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 2013.

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**  
(Company Registration No. 200001941G)

---

**UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013**

---

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

	<u>The Group</u>	
	<u>Period ended 30 November</u>	
	<u>2013</u>	<u>2012</u>
Earnings per share (in SGD cents)		
- Basic <sup>(1)</sup>	(0.49)	2.16
- Fully diluted <sup>(2)</sup>	(0.49)	2.16

Notes:

(1) The calculation of basic earnings per share is based on the loss for the period of S\$2,256,000 (2013: profit of S\$10,910,000) divided by the weighted number of ordinary shares in issue during the period of 457,946,636 (2013: 462,601,916).

(2) The calculation of fully diluted earnings per share is based on the loss for the period of S\$2,256,000 (2013: profit of S\$10,910,000) divided by the weighted number of ordinary shares in issue during the period of 457,946,636 (2013: 462,601,916). Diluted earnings per share for financial period ended 30 November 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 total number of issued shares excluding treasury shares of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year.**

	<u>The Group</u>		<u>The Company</u>	
	<u>30.11.2013</u>	<u>31.05.2013</u>	<u>30.11.2013</u>	<u>31.05.2013</u>
Net assets (S\$'000)	70,730	74,225	53,321	55,081
<b>Net asset value per share (in SGD cents)</b>	15.45	16.21	11.64	12.03
Number of shares used in calculating NAV	457,946,636	457,946,636	457,946,636	457,946,636

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) 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; and (b) 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**  
**INCOME STATEMENT**

Revenue increased by 10.2% from S\$13.4 million to S\$14.7 million mainly contributed by the increase in volume handled from our local transportation services as well as the increase storage revenue generated from our newly acquired warehouses during the financial period.

Cost of sales increased by 16.1% from S\$9.8 million to S\$11.4 million largely due to higher direct costs such as staff costs and depreciation of property, plant and equipment. In line with the Group's business expansion, there was a substantial increase in staff headcount and also escalating cost of manpower. Depreciation charges increased significantly due to the upwards revaluation of the Group's leasehold properties.

The Group's gross profit decreased by 6% from S\$3.6 million to S\$3.4 million mainly due to the increase in cost of sales as mentioned above.

The significant decrease in other income from S\$12.7 million to S\$0.1 million is mainly due to the one time gain on revaluation of investment in associate to fair value, gain on disposal of subsidiaries and gain on disposal of available-for-sale investments in the corresponding financial period.

The increase in marketing and distribution costs is mainly due to expenses such as commission incurred and other incidental expenses for better development of the Group's future prospects.

The increase in administrative expenses is mainly due to increase in bank charges and professional fees incurred for the new acquisitions. Furthermore, there is an increase in staff costs which in line with the Group's business expansion as mentioned above. The increase was partly off-set with the decrease in allowance for doubtful debts and impairment on available-for-sale investments during the financial period.

Finance cost increased significantly due to the loan drawdown for financing the new acquisitions and finance lease liabilities drawdown by the Group.

The share of results of associates represent the share of profit from associate, GKE Metal Logistics Pte Ltd after netting off the share of losses from Maoming City Hung Ji Construction Materials Co., Ltd .



**GKE CORPORATION LIMITED**  
(Company Registration No. 200001941G)

---

---

**UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013**

---

---

**8 (b) REVIEW OF THE FINANCIAL POSITION AND CASH FLOW OF THE GROUP**

**STATEMENT OF FINANCIAL POSITION**

The increase in property, plant and equipment from S\$56.4 million to S\$118.2 million relates to the acquisition of warehouses located at No. 6 Pioneer Walk and No. 39 Benoi Road, construction of the warehouse in Yangshan Shanghai, China and purchase of prime movers, forklift and lifting equipment.

Investments in associates represent the investment of 49% interest in GKE Metal Logistics Pte Ltd and the 40% interest in Maoming City Hung Ji Construction Materials Co., Ltd ("Maoming"). Increase in investment in associates is attributable to the acquisition of 40% interest in Maoming during the financial period.

Investments in joint venture represents the investment of 50% interest in Steadfast (HK) Co., Limited.

Non-current prepayments represents prepayments relating to the acquisition of warehouse in Waigaoqiao Shanghai, China, advances paid to contractors/suppliers for the construction of the warehouse in Yangshan Shanghai, China and advances paid for potential land acquisition located at Wuzhou, China.

Increase in trade and other receivables from S\$6.1 million to S\$10.3 million is mainly due to Goods and Services Tax receivables incurred during the acquisition of No. 6 Pioneer Walk and No. 39 Benoi Road.

Increase in prepaid operating expenses from S\$0.3 million to S\$0.4 million is mainly due to prepayments for insurance during the financial period.

Non-current borrowings represents the loan drawdown by the Group to finance the construction of the warehouse in Yangshan Shanghai, China and acquisition of warehouses located No. 6 Pioneer Walk and No. 39 Benoi Road.

Current borrowings represent short term loan drawdowns by the Group to fund expansion and acquisitions of properties which have materialised in the current financial period.

Increase in trade and other payables from S\$1.4 million to S\$2.0 million is in line with the increase in business volume.

Decrease in other liabilities from S\$3.3 million to S\$1.9 million mainly due to the decrease in bonus provision during the financial period.

Finance lease liabilities increased from S\$3.3 million to S\$3.9 million in relation to the purchase of forklift and lifting equipment under finance lease arrangements.

**STATEMENT OF CASH FLOWS**

The Group had a deficit of S\$4.4 million from operating activities due to Goods and Services Tax paid during the acquisitions of No. 6 Pioneer Walk and No. 39 Benoi Road.

The Group invested S\$2.4 million for the acquisition of an associate Maoming as mentioned above and S\$12 million for the purchase of property, plant and equipment.

For financing activities, the Group had drawdown S\$16.8 million mainly for new acquisitions and expansion during the financial period.

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

The announcement is in line with the profit guidance announcement disclosed on 26 December 2013.



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

---

---

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013

---

---

**10. A commentary at the date of the announcement of the significant trends and 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 Group remains cautious of the global economy which may impact the local logistics industry and will continue to manage its business prudently.

In addition, the Group expects its overall performance to decline temporarily owing to the warehouse acquisitions initiated in the current and last financial year.

The acquisition expenses incurred are expected to impact the Group's performance for the financial year 2014 as the Group has just commenced building its customer portfolio for these newly acquired warehouses.

Inflationary cost pressures and difficulties with recruiting manpower may not ease in the immediate term. The Group will continue to monitor and enhance its operational efficiency.

**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.



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

---

---

**UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013**

---

---

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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)	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 - \$1,210  Service income - \$45	NIL
Chip Hup Timber	Rental income - \$11  Service income - \$60	NIL
Grand total	- \$1,326	NIL

**14. Negative confirmation by the Board 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 half year financial results of the Company and of the Group for the period ended 30 November 2013 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Neo Cheow Hui  
Executive Director and Chief Executive Officer  
14 January 2014

---

*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*