



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2015

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 February		
	2015	2014	%
	S\$'000	S\$'000	change + / (-)
Revenue	27,667	22,946	20.6
Cost of sales	(20,719)	(18,265)	13.4
Gross profit	6,948	4,681	48.4
Other income	137	220	(37.7)
Expenses			
Marketing and distribution costs	(175)	(280)	(37.5)
Administrative expenses	(8,386)	(9,888)	(15.2)
Finance costs	(1,274)	(859)	48.3
Other credits /(expenses)	672	(34)	N.M.
Share of results of associates	82	261	(68.6)
Share of results of joint venture	-	(1)	N.M.
Loss before tax	(1,996)	(5,900)	(66.2)
Tax (expense)/credit	(14)	50	-
Loss for the period	(2,010)	(5,850)	(65.6)
Loss attributable to:			
Owners of the Company	(1,770)	(4,556)	(61.2)
Non-controlling interests	(240)	(1,294)	(81.5)
	(2,010)	(5,850)	(65.6)

Loss before tax includes the following items :

	The Group		
	Period ended 28 February		
	2015	2014	%
	S\$'000	S\$'000	change + / (-)
Audit fees	(102)	(93)	9.7
Allowance for doubtful trade receivables	(165)	-	100.0
Amortisation of land use rights	(57)	(56)	1.8
Bad debts written off	(23)	(2)	(100.0)
Depreciation of property, plant and equipment	(5,949)	(4,847)	22.7
Gain on disposal of available-for-sale investments	-	41	(100.0)
Gain on disposal of property, plant and equipment	34	20	70.0
Grant income from government	16	10	60.0
Impairment of available-for-sale investments	(274)	(223)	22.9
Interest income	24	38	(36.8)
Legal and professional fees	(1,272)	(2,928)	(56.6)
Net foreign exchange gain/(loss)	672	(34)	N.M.

N.M. - Not Meaningful



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1 (a)(i) Consolidated Statement of Comprehensive Income for the period ended 28 February 2015

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).

	The Group		
	Period ended 28 February		
	2015	2014	%
	S\$'000	S\$'000	change
			+ / (-)
Loss for the period	(2,010)	(5,850)	(65.6)
Other comprehensive income, net of tax			
Foreign currency translation	1,762	177	895.5
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	(19)	100.0
Fair value (loss) gain on available-for-sale investments	(61)	272	(122.4)
Share of foreign currency translation of associates	180	14	1,185.7
Other comprehensive income for the year, net of tax	1,881	444	323.6
Total comprehensive loss for the period	<u>(129)</u>	<u>(5,406)</u>	<u>(97.6)</u>
Loss attributable to:			
Owners of the Company	(193)	(4,147)	(95.3)
Non-controlling interests	64	(1,259)	(105.1)
Total comprehensive loss for the period	<u>(129)</u>	<u>(5,406)</u>	<u>(97.6)</u>

	The Company		
	Period ended 28 February		
	2015	2014	%
	S\$'000	S\$'000	change
			+ / (-)
Loss for the period	(817)	(507)	61.1
Other comprehensive income, net of tax			
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	(19)	100.0
Fair value (loss) gain on available-for-sale investments	(61)	272	(122.4)
Total comprehensive loss for the period	<u>(878)</u>	<u>(254)</u>	<u>245.7</u>
Loss attributable to:			
Owners of the Company	<u>(878)</u>	<u>(254)</u>	<u>245.7</u>



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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	
	28.02.2015 S\$'000	31.05.2014 S\$'000	28.02.2015 S\$'000	31.05.2014 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	118,696	121,267	104	169
Land use rights	5,422	3,506	-	-
Investments in subsidiaries	-	-	50,188	50,188
Investments in associates	9,957	9,513	6,615	6,615
Investment in joint venture	4,534	4,202	-	-
Available-for-sale investments	511	859	511	859
Other receivables	-	-	7,842	8,753
Prepayments	1,110	2,081	-	-
Total non-current assets	140,230	141,428	65,260	66,584
Current assets				
Trade and other receivables	12,415	10,671	10,050	5,705
Prepaid operating expenses	331	346	37	38
Cash at banks and on hand	3,717	5,256	32	330
Total current assets	16,463	16,273	10,119	6,073
Total assets	156,693	157,701	75,379	72,657
EQUITY AND LIABILITIES				
Equity				
Share Capital	62,215	62,215	62,215	62,215
Treasury shares	(848)	(848)	(848)	(848)
Accumulated losses	(11,970)	(10,200)	(10,033)	(9,216)
Other reserves	17,923	16,346	64	125
Equity attributable to owners of the Company	67,320	67,513	51,398	52,276
Non-controlling interests	4,980	4,916	-	-
Total equity	72,300	72,429	51,398	52,276
Non-current liabilities				
Borrowings	62,281	65,170	17,879	18,667
Deferred tax liabilities	4,778	4,764	23	36
Loan from non-controlling interests	365	337	-	-
Total non-current liabilities	67,424	70,271	17,902	18,703
Current liabilities				
Trade and other payables	1,356	2,340	480	70
Other liabilities	2,957	4,084	510	566
Borrowings	9,247	4,491	5,089	1,042
Finance lease liabilities	2,769	3,472	-	-
Tax payable	640	614	-	-
Total current liabilities	16,969	15,001	6,079	1,678
Total liabilities	84,393	85,272	23,981	20,381
Total equity and liabilities	156,693	157,701	75,379	72,657



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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 2015		As at 31 May 2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Finance lease liabilities	2,769	-	3,472	-
Borrowings	9,247	-	4,491	-

(b) Amount repayable after one year

	The Group		The Group	
	As at 28 February 2015		As at 31 May 2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Loan from non-controlling interests	-	365	-	337
Borrowings	62,281	-	65,170	-

(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:

- (a) 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, the construction of the warehouse in Yangshan Shanghai, China and funds used as working capital of the Group; and
- (b) bank overdraft utilised and used as working capital of the Group.

The borrowings are secured by Corporate Guarantee from GKEC, 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 and fixed charged over 100% shareholdings in the share capital of a subsidiary, Van der Horst (Shanghai) Logistics Co. Ltd.

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 warehouses located at No. 6 Pioneer Walk and No. 39 Benoi Road, Singapore. The borrowings are secured by Corporate Guarantee from GKEC, 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 and fixed charged over 100% shareholdings in the share capital of a subsidiary, Van der Horst (Shanghai) Logistics Co. Ltd.



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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 February 2015	2014
	S\$'000	S\$'000
Cash flow from operating activities		
Loss before tax	(1,996)	(5,900)
Adjustments for:		
Allowance of doubtful trade receivables	165	-
Amortisation of land use rights	57	56
Bad debts written off	23	2
Depreciation of property, plant and equipment	5,949	4,847
Gain on disposal of available-for-sale investments	-	(41)
Gain on disposal of property, plant and equipment	(34)	(20)
Impairment of available-for-sale investments	274	223
Interest expense	1,274	859
Interest income	(24)	(38)
Share of results of joint venture	-	(1)
Share of results of associates	(82)	(261)
Effect of exchange rate changes	(144)	(32)
Operating cash flows before changes in working capital	5,462	(306)
Changes in working capital:		
Trade and other receivables	(113)	(8,470)
Prepaid operating expenses	15	(8)
Trade and other payables	(996)	96
Other liabilities	(1,176)	1,538
Cash generated from / (used in) operations	3,192	(7,150)
Interest received	24	38
Income tax refunded	12	169
Net cash flows generated from / (used in) operating activities	3,228	(6,943)
Cash flows from investing activities		
Capital contribution from non-controlling interests	-	2,131
Net cash outflow on acquisition of associate	-	(2,388)
Prepayments relating to acquisition of property, plant and equipment	(501)	(3,321)
Proceeds from disposal of available-for-sale investments	-	83
Proceeds from disposal of property, plant and equipment	102	46
Purchase of property, plant and equipment and land use rights	(3,569)	(12,852)
Net cash flows used in investing activities	(3,968)	(16,301)
Cash flows from financing activities		
Interest paid	(1,225)	(856)
Dividend paid	-	(1,374)
Proceeds from loans and borrowings	3,500	21,837
Repayment of obligation under finance leases	(905)	(829)
Repayments of loans and borrowings	(3,065)	(1,853)
Net cash (used in) / generated from financing activities	(1,695)	16,925
Net decrease in cash and cash equivalents	(2,435)	(6,319)
Cash and cash equivalents at the beginning of financial period ⁽¹⁾	5,210	10,924
Effect of exchange rate changes on cash and cash equivalents	(141)	47
Cash and cash equivalents at the end of financial period ⁽¹⁾	2,634	4,652

Explanatory Notes:

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

	The Group	
	28.02.2015	28.02.2014
	S\$'000	S\$'000
Cash at banks and on hand	3,717	4,652
Bank overdrafts	(1,083)	-
Cash and cash equivalents	2,634	4,652
The Group		
	01.06.2014	01.06.2013
	S\$'000	S\$'000
Cash at banks and on hand	5,256	10,924
Bank overdrafts	(46)	-
Cash and cash equivalents	5,210	10,924



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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 year.

Statement of Changes in Equity for the period ended 28 February 2015

The Group	Share capital	Treasury shares	Accumulated losses	Other reserves	Total attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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	-	-	(4,556)	-	(4,556)	(1,294)	(5,850)
<u>Other comprehensive income:</u>							
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	-	-	(19)	(19)	-	(19)
Fair value gain on available-for-sale investments	-	-	-	272	272	-	272
Foreign currency translation	-	-	-	142	142	35	177
Share of other comprehensive income of associate	-	-	-	14	14	-	14
Other comprehensive income for the period, net of tax	-	-	-	409	409	35	444
Total comprehensive income for the period	-	-	(4,556)	409	(4,147)	(1,259)	(5,406)
<u>Contributions by and distributions to owners:</u>							
Dividends paid by the Company	-	-	(1,374)	-	(1,374)	-	(1,374)
Total contributions by and distributions to owners	-	-	(1,374)	-	(1,374)	-	(1,374)
<u>Changes in ownership interests in subsidiaries</u>							
- Capital contribution from non-controlling interests that do not result in a loss of control	-	-	-	-	-	2,131	2,131
Total changes in ownership interests in subsidiaries	-	-	-	-	-	2,131	2,131
Total transactions with owners in their capacity as owners	-	-	(1,374)	-	(1,374)	2,131	757
Balance as at 28 February 2014	62,215	(848)	(8,841)	16,178	68,704	4,560	73,264

The Group	Share capital	Treasury shares	Accumulated losses	Other reserves	Total attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 June 2014	62,215	(848)	(10,200)	16,346	67,513	4,916	72,429
Loss for the year	-	-	(1,770)	-	(1,770)	(240)	(2,010)
<u>Other comprehensive income:</u>							
Fair value gain on available-for-sale investments	-	-	-	(61)	(61)	-	(61)
Foreign currency translation	-	-	-	1,458	1,458	304	1,762
Share of other comprehensive income of associate	-	-	-	180	180	-	180
Other comprehensive income for the period, net of tax	-	-	-	1,577	1,577	304	1,881
Total comprehensive income for the period	-	-	(1,770)	1,577	(193)	64	(129)
Balance as at 28 February 2015	62,215	(848)	(11,970)	17,923	67,320	4,980	72,300



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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 year.

Statement of Changes in Equity for the period ended 28 February 2015

The Company	Share capital	Treasury shares	Accumulated losses	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 June 2013	62,215	(848)	(6,299)	13	55,081
Loss for the period	-	-	(507)	-	(507)
<u>Other comprehensive income:</u>					
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	-	-	(19)	(19)
Fair value gain on available-for-sale investments, representing other comprehensive income for the period, net of tax	-	-	-	272	272
Other comprehensive income for the period, net of tax	-	-	-	253	253
Total comprehensive income for the period	-	-	(507)	253	(254)
<u>Contributions by and distributions to owners:</u>					
Dividend paid by the Company	-	-	(1,374)	-	(1,374)
Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners	-	-	(1,374)	-	(1,374)
Balance as at 28 February 2014	62,215	(848)	(8,180)	266	53,453
The Company	Share capital	Treasury shares	Accumulated losses	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 June 2014	62,215	(848)	(9,216)	125	52,276
Loss for the period	-	-	(817)	-	(817)
<u>Other comprehensive income:</u>					
Fair value gain on available-for-sale investments, representing other comprehensive income for the period, net of tax	-	-	-	(61)	(61)
Other comprehensive income for the period, net of tax	-	-	-	(61)	(61)
Total comprehensive income for the period	-	-	(817)	(61)	(878)
Balance as at 28 February 2015	62,215	(848)	(10,033)	64	51,398



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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

	<u>28.02.2015</u>	<u>31.05.2014</u>	<u>28.02.2014</u>	<u>31.05.2013</u>
Total number of issued shares (excluding treasury shares)	457,946,636	457,946,636	457,946,636	457,946,636
Total number of treasury shares	5,417,000	5,417,000	5,417,000	5,417,000

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 brought-back and held by the Company.

There are no sale, transfer, disposal, cancellation and/or use of treasury shares during the period of 9 months ended 28 February 2015.

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 2014, 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 2014.

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.

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 28 February</u>	<u>2014</u>
	<u>2015</u>	<u>2014</u>
Earnings per share (in SGD cents)		
- Basic ⁽¹⁾	(0.39)	(0.99)
- Fully diluted ⁽²⁾	(0.39)	(0.99)

Notes:

(1) The calculation of basic earnings per share is based on the loss for the period of S\$1,781,000 (2014: S\$4,760,000) divided by the weighted number of ordinary shares in issue during the year of 457,946,636 (2014: 457,946,636).

(2) The calculation of fully diluted earnings per share is based on the loss for the period of S\$1,781,000 (2014: S\$4,760,000) divided by the weighted number of ordinary shares in issue during the year of 463,363,636 (2014: 457,946,636). Diluted earnings per share for financial period ended 28 February 2015 is the same as basic earnings per share.



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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.

	The Group		The Company	
	28.02.2015	31.05.2014	28.02.2015	31.05.2014
Net assets (S\$'000)	67,320	67,513	51,398	52,276
Net asset value per share (in SGD cents)	14.70	14.74	11.22	11.42
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 20.6% from S\$22.9 million for the period ended 28 February 2014 (FP2014) to S\$27.7 million for the period ended 28 February 2015 (FP2015) mainly contributed by the increase in volume handled from our local transportation services and freight services as well as the increase in additional storage revenue generated from our new warehouses at 6 Pioneer Walk and Yangshan, China.

Cost of sales increased by 13.4% from S\$18.3 million to S\$20.7 million which was in line with the increase in revenue during the financial period. Gross profit margin when compared with last year had increase from 20.4% to 25.1%.

Decrease in other income was mainly due to higher income in FP2014 because of a one time government grant received from China local authorities for our China subsidiary in Shanghai, gain on disposal of available-for-sale investments and receipt of Productivity Innovation Credit grant.

The decrease in marketing and distribution costs was mainly due to higher advertising, commission and entertainment expenses incurred in FP2014 for new 6 Pioneer Walk and Yangshan warehouse.

Decrease in administrative expenses by 15.2% when compared to FP2014 was mainly due to higher legal and professional fees incurred for the several acquisitions to expand its group business in the last financial year and reduction in bank facilities fees during the financial period. The decrease was partially offset by increase in staff costs and the provision for doubtful debts.

The significant increase in finance cost was due to higher interest expenses arising from the additional term loans commencing September 2013, and drawdown of loan facility S\$3.5 million during 1H2015.

The Group recorded a significant unrealised foreign exchange gain in FP2015, largely due to appreciation of USD during the financial period whereby the group had substantial USD deposit held.

The share of results of associates represent the share of profit from associate, GKE Metal Logistics Pte Ltd and Maoming City Hung Ji Construction Materials Co., Ltd ("Maoming"). The reduction in profit from associate was mainly attributed from lower profit contributed by GKE Metal logistics as a result of weaker commodity market as compared to FP2014.

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

STATEMENT OF FINANCIAL POSITION

Decrease in property, plant and equipment mainly to depreciation charge of \$5.9 million for the period offset by the addition of fixed assets from purchase of trailers, motor vehicles, forklift, warehouse equipment and asset under construction for readymix plant at Wuzhou, China.

Increase in land use right mainly came from the acquisition of land located at Wuzhou, China for readymix plant offset with the amortisation expenses during the period.

Investments in associates represent the investment of 49% interest in GKE Metal Logistics Pte Ltd and 40% interest in Maoming City Hung Ji Construction Materials Co., Ltd ("Maoming"). The increase was due to net share of profit from associates \$82K and exchange rate translation difference.

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



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Increase in trade and other receivables from S\$10.7 million to S\$12.4 million mainly due to the refundable deposit of \$1.3 million placed with government for Wuzhou plant development and the increase in sales volume during the period.

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

Current borrowings represent bank overdraft, term loans and property loans held by the Group for the purpose of working capital, funding of proposed expansion project and acquisition of properties in the last financial year. The increase in current borrowings was mainly due to drawdown of short term loans facility of S\$3.5 million and increase in bank overdrafts by S\$1 million for the construction of readymix plant in Wuzhou, China and Group's working capital.

Finance lease liabilities decreased from S\$3.5 million to S\$2.8 million mainly due to repayment during the financial period.

STATEMENT OF CASH FLOWS

Cash generated from operations was derived from Group's pre-tax loss of S\$2.0 million after adjusting for non-cash items and changes in working capital. Net cash flows generated from operating activities amounted to S\$3.2 million in the period ended 28 February 2015.

Net cash flows used in investing activities S\$4.0 million was mainly due to the purchase of trailers, motor vehicles, forklift, warehouse equipment and land use rights and the construction of readymix plant in Wuzhou, China.

Net cash flows used in financing activities S\$1.7 million was mainly due to repayment of loans and borrowings and interest payment offset by the proceeds from loans and borrowings.

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 management's comments on Note 10 of the 2015 half year financial announcement.

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.

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.



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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.

The Company has not obtained an IPT mandate. There are no interested person transactions exceeding \$100,000 during the financial period under review.

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 third quarter financial results of the Company and of the Group for the period ended 28 February 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Neo Cheow Hui
Executive Director and Chief Executive Officer
14 April 2015

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:-

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