



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD 6 MONTHS ENDED 30 NOVEMBER 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 6 months ended 30 November		
	2015	2014	%
	S\$'000	S\$'000	change + / (-)
Revenue	16,925	18,914	(10.5)
Cost of sales	(12,722)	(14,132)	(10.0)
Gross profit	4,203	4,782	(12.1)
Other income	1,680	86	1,853.5
Expenses			
Marketing and distribution costs	(34)	(75)	(54.7)
Administrative expenses	(4,423)	(4,979)	(11.2)
Finance costs	(1,012)	(840)	20.5
Other (expenses) / credits	-	273	(100.0)
Share of results of associates	(151)	186	(181.2)
Share of results of joint venture	(1)	-	-
Profit / (loss) before tax	262	(567)	(146.2)
Tax expense	-	-	-
Profit / (loss) for the period	262	(567)	(146.2)
Profit / (loss) attributable to:			
Owners of the Company	258	(563)	(145.8)
Non-controlling interests	4	(4)	(200.0)
	262	(567)	(146.2)

Profit / (loss) before tax includes the following items :

	The Group		
	Period 6 months ended 30 November		
	2015	2014	%
	S\$'000	S\$'000	change + / (-)
Allowance for doubtful trade receivables	(2)	(8)	NM
Amortisation of land use rights	(57)	(37)	54.1
Depreciation of property, plant and equipment	(3,828)	(3,966)	(3.5)
Gain on disposal of property, plant and equipment	193	25	672.0
Impairment of available-for-sale investments	(70)	(286)	NM
Interest income	14	13	7.7
Legal and professional fees	(318)	(357)	(10.9)
Gain on disposal of associate	1,188	-	NM

NM - Not meaningful.



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1 (a)(i) Consolidated Statement of Comprehensive Income for the period ended 30 November 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 6 months ended 30 November		
	2015	2014	%
	S\$'000	S\$'000	change
			+ / (-)
Profit / (loss) for the period	262	(567)	(146.2)
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	361	874	(58.7)
Fair value gain on available-for-sale investments	260	49	430.6
Share of foreign currency translation of associates	7	95	(92.6)
Other comprehensive income for the year, net of tax	<u>628</u>	<u>1,018</u>	<u>(38.3)</u>
Total comprehensive income for the period	<u>890</u>	<u>451</u>	<u>97.3</u>
Profit / (loss) attributable to:			
Owners of the Company	865	301	187.4
Non-controlling interests	25	150	(83.3)
Total comprehensive income for the period	<u>890</u>	<u>451</u>	<u>97.3</u>

	The Company		
	Period 6 months ended 30 November		
	2015	2014	%
	S\$'000	S\$'000	change
			+ / (-)
Loss for the period	(229)	(554)	(58.7)
Other comprehensive income, net of tax:			
Fair value gain on available-for-sale investments	260	49	430.6
Total comprehensive income for the period	<u>31</u>	<u>(505)</u>	<u>(106.1)</u>
Profit / (loss) attributable to:			
Owners of the Company	<u>31</u>	<u>(505)</u>	<u>(106.1)</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	
	30.11.2015 S\$'000	31.05.2015 S\$'000	30.11.2015 S\$'000	31.05.2015 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	115,530	115,422	233	89
Land use rights	5,369	5,389	-	-
Investments in subsidiaries	-	-	45,998	45,998
Investments in associates	7,562	9,830	6,615	6,615
Investment in joint venture	9,655	4,511	-	-
Available-for-sale investments	752	509	752	509
Other receivables	-	-	6,278	7,159
Total non-current assets	138,868	135,661	59,876	60,370
Current assets				
Trade and other receivables	7,623	12,028	16,047	9,007
Prepaid operating expenses	321	349	19	25
Cash at banks and on hand	17,158	18,442	5,891	12,672
Total current assets	25,102	30,819	21,957	21,704
Total assets	163,970	166,480	81,833	82,074
EQUITY AND LIABILITIES				
Equity				
Share capital	74,831	74,831	74,831	74,831
Treasury shares	(848)	(848)	(848)	(848)
Accumulated losses	(13,763)	(14,021)	(15,560)	(15,331)
Other reserves	18,458	17,851	260	-
Equity attributable to owners of the Company	78,678	77,813	58,683	58,652
Non-controlling interests	4,351	4,326	-	-
Total equity	83,029	82,139	58,683	58,652
Non-current liabilities				
Borrowings	58,800	61,155	17,168	17,595
Deferred tax liabilities	4,803	4,748	63	10
Finance lease liabilities	1,570	595	74	-
Loan from non-controlling interests	367	365	-	-
Total non-current liabilities	65,540	66,863	17,305	17,605
Current liabilities				
Trade and other payables	2,402	3,996	839	403
Other liabilities	2,419	2,949	444	763
Borrowings	8,343	8,219	4,492	4,576
Finance lease liabilities	1,226	1,097	18	-
Tax payable	1,011	1,217	52	75
Total current liabilities	15,401	17,478	5,845	5,817
Total liabilities	80,941	84,341	23,150	23,422
Total equity and liabilities	163,970	166,480	81,833	82,074



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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 30 November 2015		As at 31 May 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Finance lease liabilities	1,226	-	1,097	-
Borrowings	8,343	-	8,219	-

(b) Amount repayable after one year

	The Group		The Group	
	As at 30 November 2015		As at 31 May 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Loan from non-controlling interests	-	367	-	365
Finance lease liabilities	1,570	-	595	-
Borrowings	58,800	-	61,155	-

(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.

The borrowing is 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.



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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 6 months ended 30 November	
	2015	2014
	S\$'000	S\$'000
Cash flow from operating activities		
Profit / (loss) before tax	262	(567)
Adjustments for:		
Allowance of doubtful trade receivables	2	8
Amortisation of land use rights	57	37
Bad debts written off	1	-
Depreciation of property, plant and equipment	3,828	3,966
Gain on disposal of property, plant and equipment	(193)	(25)
Gain on disposal of associate	(1,188)	-
Impairment of available-for-sale investments	70	286
Interest expense	1,012	840
Interest income	(14)	(13)
Property, plant and equipment written off	18	-
Share of results of joint venture	1	-
Share of results of associates	151	(186)
Effect of exchange rate changes	(45)	(276)
Operating cash flows before changes in working capital	<u>3,962</u>	<u>4,070</u>
<u>Changes in working capital:</u>		
Trade and other receivables	4,402	(1,202)
Prepaid operating expenses	28	-
Trade and other payables	(1,594)	(142)
Other liabilities	(529)	(719)
Cash generated from operations	<u>6,269</u>	<u>2,007</u>
Interest received	14	13
Income tax paid	(206)	(57)
Net cash flows generated from operating activities	<u>6,077</u>	<u>1,963</u>
Cash flows from investing activities		
Net cash inflow on disposal of associate	3,312	-
Additional investment in joint venture	(4,706)	-
Prepayments relating to acquisition of property, plant and equipment	-	(237)
Proceeds from disposal of property, plant and equipment	272	25
Purchase of property, plant and equipment	(2,406)	(2,101)
Net cash flows used in investing activities	<u>(3,528)</u>	<u>(2,313)</u>
Cash flows from financing activities		
Dividends paid	-	(791)
Interest paid	(1,012)	-
Loan from non-controlling interests	-	3,000
Repayment of obligation under finance leases	(425)	(540)
Repayments of loans and borrowings	(2,480)	(1,753)
Net cash used in financing activities	<u>(3,917)</u>	<u>(84)</u>
Net decrease in cash and cash equivalents	<u>(1,368)</u>	<u>(434)</u>
Cash and cash equivalents at the beginning of financial period ⁽¹⁾	18,442	5,210
Effect of exchange rate changes on cash and cash equivalents	84	129
Cash and cash equivalents at the end of financial period ⁽¹⁾	<u>17,158</u>	<u>4,905</u>

Explanatory Notes:

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

	The Group	
	30.11.2015	30.11.2014
	S\$'000	S\$'000
Cash at banks and on hand	17,158	5,685
Bank overdrafts	-	(780)
Cash and cash equivalents	<u>17,158</u>	<u>4,905</u>
	The Group	
	01.06.2015	01.06.2014
	S\$'000	S\$'000
Cash at banks and on hand	18,442	5,256
Bank overdrafts	-	(46)
Cash and cash equivalents	<u>18,442</u>	<u>5,210</u>



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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 6 months ended 30 November 2015

The Group	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves 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 2014	62,215	(848)	(10,200)	16,346	67,513	4,916	72,429
Loss for the period	-	-	(563)	-	(563)	(4)	(567)
<u>Other comprehensive income:</u>							
Fair value gain on available-for-sale investments	-	-	-	49	49	-	49
Foreign currency translation	-	-	-	720	720	154	874
Share of other comprehensive income of associate	-	-	-	95	95	-	95
Other comprehensive income for the period, net of tax	-	-	-	864	864	154	1,018
Total comprehensive income for the period	-	-	(563)	864	301	150	451
Balance as at 30 November 2014	62,215	(848)	(10,763)	17,210	67,814	5,066	72,880

The Group	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves 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 2015	74,831	(848)	(14,021)	17,851	77,813	4,326	82,139
Profit for the year	-	-	258	-	258	4	262
<u>Other comprehensive income:</u>							
Fair value gain on available-for-sale investments	-	-	-	260	260	-	260
Foreign currency translation	-	-	-	340	340	21	361
Share of other comprehensive income of associate	-	-	-	7	7	-	7
Other comprehensive income for the period, net of tax	-	-	-	607	607	21	628
Total comprehensive income for the period	-	-	258	607	865	25	890
Balance as at 30 November 2015	74,831	(848)	(13,763)	18,458	78,678	4,351	83,029



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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 6 months ended 30 November 2015

The Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
Balance as at 1 June 2014	62,215	(848)	(9,216)	125	52,276
Loss for the period	-	-	(554)	-	(554)
<u>Other comprehensive income:</u> Fair value gain on available-for-sale investments, representing other comprehensive income for the period, net of tax	-	-	-	49	49
Total comprehensive income for the period	-	-	(554)	49	(505)
Balance as at 30 November 2014	62,215	(848)	(9,770)	174	51,771
The Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
Loss for the period	74,831	(848)	(15,331)	-	58,652
Loss for the period	-	-	(229)	-	(229)
<u>Other comprehensive income:</u> Fair value gain on available-for-sale investments, representing other comprehensive income for the period, net of tax	-	-	-	260	260
Total comprehensive income for the period	-	-	(229)	260	31
Balance as at 30 November 2015	74,831	(848)	(15,560)	260	58,683



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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>30.11.2015</u>	<u>31.05.2015</u>	<u>30.11.2014</u>	<u>31.05.2014</u>
Total number of issued shares (excluding treasury shares)	641,125,290	641,125,290	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 bought-back and held by the Company.
Profit / (loss) for the period

There are no sale, transfer, disposal, cancellation and/or use of treasury shares as at 30 November 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 2015.

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.

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 6 months ended 30</u>	
	<u>November</u>	
	<u>2015</u>	<u>2014</u>
Loss per share (in SGD cent)		
- Basic ⁽¹⁾	0.04	(0.12)
- Fully diluted ⁽²⁾	0.04	(0.12)

Notes:

(1) The calculation of basic loss per share is based on the profit for the period of S\$258,000 (2015: loss of S\$563,000) divided by the weighted number of ordinary shares in issue during the year of 641,125,290 (2015: 470,158,546).

(2) The calculation of fully diluted loss per share is based on the profit for the period of S\$258,000 (2015: loss of S\$563,000) divided by the weighted number of ordinary shares in issue during the year of 641,125,290 (2015: 470,158,546). Diluted loss per share for financial period ended 30 November 2015 is the same as basic loss per share as the Group does not have any dilutive potential ordinary shares.



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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	
	30.11.2015	31.05.2015	30.11.2015	31.05.2015
Net assets (S\$'000)	78,678	77,813	58,683	58,652
Net asset value per share (in SGD cents)	12.27	12.14	9.15	9.15
Number of shares used in calculating NAV	641,125,290	641,125,290	641,125,290	641,125,290

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

The Group recorded revenue of S\$16.9 million in the first half of the financial year ending 30 November 2015 ("1H FY16"), a decrease of 10.5% over the S\$18.9 million recorded in 1H FY15. The decrease in revenue was mainly due to the cessation of the business operations of GKE & Mohseng Pte Ltd, the disposal of GKE Air Logistics Pte Ltd ("GKE Air") in April 2015, and a decrease in business volume handled by the Group's local warehousing and logistics operations which was undermined by the slowdown in the industries and uncertainties of the macro business environment.

In line with the lower revenue, cost of sales was 10.0% lower at S\$12.7 million in 1H FY16, compared with S\$14.1 million in 1H FY15.

Gross profit declined by 12.1% from S\$4.8 million in 1H FY15 to S\$4.2 million in 1H FY16. Gross margin slipped marginally from 25.3% in 1H FY15 to 24.8% in 1H FY16.

Other income increased from S\$0.1 million in 1H FY15 to S\$1.7 million in 1H FY16. The significant increase was largely due to the S\$1.2 million gain on disposal of Everflourish Development (HK) Co., Ltd ("Everflourish") and its associate, Maoming City Hung Ji Construction Materials Co., Ltd ("Maoming"), as well as the gain on disposal of property, plant and equipment, and foreign exchange gain.

Marketing and distribution expenses decreased by 54.7% to S\$34,000 in 1H FY16, from S\$75,000. As in 1H FY15, the Group had incurred higher advertising and commission expenses to market its warehouses in Yangshan Shanghai, China and at 6 Pioneer Walk.

Administrative expenses decreased by 11.2% from S\$5.0 million in 1H FY15 to S\$4.4 million in 1H FY16. This was mainly due to lower staff costs following the disposal of GKE Air and lower impairment of available-for-sale investments during the period.

Finance costs was 20.5% higher at S\$1.0 million in 1H FY16, due to an increase in interest rates and higher borrowings undertaken for working capital purposes.

The Group recorded a loss of S\$152,000 from its share of results of associates and joint venture in 1H FY16, compared with a profit of S\$186,000 in 1H FY15. This was mainly due to a significant decrease in the business activity of GKE Metal Logistics Pte Ltd as a result of a weaker commodity market and administrative expenses incurred in its 50%-owned joint venture company, Steadfast (HK) Co., Ltd ("Steadfast"), compared to the previous corresponding period.

The share of results of joint venture came administrative expenses in Steadfast (HK) Co., Ltd to construct an LNG carrier vessel which is expected to be delivered in FY16, after the completion of the sea trial.

Taking into account the aforementioned, the Group recorded a profit before tax of S\$0.3 million in 1H FY16, compared with a loss before tax of S\$0.6 million in 1H FY15.

With lower operating expenses and the gain from disposal, the Group managed to turnaround and record net profit attributable to the owners of the Company of S\$0.3 million in 1H FY16, compared with net loss of S\$0.6 million in 1H FY15.



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

STATEMENT OF FINANCIAL POSITION

Non-current assets increased from S\$135.7 million as at 31 May 2015 to S\$138.9 million as at 30 November 2015. This was mainly due to an increase in investment in joint venture which was partially offset by a decrease in investment in associates. The increase in joint venture was due to its outstanding capital contribution to 50%-owned joint venture company, Steadfast (HK) Co., Limited ("Steadfast"), towards the payment for the construction of the liquefied gas carrier vessel. The decrease in investment in associates was mainly due to the sale of the Group's entire stake in Everflourish and Maoming.

Current assets decreased from S\$30.8 million as at 31 May 2015 to S\$25.1 million as at 30 November 2015. This was mainly due to a decrease in trade and other receivables from S\$12.0 million as at 31 May 2015 to S\$7.6 million as at 30 November 2015. During the period, the Group's subsidiary, GKE China Investment Pte Ltd ("GKE China") received a refund of US\$3.5 million (approximately S\$4.9 million) from the Waigaoqiao Vendor, for the 30% initial payment it had made in relation to the acquisition of Uniplas (Shanghai) Co., Ltd. As at 30 November 2015, cash at banks and on hand was S\$17.2 million, a decrease from the S\$18.4 million as at 31 May 2015.

Non-current liabilities decreased slightly, from S\$66.9 million as at 31 May 2015 to S\$65.5 million as at 30 November 2015, as the Group repaid some borrowings. This was partially offset by an increase in finance lease liabilities due to the purchase of cement mixer trucks for the Group's ready-mix cement plant in Wuzhou and prime movers for its logistics operations. Non-current borrowings represent the loans undertaken to finance the construction of the warehouse in Yangshan Shanghai, China and the acquisitions of the warehouses located at No. 6 Pioneer Walk and No. 39 Benoi Road.

Current liabilities decreased from S\$17.5 million as at 31 May 2015 to S\$15.4 million as at 30 November 2015. The decrease was mainly due to a decrease in trade and other payables amounting to S\$1.6 million, as well as a decrease in other liabilities of S\$0.5 million. Trade and other payables decreased mainly due to the payment by GKE China to the Waigaoqiao Vendor for the latter's legal and other costs, as well as a repayment of amount due to non-controlling interests.

Shareholders' equity was higher at S\$78.7 million as at 30 November 2015, compared with S\$77.8 million as at 31 May 2015 to, due mainly to an increase in other reserves. Net asset value per share increased from 12.14 SGD cents as at 31 May 2015 to 12.27 SGD cents as at 30 November 2015.

STATEMENT OF CASH FLOWS

During 1HFY2016, the Group generated net cash from operations of S\$6.0 million after adjustments for non-cash items and changes in working capital.

Net cash used in investing activities of S\$3.5 million was mainly due to the cash outlay for its investment in Steadfast, and the purchase of warehouse equipment, prime movers, pallets and motor vehicles for the ready-mix cement plant in Wuzhou, China. This was partially offset by net cash inflow from the sale of Everflourish and Maoming.

Net cash used in financing activities was S\$3.9 million, mainly reflecting repayments of loan and obligations under finance leases

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

Not applicable.

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 cautiously optimistic of its business outlook amid the weaker global economic conditions. Coupled with inflationary cost pressures and labour crunch, the operating environment is expected to remain challenging. The Group, however, will continue to manage its operations in a prudent and efficient manner.

The Group has been taking steps to enhance its competitiveness in the highly competitive local warehousing and logistics industry. Its recent acquisition of a 70% stake in Marquis Services Pte Ltd will strengthen its capabilities to offer a wider range of third party warehousing and logistics solutions and services, to a more diverse group of industries.

The Group's strategic investments – shipping logistics and infrastructural materials, have also achieved significant milestones. Through its joint venture, Steadfast, the Group's has completed the construction of its 83,000m³ liquefied gas carrier vessel and is currently carrying out the sea trial. Delivery of this vessel is expected by end FY2016. The Group is also in negotiations to secure a bareboat chartering contract for the vessel. The Group's wholly-owned subsidiary Wuzhou Xing Jian Ready-mix Co., Ltd. has completed the construction of its ready-mix cement plant and office facilities in December 2015. It will commence trial production in early 2016.



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD 6 MONTHS ENDED 30 NOVEMBER 2015

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.

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 exceed \$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 first quarter financial results of the Company and of the Group for the period ended 30 November 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 January 2016

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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