GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

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			The Group		
	3rd Quarter Ended			Nine Months Ended		
	28-Feb-19	28-Feb-18 Restated	change	28-Feb-19	28-Feb-18 Restated	change
	S$'000	S$'000	%	S$'000	S$'000	%
Continuing Operations						
Revenue	22,546	17,322	30.2	62,052	52,820	17.5
Cost of sales	(19,523)	(13,882)	40.6	(51,723)	(42,870)	20.7
Gross profit	3,023	3,440	(12.1)	10,329	9,950	3.8
Other income	232	198	17.2	1,339	839	59.6
Expenses						
Marketing and distribution costs	(72)	(68)	5.9	(202)	(193)	4.7
Administrative expenses	(3,116)	(3,341)	(6.7)	(10,394)	(9,961)	4.3
Finance costs	(647)	(481)	34.5	(1,925)	(1,298)	48.3
Other credit/(expenses)	48	-	N.M.	(241)	-	N.M.
Share of results of associates	-	(109)	N.M.	(154)	(206)	(25.2)
Loss before tax from continuing operations	(532)	(361)	47.4	(1,248)	(869)	43.6
Tax expense	(407)	(303)	34.3	(1,370)	(687)	99.4
Loss for the period from continuing operations	(939)	(664)	41.4	(2,618)	(1,556)	68.3
Discontinued operation						
Gain/(loss) from discontinued operation, net of tax	-	198	N.M.	-	(7,297)	N.M.
Loss for the period	(939)	(466)		(2,618)	(8,853)	
(Loss)/profit attributable to:						
Owners of the Company	(1,068)	(546)	95.6	(2,758)	(9,245)	(70.2)
Non-controlling interests	129	80	61.3	140	392	(64.3)
	(939)	(466)	101.5	(2,618)	(8,853)	(70.4)
Owners of the Company						
Loss from continuing operations, net of tax	(1,068)	(744)	43.5	(2,758)	(1,948)	41.6
Gain/(loss) from discontinued operation, net of tax	-	198	N.M.	-	(7,297)	N.M.
Loss for the year attributable to owners of the Company	(1,068)	(546)	95.6	(2,758)	(9,245)	(70.2)
Non-controlling interests						
Profit from continuing operations, net of tax	129	80	61.3	140	392	(64.3)
Profit for the year attributable to non-controlling interests	129	80	61.3	140	392	(64.3)

Loss before tax includes the following items :

	The Group			The Group		
	3rd Quarter Ended			Nine Months Ended		
	28-Feb-19	28-Feb-18 Restated	change	28-Feb-19	28-Feb-18 Restated	change
	S$'000	S$'000	%	S$'000	S$'000	%
Audit fees payable to:						
- Auditors of the Company	(71)	(45)	57.8	(169)	(152)	11.2
Non-audit fees payable to:						
- Auditors of the Company	-	(8)	N.M.	-	(24)	N.M.
Amortisation of land use rights	(27)	(27)	-	(78)	(80)	(2.5)
Amortisation of customer relationship	(76)	(290)	(73.8)	(656)	(957)	(31.5)
Depreciation of property, plant and equipment	(2,266)	(2,232)	1.5	(6,838)	(4,955)	38.0
Fair value adjustment on contingent consideration	-	-	N.M.	-	315	N.M.
(Loss)/gain on disposal of property, plant and equipment	(7)	13	N.M.	(6)	185	N.M.
Gain on disposal of investment in associate	-	-	N.M.	538	-	N.M.
Grant income from government	-	59	N.M.	74	226	(67.3)
Impairment of available-for-sale investments	-	-	N.M.	-	(35)	N.M.
Fair value gain/(loss) on financial assets	3	-	N.M.	(187)	-	N.M.
Reversal of provision/(provision) for impairment loss on investment in joint venture	-	675	N.M.	-	(5,566)	N.M.
Interest income	15	-	N.M.	35	2	N.M.
Interest expenses	(646)	(354)	82.5	(1,817)	(1,150)	58.0
Legal and professional fees	26	(132)	N.M.	(237)	(256)	(7.4)
Net foreign exchange gain/(loss)	48	59	(18.6)	(241)	31	N.M.

N.M. denotes not meaningful.

GKE CORPORATION LIMITED
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UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

1 (a)(i) Consolidated Statement of Comprehensive Income for the period ended 28 February 2019

	The Group			The Group		
	3rd Quarter Ended			Nine Months Ended		
	28-Feb-19	28-Feb-18 Restated	change	28-Feb-19	28-Feb-18 Restated	change
	S$'000	S$'000	%	S$'000	S$'000	%
Loss for the period	(939)	(466)	101.5	(2,618)	(8,853)	(70.4)
Other comprehensive income, net of tax						
Foreign currency translation	363	283	28.3	(632)	139	N.M.
Fair value gain on available-for-sale investments	-	53	N.M.	-	41	N.M.
Share of foreign currency translation of associates	-	18	N.M.	(68)	24	N.M.
Other comprehensive income for the period, net of tax	363	354	2.5	(700)	204	N.M.
Total comprehensive income for the period	(576)	(112)	414.3	(3,318)	(8,649)	(61.6)
(Loss)/profit attributable to:						
Owners of the Company	(772)	(281)	174.7	(3,335)	(9,155)	(63.6)
Non-controlling interests	196	169	16.0	17	506	(96.6)
Total comprehensive income for the period	(576)	(112)	414.3	(3,318)	(8,649)	(61.6)
(Loss)/profit attributable to:						
Owners of the Company						
Total comprehensive income from continuing operations, net of tax	(772)	(479)	61.2	(3,335)	(1,858)	79.5
Total comprehensive income from discontinued operations, net of tax	-	198	N.M.	-	(7,297)	N.M.
Total comprehensive income for the year attributable to owners of the Company	(772)	(281)	174.7	(3,335)	(9,155)	(63.6)

	The Group			The Group		
	3rd Quarter Ended			Nine Months Ended		
	28-Feb-19	28-Feb-18 Restated	change	28-Feb-19	28-Feb-18 Restated	change
	S$'000	S$'000	%	S$'000	S$'000	%
Gain/(loss) from discontinued operation, net of tax:						
Share of result of joint venture	-	(477)	N.M.	-	(1,731)	N.M.
Reversal of provision/(provision) for impairment loss on investment in joint venture	-	675	N.M.	-	(5,566)	N.M.
	-	198	N.M.	-	(7,297)	N.M.

GKE CORPORATION LIMITED
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UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

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-Feb-19	31-May-18 Restated	1-Jun-17 Restated	28-Feb-19	31-May-18 Restated	1-Jun-17
	S$'001	S$'000	S$'000	S$'000	S$'000	S$'000
ASSETS						
Non-current assets						
Property, plant and equipment	117,263	122,696	107,127	95	142	156
Land use rights	4,547	4,794	4,745	-	-	-
Intangible assets	6,824	7,480	8,727	-	-	-
Investments in subsidiaries	-	-	-	51,959	51,959	59,560
Investment in associate	-	2,505	2,818	-	3,189	3,189
Investment in joint venture	-	-	9,228	-	-	-
Available-for-sale investments	-	640	697	-	640	697
Financial assets at fair value through profit or loss	453	-	-	453	-	-
Other receivables	-	-	-	4,873	5,150	4,866
Total non-current assets	**129,087**	**138,115**	**133,342**	**57,380**	**61,080**	**68,468**
Current assets						
Inventories	582	469	253	-	-	-
Trade and other receivables	25,739	22,770	19,116	9,986	13,321	12,361
Prepaid operating expenses	1,021	550	713	37	24	25
Fixed deposits (restricted)	2,317	2,180	2,180	-	-	-
Cash and cash equivalents	10,850	12,640	10,582	3,677	123	528
Total current assets	**40,509**	**38,609**	**32,844**	**13,700**	**13,468**	**12,914**
Total assets	**169,596**	**176,724**	**166,186**	**71,080**	**74,548**	**81,382**
EQUITY AND LIABILITIES						
Equity						
Share capital	78,165	78,165	78,165	78,165	78,165	78,165
Treasury shares	(672)	(672)	(1,216)	(672)	(672)	(1,216)
Accumulated (losses)/profit	(9,409)	(6,651)	2,806	(25,668)	(24,475)	(17,066)
Other reserves	223	800	1,029	(98)	(98)	282
Equity attributable to owners of the Company	**68,307**	**71,642**	**80,784**	**51,727**	**52,920**	**60,165**
Non-controlling interests	4,897	5,240	4,910	-	-	-
Total equity	**73,204**	**76,882**	**85,694**	**51,727**	**52,920**	**60,165**
Non-current liabilities						
Other liabilities	2,987	4,317	2,068	-	-	-
Borrowings	60,971	52,911	49,323	-	-	-
Deferred tax liabilities	419	449	646	-	-	-
Finance lease liabilities	-	-	454	-	-	-
Total non-current liabilities	**64,377**	**57,677**	**52,491**	**-**	**-**	**-**
Current liabilities						
Trade and other payables	11,491	8,409	7,594	18,325	19,148	18,777
Other liabilities	5,846	7,399	6,829	999	2,436	2,376
Borrowings	9,693	21,876	7,655	-	-	-
Finance lease liabilities	3,830	3,610	3,709	29	44	64
Tax payable	1,155	871	2,214	-	-	-
Total current liabilities	**32,015**	**42,165**	**28,001**	**19,353**	**21,628**	**21,217**
Total liabilities	**96,392**	**99,842**	**80,492**	**19,353**	**21,628**	**21,217**
Total equity and liabilities	**169,596**	**176,724**	**166,186**	**71,080**	**74,548**	**81,382**

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

	The Group		The Group	
	As at 28 Feb 2019		As at 31 May 2018	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
(a) Amount repayable in one year or less, or on demand				
Finance lease liabilities	3,830	-	3,610	-
Borrowings	9,693	-	21,876	-
(b) Amount repayable after one year				
Loan from non-controlling interests	-	574	-	595
Borrowings	60,971	-	52,911	-

(c) Details of any collateral

The loan from non-controlling interests repayable in one year or on demand are entered into for the financing of the construction of the warehouse in Yangshan Shanghai, China and working capital purpose of Van Der Horst (Shanghai) Logistics Co., Ltd. The loans from non-controlling interests are unsecured.

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.

Borrowings repayable in one year or less and the borrowings repayable after one year were obtained for the acquisition of warehouses located at 6 Pioneer Walk, 7 Kwong Min Road, redevelopment of warehouse at 39 Benoi Road and the construction of the warehouse in Yangshan Shanghai, China.

Borrowings are secured by proportional corporate guarantee from the GKEC and non-controlling interests, first legal mortgage over the properties located at 6 Pioneer Walk, 7 Kwong Min Road and 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 3rd Quarter Ended		The Group Nine Months Ended	
	28-Feb-19	28-Feb-18 Restated	28-Feb-19	28-Feb-18 Restated
	S$'000	S$'000	S$'000	S$'000
Cash flow from operating activities				
Loss before tax from continuing operations	(532)	(361)	(1,248)	(869)
Gain/(loss) before tax from discontinued operation	-	198	-	(7,297)
	(532)	(163)	(1,248)	(8,166)
Adjustments for:				
Allowance for doubtful trade receivables	-	3	-	3
Amortisation of land use rights	27	27	78	80
Amortisation of customer relationship	76	290	656	957
Depreciation of property, plant and equipment	2,266	2,232	6,838	4,955
Fair value adjustment of consideration	-	-	-	(315)
Loss/(gain) on disposal of property, plant and equipment	7	(13)	6	(185)
Gain on disposal of investment in associate	-	-	(538)	-
Impairment of available-for-sale investments	-	-	-	35
Fair value (gain)/loss on financial assets	(3)	-	187	-
Interest expense	646	354	1,817	1,150
Interest income	(15)	-	(35)	(2)
Property, plant and equipment written off	1	(1)	1	-
(Reversal of provision)/provision for impairment loss on investment in joint venture	-	(675)	-	5,566
Share of results of joint venture	-	477	-	1,731
Share of results of associates	-	109	154	206
Effect of exchange rate changes	(169)	(218)	205	(314)
Operating cash flows before changes in working capital	2,304	2,422	8,121	5,701
Changes in working capital:				
Inventories	(164)	(233)	(113)	(314)
Trade and other receivables	821	2,842	(441)	(3,174)
Prepaid operating expenses	(100)	(75)	(472)	29
Trade and other payables	(72)	(10,583)	3,082	(52)
Other liabilities	(542)	2,178	(1,683)	459
Cash flows from operations	2,247	(3,449)	8,494	2,649
Interest received	15	-	35	2
Income tax paid	(453)	(1,948)	(1,118)	(2,331)
Net cash flows generated from operating activities	1,809	(5,397)	7,411	320
Cash flows from investing activities				
Proceeds from disposal of available-for-sale investments	-	-	-	(51)
Proceeds from disposal of investment in associate	-	-	293	-
Proceeds from disposal of property, plant and equipment	11	18	137	423
Purchase of property, plant and equipment	(700)	(2,191)	(1,983)	(18,281)
Net cash flows used in investing activities	(689)	(2,173)	(1,553)	(17,909)
Cash flows from financing activities				
Interest paid	(646)	(354)	(1,817)	(1,150)
Proceeds from borrowings	265	9,831	3,142	19,451
Repayment of obligation under finance leases	(389)	(470)	(1,270)	(1,446)
Repayments of loans and borrowings	(1,753)	(1,540)	(7,245)	(3,747)
Dividends paid to non-controlling interest	-	(210)	(360)	(210)
Placement of short-term deposit - pledged	-	-	(137)	-
Net cash (used in)/generated from financing activities	(2,523)	7,257	(7,687)	12,898
Net increase/(decrease) in cash and cash equivalents	(1,403)	(313)	(1,829)	(4,691)
Cash and cash equivalents at the beginning of financial period	12,176	6,150	12,640	10,582
Effect of exchange rate changes on cash and cash equivalents	77	11	39	(43)
Cash and cash equivalents at the end of financial period [(1)]	10,850	5,848	10,850	5,848

Explanatory Notes:

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

	The Group 3rd Quarter Ended		The Group Nine Months Ended	
	28-Feb-19	28-Feb-18	28-Feb-19	28-Feb-18
	S$'000	S$'000	S$'000	S$'000
Cash at banks and on hand	10,850	5,848	10,850	5,848
Fixed deposits (restricted)	2,317	2,180	2,317	2,180
	13,167	8,028	13,167	8,028
Fixed deposits charged with bank	(2,317)	(2,180)	(2,317)	(2,180)
Cash and cash equivalents	10,850	5,848	10,850	5,848

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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 2019

The Group	Share capital	Treasury shares	Retained earnings	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 2017, previously reported	78,165	(1,216)	(640)	6,742	83,051	5,213	88,264
Effect of changes in accounting policy upon application of SFRS (I) 1	-	-	3,446	(5,713)	(2,267)	(303)	(2,570)
Balance as at 1 June 2017, restated	78,165	(1,216)	2,806	1,029	80,784	4,910	85,694
Loss for the period	-	-	(9,245)	-	(9,245)	392	(8,853)
Other comprehensive income:							
Fair value gain on available-for-sale investments	-	-	-	41	41	-	41
Foreign currency translation	-	-	-	25	25	114	139
Share of other comprehensive income of associate	-	-	-	24	24	-	24
Other comprehensive income for the period, net of tax	-	-	-	90	90	114	204
Total comprehensive income for the period	-	-	(9,245)	90	(9,155)	506	(8,649)
Contributions by and distributions to owners:							
Dividends paid on ordinary shares	-	-	-	-	-	(210)	(210)
Treasury shares reissued pursuant to acquisition of a subsidiary	-	544	-	(9)	535	-	535
Total contributions by and distributions to owners	-	544	-	(9)	535	(210)	325
Total transactions with owners in their capacity as owners	-	544	-	(9)	535	(210)	325
Balance as at 28 February 2018	78,165	(672)	(6,439)	1,110	72,164	5,206	77,370

The Group	Share capital	Treasury shares	Retained earnings	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 2018, previously reported	78,165	(672)	(11,261)	16,490	82,722	5,543	88,265
Effect of changes in accounting policy upon application of SFRS (I) 1	-	-	4,311	(15,391)	(11,080)	(303)	(11,383)
Effect of application of SFRS (I) 9	-	-	299	(299)	-	-	-
Balance as at 1 June 2018, restated	78,165	(672)	(6,651)	800	71,642	5,240	76,882
Loss for the period	-	-	(2,758)	-	(2,758)	140	(2,618)
Other comprehensive income:							
Foreign currency translation	-	-	-	(509)	(509)	(123)	(632)
Share of other comprehensive income of associate	-	-	-	(68)	(68)	-	(68)
Other comprehensive income for the period, net of tax	-	-	-	(577)	(577)	(123)	(700)
Total comprehensive income for the period	-	-	(2,758)	(577)	(3,335)	17	(3,318)
Contributions by and distributions to owners:							
Dividend paid to non-controlling interests	-	-	-	-	-	(360)	(360)
Total contributions by and distributions to owners	-	-	-	-	-	(360)	(360)
Total transactions with owners in their capacity as owners	-	-	-	-	-	(360)	(360)
Balance as at 28 February 2019	78,165	(672)	(9,409)	223	68,307	4,897	73,204

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 2019

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 2017	78,165	(1,216)	(17,066)	282	60,165
Loss for the period	-	-	(7,859)	-	(7,859)
Other comprehensive income:					
Fair value loss on available-for-sale investments	-	-	-	41	41
Other comprehensive income for the period, net of tax	-	-	-	41	41
Total comprehensive income for the period	-	-	(7,859)	41	(7,818)
Contributions by and distributions to owners:					
Treasury shares reissued pursuant to acquisition of a subsidiary	-	544	-	(9)	535
Total contributions by and distributions to owners	-	544	-	(9)	535
Balance as at 28 February 2018	78,165	(672)	(24,925)	314	52,882

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 2018, previously reported	78,165	(672)	(24,774)	201	52,920
Effect of application of SFRS (I) 9	-	-	299	(299)	-
Balance as at 1 June 2018, restated	78,165	(672)	(24,475)	(98)	52,920
Loss for the period	-	-	(1,193)	-	(1,193)
Total comprehensive income for the period	78,165	(672)	(25,668)	(98)	51,727
Balance as at 28 February 2019	78,165	(672)	(25,668)	(98)	51,727

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 the number of shares that may be issued on conversion of all the outstanding convertibles as, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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.State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

	The Group & the Company Period as at	
	28-Feb-19	31-May-18
Total number of issued shares (excluding treasury shares):		
Total number of issued shares		
At beginning and end of financial year	694,700,540	694,700,540
Treasury shares		
At beginning of the period	(6,168,650)	(11,168,650)
Treasury shares reissued pursuant to acquisition of a subsidiary (1)	-	5,000,000
At end of the period	(6,168,650)	(6,168,650)
Total	688,531,890	688,531,890

(1) During the last financial year, the Company had transferred 5,000,000 treasury shares as part of the consideration for the acquisition of 70% of issued share capital of Marquis Services Pte Ltd as pursuant to the terms of sales and purchase agreement dated 26 October 2015, when the profit guarantee (refer to announcement dated 6 November 2017) provided by the vendor has been fully met.

1(d)(iii) To show the total number of issued shares excluding treasury shares and subsidiary holdings 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.

Please refer to 1(d)(ii).

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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 adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)") framework, on 1 June 2018 and has prepared its financial information under SFRS(I) for period ended 28 February 2019. In addition to adopting all the applicable standards under SFRS(I), the Group also takes the opportunity to review the relevance of the accounting policy choices with the application of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ended 31 May 2019), subject to mandatory exceptions and optional exemptions under SFRS(I) 1. The Group decided to elect the optional exemption SFRS(I) 1 to measure the leasehold land and buildings classified under property, plant and equipment held by the Group at the date of transition to IFRS using the original historical cost less accumulated depreciation and impairment. Any amount in asset revaluation reserve and its deferred tax liabilities relating to the leasehold land and buildings has been reversed as at 1 June 2017.

		Adjustments		
Statement of financial position line items	**31-May-18**	**SFRS(I) 1**	**SFRS(I) 9**	**01-Jun-18**
Group				
Non-current assets				
Property, plant and equipment	137,428	(14,732)	-	122,696
Available-for-sale investments (previously reported)	640	-	(640)	-
Financial assets at fair value through profit or loss (under SFRS(I) 9)	-	-	470	470
Non-current liabilities				
Deferred tax liabilities	3,798	(3,349)	-	449
Equity				
Accumulated losses	(11,261)	4,311	299	(6,651)
Other reserves	16,490	(15,391)	(299)	800
Non-controlling interests	5,543	(303)	-	5,240
Company				
Non-current assets				
Available-for-sale investments (previously reported)	640	-	(640)	-
Financial assets at fair value through profit or loss (under SFRS(I) 9)	-	-	470	470
Equity				
Accumulated losses	(24,774)	-	299	(24,475)
Other reserves	201	-	(299)	(98)

The equity investment held by the Company and the Group is determined as a financial asset to be measured as fair value through profit or loss under SFRS(I) 9. Under the previous classification as "available-for-sale investments", the changes in fair value were accounted for in other comprehensive income and accumulated in the fair value reserve.

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.

Please refer to paragraph 4 above.

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.

	The Group			
	3rd Quarter Ended		Nine Months Ended	
	28-Feb-19	28-Feb-18 Restated	28-Feb-19	28-Feb-18 Restated
Loss per share from continuing operations (in SGD cent)				
- Basic (1)	(0.16)	(0.11)	(0.40)	(0.28)
- Fully diluted (2)	(0.16)	(0.11)	(0.40)	(0.28)
Earnings/(loss) per share from discontinued operation (in SGD cent)				
- Basic (1)	-	0.03	-	(1.07)
- Fully diluted (2)	-	0.03	-	(1.07)
Loss per share (in SGD cent)				
- Basic (1)	(0.16)	(0.08)	(0.40)	(1.35)
- Fully diluted (2)	(0.16)	(0.08)	(0.40)	(1.35)
(1) Weighted average number of shares	688,531,890	688,531,890	688,531,890	685,638,117
(2) Calculated based on weighted average number of shares	688,531,890	688,531,890	688,531,890	685,638,117

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.

	Group		Company	
	28-Feb-19	31-May-18 Restated	28-Feb-19	31-May-18 Restated
Net assets (S$'000)	68,307	71,642	51,727	52,920
Net asset value per share (in SGD cents)	9.92	10.41	7.51	7.69
Number of shares used in calculating NAV	688,531,890	688,531,890	688,531,890	688,531,890

8. A review of the performance of the group, to the extend 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

9M FY2019 vs 9M FY2018

Revenue
The Group recorded a 17.5% increase in revenue to S$62.1 million for the nine months ended 28 February 2019 ("9M FY19") compared with S$52.8 million for the nine months ended 28 February 2018 ("9M FY18"). The increase was mainly due to higher revenue contributed by ready-mix concrete manufacturing plant, Wuzhou Xing Jian Readymix Co., Ltd ("Wuzhou Xing Jian") and higher warehousing storage, trucking and trading revenue.

Cost of sales
Cost of sales increased by 20.7% from S$42.9 million in 9M FY18 to S$51.7 million in 9M FY19 in tandem with higher revenue. The increase was attributable to the increased production expenses from Wuzhou Xing Jian and in line with the higher revenue from local warehousing and logistics segment, higher depreciation charge and property tax due to the addition of a warehouse at 39 Benoi Road.

Gross profit
Gross profit increased by 3.8% from S$10.0 million in 9M FY18 to S$10.3 million in 9M FY19. The Group's gross margin decreased marginally from 18.8% in 9M FY18 to 16.6% in 9M FY19, mainly due to lower gross margin from certain projects and higher depreciation charge and property tax.

Other income
Other income increased by $0.5 million from S$0.8 million in 9M FY18 to S$1.3 million in 9M FY19. The increase was mainly due to the gain on disposal of 49% stake in its associate, GKE Metal Logistics Pte Ltd.

Marketing and distribution costs
Marketing and distribution costs increased from $193,000 in 9M FY18 to S$202,000 in 9M FY19. This was mainly due to higher expenses incurred on marketing for Wuzhou Xing Jian.

Administrative expenses
Administrative expenses increased fom S$10.0 million in 9M FY18 to S$10.4 million in 9M FY19. This was mainly due to fair value loss on financial assets of S$0.2 million, increase in administrative staff in Wuzhou Xing Jian, commencement of G-Chem logistics Pte Ltd operation in November 2017 and increase in legal and professional fee. This was partially offset by the decrease in amortisation expenses of land rights and customer relationship.

Finance costs
Finance costs increased significantly by S$0.6 million from S$1.3 million in 9M FY18 to S$1.9 million in 9M FY19. This was mainly due to the higher loan interest incurred on the loan for redevelopment of warehouse at 39 Benoi Road and purchase of equipment.

Other credit/(expenses)
Other expenses incurred in 9M FY19 was mainly due to net foreign exchange losses.

Share of results of associates
The share of loss from associates decreased as Group had disposed GKE Metal Logistics Pte Ltd on 8 August 2018 and hence, no share of result with effect from 8 August 2018.

Tax expenses
The increase in tax expenses arose from the profitable subsidiaries.

Gain/(loss) from discontinued operation
The discontinued operation recorded a loss of S$7.3 million in 9M FY18 mainly derived from the provision for impairment loss on investment in Ocean Latitude Limited joint venture of S$5.6 million and the share of loss of its operations of S$1.7 million due to depressed chartering rate for its 83,000m^3 liquefied gas carrier vessel, Gas Aries. There are no discontinued operation in 9M FY19.

Other comprehensive income
Other comprehensive income for foreign currency translation and share of foreign currency translation of associates was a result of the translation of the financial statements of the foreign subsidiaries and associates from its functional currencies.

3Q FY2019 vs 3Q FY2018

Revenue
The Group's revenue increased by S$5.2 million to S$22.5 million for the third quarter ended 28 February 2019 ("3Q FY19") from S$17.3 million for the third quarter ended 28 Febrary 2018 ("3Q FY18"), The increase mainly came from the higher revenue contributions from Wuzhou Xing Jian and higher warehouse storage, trucking and trading revenue.

Cost of sales
Cost of sales in 3Q FY19 increased by 40.6% to S$19.5 million from S$13.9 million in 3Q FY18 in tandem with the increase in revenue. The significant increase was due to the additional expenses from the operations of Wuzhou Xing Jian and increase in depreciation charge due to addition of warehouse at 39 Benoi Road.

Gross profit
For 3Q FY19, the Group's gross profit decreased by 12.1% to S$3.0 million in 3Q FY19 from S$3.4 million in 3Q FY18. The Group's gross margin decreased from 19.9% in 3Q FY18 to 13.4% in 3Q FY19 as a result of higher fixed costs and lower margin from certain projects.

Other income
Other income increased slightly from S$198,000 to S$232,000 in 3Q FY19 mainly due to the increase in interest income and service income.

Marketing and distribution costs
Marketing and distribution costs increased marginally from S$68,000 in 3Q FY18 to S$72,000 in 3Q FY19. This was mainly due to the increase in sales and marketing costs in Wuzhou Xing Jian.

Administrative expenses
Administrative expenses decreased by S$0.2 million to S$3.1 million in 3Q FY19 from S$3.3 million in 3Q FY18. This was mainly due to the decrease in amortisation expenses of land rights and customer relationship and legal and professional fee offset by the increase in administrative expenses in Wuzhou Xing Jian and commencement of G-Chem Logistics Pte Ltd operation in November 2017.

Finance costs
Finance costs increased from S$0.5 million in 3Q FY18 to S$0.6 million in 3Q FY19, resulted by the additional financing cost incurred for the redevelopment of new warehouse at 39 Benoi road.

Other credit/(expenses)
Other credit/(expenses) in 3Q FY19 was mainly due to net foreign exchange gain.

Share of results of associates
The Group has disposed GKE Metal Logistics Pte Ltd on 8 August 2018 and hence, no share of result in 3Q FY19.

Gain/(loss) on discontinued operation
The discontinued operation recorded a gain of S$0.2 million in 3Q FY18 mainly derived from reversal of over-provision of impairment loss on investment in Ocean Latitude Limited joint venture by $0.7 million offset by the share of loss of its operation S$0.5 million due to depressed chartering rate.

Other comprehensive income
Other comprehensive income for foreign currency translation and share of foreign currency translation of associates was a result of the translation of the financial statements of the foreign subsidiaries and associates from its functional currencies.

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

STATEMENT OF FINANCIAL POSITION

Non-current assets decreased by S$9.0 million from S$138.1 million as at 31 May 2018 to S$129.1 million as at 28 February 2019. This was mainly due to (i) decrease in property, plant and equipment due to depreciation and adjustment to the estimated cost of the construction of the warehouse at 39 Benoi Road, (ii) decrease in investment in associate due to disposal of associate; GKE Metal Logistics Pte Ltd; and (iii) decrease in land use rights and intangible assets due to amortisation.

Current assets increased to S$40.5 million as at 28 February 2019 from S$38.6 million as at 31 May 2018. This was mainly due to the increase in trade and other receivables resulting from higher trade receivables from Wuzhou Xing Jian and increase in prepaid operating expenses. This is offset by decrease in cash and cash equivalents from S$12.6 million as at 31 May 2018 to S$10.9 million as at 28 February 2019, which was mainly due to the repayment of borrowings and finance lease and purchase of fixed assets offset by proceeds from borrowings.

Non-current liabilities increased by S$6.7 million from S$57.7 million as at 31 May 2018 to S$64.4 million as at 28 February 2019. The increase is mainly due to classification of certain borrowings from current liabilities to non-current liabilities due to renewal of loan repayment schedule offset by the decrease in other liabilities as the retention sum due to vendor for the construction of 39 Benoi road warehouse has been reclassified from non-current liabilities to current liabilties.

Current liabilities decreased by S$10.2 million from S$42.2 million as at 31 May 2018 to S$32.0 million as at 28 February 2019. This was mainly due to (i) the decrease in other liabilities due to adjustment of accruals for construction of warehouse at 39 Benoi road and other expenses; and (ii) decrease in borrowings due to the repayment of borrowings and classification of certain borrowings to non-current borrowings. This was offset by the increase in finance lease liabilites due to the purchase of motor vehicles and the increase in trade and other payables and the reclassification of non-current other liabilities to current other liabilities for the retention sum due to vendor for the construction of 39 Benoi road warehouse.

Shareholder's equity decreased from S$71.6 million as at 31 May 2018 to S$68.3 million as at 28 February 2019 due to the losses and lower translation reserves for the period under review.

STATEMENT OF CASH FLOWS

9M FY2019 vs 9M FY2018

During 9M FY19, the Group's net cash generated from operating activities was S$7.4 million. This comprised positive operating cash flows before changes in working capital of S$8.1 million, adjusted by net working capital inflow of S$0.4 million and income tax paid of S$1.1 million.

Net cash used in investing activities was S$1.6 million in 9M FY19. This was mainly due to the cash outlay of S$2.0 million for the purchase of fixed assets and offset with the proceeds from disposal of investment in associate amounting to S$0.3 million and proceeds from disposal of property, plant and equipment of S$0.1 million.

Net cash used in financing activities was S$7.7 million in 9M FY19. This was mainly due to the repayment of loans, finance leases and interest expenses which was partially offset by the proceeds from bank borrowings for the warehouse at 39 Benoi Road, equipment and construction loan drawdown.

3Q FY2019 vs 3Q FY2018

The Group's net cash generated from operating activities for 3Q FY19 was S$1.8 million. This comprised positive operating cash flows before changes in working capital of S$2.3 million, adjusted by net working capital outflow of S$0.1 million and income tax paid S$0.5 million.

Net cash used in investing activities of S$0.7 million in 3Q FY19 was mainly due to the purchase of office equipment and warehouse equipment.

Net cash used in financing activities of S$2.5 million in 3Q FY19 was mainly attributed to repayment of loans and finance leases, and interest paid which was partially offset by the proceeds from bank borrowings of S$0.3 million for the 39 Benoi road warehouse equipment and drawdown of construction loan.

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

Not applicable, there were no forecast or prospect statement made.

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 continues to expand its customers base for its third party logistics business segment. Amidst the uncertainties in the global economy, the Group will continue to stay prudent with its operating costs while deriving synergies among the subsidiaries within its warehousing & logistics division to increase its competitiveness.

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

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 and reason(s) for the decision.

After deliberation, the board has adopted a prudent approach to conserve cash amidst the current challenging business environment. As such, no interim dividend has been declared for 9M FY19.

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 2019 to be false or misleading in any material aspect.

15. Confirmation by the Board pursuant to Rule 720(1) of the listing manual

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company.

BY ORDER OF THE BOARD

Neo Cheow Hui
Executive Director and Chief Executive Officer
12 April 2019

*This announcement has 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 Nathaniel C.V.(Registered Professional, RHT Capital Pte. Ltd.)
Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619
Tel: 6381 6757