GKE CORPORATION LIMITED
(Company Registration No. 200001941G)
(Incorporated in the Republic of Singapore)

ADJUSTMENTS MADE TO THE UNAUDITED FINANCIAL RESULTS FOR FINANCIAL YEAR ENDED 31 MAY 2015

The Board of Directors of GKE Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcements dated 30 July 2015 on the unaudited full year financial statements for the year ended 31 May 2015 ("**Unaudited Results**") and the announcement dated 21 August 2015 in relation to the final award issued by Arbitral Tribunal on 19 August 2015 ("**Award**").

As a result of the Award, the Board wishes to announce that there are certain adjustments made to the Unaudited Results of the Group. A comparison of the Audited Results and Unaudited Results is set out as follows:

a) Income Statement

	Notes	The Group Year ended 31 May 2015 Audited Results	Unaudited Results	Difference
		S$'000	S$'000	S$'000
Revenue		36,200	36,200	-
Cost of sales		(26,965)	(26,965)	-
Gross profit		9,235	9,235	-
Other income	1	964	423	541
Expenses				
Marketing and distribution costs		(190)	(190)	-
Administrative expenses	2	(12,340)	(10,321)	(2,019)
Finance costs		(1,780)	(1,780)	-
Other expenses	3	-	(378)	378
Share of results of associates		7	7	-
Share of results of joint venture		(1)	(1)	-
Loss before tax	5	(4,105)	(3,005)	(1,100)
Tax expense		(578)	(578)	-
Loss for the year		(4,683)	(3,583)	(1,100)
Loss attributable to:				
Owners of the Company	6	(3,821)	(3,106)	(715)
Non-controlling interests	6	(862)	(477)	(385)
		(4,683)	(3,583)	(1,100)

b) Consolidated Statement of Comprehensive Income

	Notes	The Group Year ended 31 May 2015 Audited Results	 Unaudited Results	 Difference
		S$'000	S$'000	S$'000
Loss for the year		(4,683)	(3,583)	(1,100)
Other comprehensive income, net of tax				
Foreign currency translation		1,554	1,554	-
Revaluation gain on property, plant and equipment		-	-	-
Fair value transfer to profit or loss on disposal of available-for-sale investments		-	-	-
Fair value (loss)/gain on available-for-sale investments		(125)	(125)	-
Share of foreign currency translation of associates		311	311	-
Other comprehensive income for the year, net of tax		1,740	1,740	-
Total comprehensive income for the year	5	(2,943)	(1,843)	(1,100)
Loss attributable to:				
Owners of the Company		(2,358)	(1,643)	(715)
Non-controlling interests		(585)	(200)	(385)
Total comprehensive income for the year		(2,943)	(1,843)	(1,100)

	Notes	The Company Year ended 31 May Audited Results	 Unaudited Results	 Difference
		S$'000	S$'000	S$'000
Loss for the year	7	(6,115)	(3,349)	(2,766)
Other comprehensive income, net of tax				
Fair value transfer to profit or loss on disposal of available-for-sale investments		-	-	
Fair value (loss)/gain on available-for-sale investments		(125)	(125)	-
Total comprehensive income for the year		(6,240)	(3,474)	(2,766)
Loss attributable to:				
Owners of the Company		(6,240)	(3,474)	(2,766)

c) Statement of Financial Position

	Notes	The Group			The Company		
		Audited Results	Unaudited Results	Difference	Audited Results	Unaudited Results	Difference
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
ASSETS							
Non-current assets							
Property, plant and equipment		115,422	115,422	-	89	89	-
Land use rights		5,389	5,389	-	-	-	-
Investments in subsidiaries	7	-	-	-	45,998	48,764	(2,766)
Investments in associates		9,830	9,830	-	6,615	6,615	-
Investments in joint venture		4,511	4,511	-	-	-	-
Available-for-sale investments		509	509	-	509	509	-
Other receivables		-	-	-	7,159	7,159	-
Prepayments		-	-	-	-	-	-
Total non-current assets		**135,661**	**135,661**	-	**60,370**	**63,136**	**(2,766)**
Current assets							
Trade and other receivables		12,028	12,028	-	9,007	9,007	-
Prepaid operating expenses		349	349	-	25	25	-
Cash and cash equivalents		18,442	18,442	-	12,672	12,672	-
Total current assets		**30,819**	**30,819**	-	**21,704**	**21,704**	-
Total assets		**166,480**	**166,480**	-	**82,074**	**84,840**	**(2,766)**
EQUITY AND LIABILITIES							
Equity							
Share capital		74,831	74,831	-	74,831	74,831	-
Treasury shares		(848)	(848)	-	(848)	(848)	-
Accumulated losses	6,7	(14,021)	(13,306)	(715)	(15,331)	(12,565)	(2,766)
Other reserves		17,851	17,851	-	-	-	
Equity attributable to owners of the Company		**77,813**	**78,528**	**(715)**	**58,652**	**61,418**	**(2,766)**
Non-controlling interests	6	4,326	4,711	(385)	-	-	-
Total equity		**82,139**	**83,239**	**(1,100)**	**58,652**	**61,418**	**(2,766)**
Non-current liabilities							
Borrowings		61,155	61,155	-	17,595	17,595	-
Deferred tax liabilities		4,748	4,748	-	10	10	-
Finance lease liabilities		595	595	-	-	-	-
Loan from non-controlling interests		365	365	-	-	-	-
Total non-current liabilities		**66,863**	**66,863**	-	**17,605**	**17,605**	-
Current liabilities							
Trade and other payables	8	3,996	2,896	1,100	403	403	-
Other liabilities		2,949	2,949	-	763	763	-
Borrowings		8,219	8,219	-	4,576	4,576	-
Finance lease liabilities		1,097	1,097	-	-	-	-
Tax payable		1,217	1,217	-	75	75	-
Total current liabilities		**17,478**	**16,378**	**1,100**	**5,817**	**5,817**	-
Total liabilities		**84,341**	**83,241**	**1,100**	**23,422**	**23,422**	-
Total equity and liabilities		**166,480**	**166,480**	-	**82,074**	**84,840**	**(2,766)**

d) Statement of Cash Flow for the Group

	Notes	The Group Year ended 31 May 2015 Audited Results	Unaudited Results	Difference
		S$'000	S$'000	S$'000
Cash flow from operating activities				
Loss before tax	5	(4,105)	(3,005)	(1,100)
Adjustments for:				
Allowance of doubtful trade receivables		237	237	-
Amortisation of land use rights		91	91	-
Bad debts written off		23	23	-
Depreciation of property, plant and equipment		7,915	7,915	-
Dividend income from available-for-sale investments		(5)	(5)	-
Gain on disposal of available-for-sale investments		-	-	-
Loss/(gain) on disposal of property, plant and equipment		788	788	
Impairment of available-for-sale investments		199	199	-
Interest expense		1,780	1,780	-
Interest income		(38)	(38)	-
Property, plant and equipment written off		2	2	-
Share of results of joint venture		1	1	-
Share of results of associates		(7)	(7)	-
Effect of exchange rate changes		(141)	(141)	-
Operating cash flows before changes in working capital	5	6,740	7,840	(1,100)
Changes in working capital:				
Trade and other receivables	4	(1,406)	(1,856)	450
Prepaid operating expenses		(31)	(31)	-
Trade and other payables	5	2,010	910	1,100
Other liabilities		(1,104)	(1,103)	(1)
Cash generated from/(used in) operations		6,209	5,760	449
Interest received		38	38	-
Income tax refunded		9	9	-
Net cash flows generated from/(used in) operating activities		6,256	5,807	449
Cash flows from investing activities				
Capital contribution from non-controlling interests		-	-	-
Dividend income from available-for-sale investments		5	5	-
Net cash outflow on disposal of subsidiary		(59)	(59)	-
Net cash outflow on acquisition of associate		-	-	-
Net cash outflow on investment in joint venture		-	-	-
Prepayments relating to acquisition of property, plant and equipment		-	-	-
Proceeds from disposal of available-for-sale investments		-	-	-
Proceeds from disposal of property, plant and equipment		2,845	2,845	-
Purchase of property, plant and equipment	4	(3,325)	(2,875)	(450)
Net cash flows used in investing activities		(534)	(84)	(450)

	Notes	The Group Year ended 31 May 2015 Audited Results	Unaudited Results	Difference
		S$'000	S$'000	S$'000
Cash flows from financing activities				
Proceeds from right issue		12,616	12,616	-
Dividends paid		-	-	-
Interest paid		(1,759)	(1,759)	-
Proceeds from borrowings		3,500	3,500	-
Repayment of obligation under finance leases		(2,841)	(2,841)	-
Repayments of loans and borrowings		(4,271)	(4,271)	-
Net cash generated from financing activities		7,245	7,245	-
Net increase/(decrease) in cash and cash equivalents		12,967	12,968	1
Cash and cash equivalents at the beginning of financial year		5,210	5,210	-
Effect of exchange rate changes on cash and cash equivalents		265	264	1
Cash and cash equivalents at the end of financial year		18,442	18,442	-

e) Effects on the Earnings per share and net asset value

	The Group Year ended 31 May 2015 Audited Results	Unaudited Results	Difference
Earnings per share (in SGD cents)			
- Basic	(0.78)	(0.63)	(0.15)
- Fully diluted	(0.78)	(0.63)	(0.15)
Net assets (S$'000)	77,813	78,528	715
Net asset value per share (in SGD cents)	12.14	12.25	0.11
Number of shares used in calculating NAV	641,125,290	641,125,290	-

Explanatory Notes:

A. Reclassification

1. The increase in other income of S$541,000 is mainly due to reclassification of net foreign exchange gain from administrative expenses.

2. The increase in administrative expenses of S$2,019,000 was mainly due to S$1.1 million additional expenses as a result of the Award issued by Arbitral Tribunal, reclassification of S$541,000 of administrative expenses to other income and reclassification of S$378,000 from other expenses to administrative expenses.

3. The decrease in other expenses of S$378,000 was due to reclassification of loss on disposal of property, plant and equipment and others to administrative expenses.

4. It was due to the reclassification of trade and other receivables to purchase of property, plant and equipment pertaining to the deposit paid for the purchase of property, plant and equipment.

B. Adjustment due to the final award ("Award") issued by Arbitral Tribunal on 19 August 2015

5. The adjustment of S$1.1 million was due to additional expenses as a result of the Award issued by Arbitral Tribunal on 19 August 2015.

6. The increase in loss attributable to owners of the company by S$715,000 and non-controlling interest by S$385,000 came from the increase in loss of S$1.1 million.

7. The adjustment in the Company was due to additional provision for impairment on investment in subsidiary due to the result of the Award issued by Arbitral Tribunal.

8. The increase in trade and other payable was due to additional expenses of S$1.1 million as a result of the Award issued by Arbitral Tribunal on 19 August 2015.

By Order of the Board

Neo Cheow Hui
Chief Executive Officer and Executive Director
26 August 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.

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