GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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		
	Fourth Quarter Ended			Twelve Months Ended		
	31-May-19	31-May-18 Restated	change	31-May-19	31-May-18 Restated	change
	S$'000	S$'000	%	S$'000	S$'000	%
Continuing Operations						
Revenue	26,192	18,644	40.5	88,244	71,464	23.5
Cost of sales	(21,231)	(14,915)	42.3	(72,954)	(57,785)	26.3
Gross profit	4,961	3,729	33.0	15,290	13,679	11.8
Other income	2,367	779	203.9	3,706	1,618	129.0
Expenses						
Marketing and distribution costs	(97)	(57)	70.2	(299)	(250)	19.6
Administrative expenses	(5,186)	(3,693)	40.4	(15,580)	(13,654)	14.1
Finance costs	(654)	(647)	1.1	(2,579)	(1,945)	32.6
Other expenses	35	-	N.M.	(206)	-	N.M.
Share of results of associate	-	(131)	N.M.	(154)	(337)	(54.3)
Profit/(loss) from continuing operations, net of tax	1,426	(20)	N.M.	178	(889)	N.M.
Tax expense	(736)	(276)	62.5	(2,106)	(963)	54.3
Profit/(loss) for the period from continuing operations	690	(296)	N.M.	(1,928)	(1,852)	4.1
Discontinued operation						
Loss from discontinued operation, net of tax	-	(177)	N.M.	-	(7,474)	N.M.
Profit/(loss) for the year	690	(473)	N.M.	(1,928)	(9,326)	(79.3)
(Loss)/profit attributable to:						
Owners of the Company	624	(511)	N.M.	(2,134)	(9,756)	(78.1)
Non-controlling interests	66	38	73.7	206	430	(52.1)
	690	(473)	N.M.	(1,928)	(9,326)	(79.3)
(Loss)/profit attributable to:						
Owners of the Company						
Profit/(loss) from continuing operations, net of tax	624	(334)	N.M.	(2,134)	(2,282)	(6.5)
Loss from discontinued operation, net of tax	-	(177)	N.M.	-	(7,474)	N.M.
Profit/(loss) for the year attributable to owners of the Company	624	(511)	N.M.	(2,134)	(9,756)	(78.1)
Non-controlling interests						
Profit from continuing operations, net of tax	66	38	73.7	206	430	(52.1)
Loss from discontinued operation, net of tax	-	-	N.M.	-	-	N.M.
Profit for the year attributable to non-controlling interests	66	38	73.7	206	430	(52.1)

Loss before tax includes the following items :

	The Group			The Group		
	Fourth Quarter Ended			Twelve Months Ended		
	31-May-19	31-May-18 Restated	change	31-May-19	31-May-18 Restated	change
	S$'000	S$'000	%	S$'000	S$'000	%
Audit fees payable to:						
- Auditors of the Company	(47)	(47)	-	(216)	(199)	8.5
Non-audit fees payable to:						
- Auditors of the Company	(16)	(13)	23.1	(39)	(37)	5.4
Allowance of allowance for doubtful trade receivables	(16)	(5)	N.M.	(16)	(8)	100.0
Amortisation of land use rights	(26)	(27)	(3.7)	(104)	(107)	(2.8)
Amortisation of intangible assets - customer relationship	(77)	(290)	(73.4)	(733)	(1,247)	(41.2)
Bad debts written off	-	(6)	N.M.	-	(6)	N.M.
Depreciation of property, plant and equipment	(2,113)	(1,498)	41.1	(8,951)	(6,453)	38.7
Fair value gain on contingent consideration	1,983	-	N.M.	1,983	315	529.5
Fair value loss on financial assets	(168)	-	N.M.	(355)	(35)	914.3
Gain on disposal of property, plant and equipment	3	18	(83.3)	9	203	(95.6)
Gain on disposal of investment in associate	-	-	-	(538)	-	N.M.
Impairment loss on goodwill	(1,912)	-	N.M.	(1,912)	-	N.M.
Interest income	13	27	(51.9)	48	29	65.5
Legal and professional fees	(90)	(131)	(31.3)	(327)	(387)	(15.5)
Loss on disposal of investment in joint venture	-	(4,823)	N.M.	-	(4,823)	N.M.
Net foreign exchange gain/(loss)	35	121	(71.1)	(206)	152	N.M.
Reversal of provision for impairment loss on investment in fair value	-	5,566	N.M.	-	-	N.M.

N.M. denotes not meaningful.

GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

1 (a)(i) Consolidated Statement of Comprehensive Income for the year ended 31 May 2019

	The Group			The Group		
	Fourth Quarter Ended			Twelve Months Ended		
	31-May-19	31-May-18 Restated	change	31-May-19	31-May-18 Restated	change
	S$'000	S$'000	%	S$'000	S$'000	%
Profit/(loss) for the year	690	(473)	N.M.	(1,928)	(9,326)	(79.3)
Other comprehensive income, net of tax						
Foreign currency translation	(145)	98	N.M.	(775)	237	N.M.
Fair value (loss)/gain on available-for-sale investments	-	(113)	N.M.	-	(72)	N.M.
Share of foreign currency translation of associates	1	-	N.M.	(67)	24	N.M.
Other comprehensive income for the year, net of tax	(144)	(15)	N.M.	(842)	189	N.M.
Total comprehensive income for the year	546	(488)	N.M.	(2,770)	(9,137)	(69.7)
Profit/(loss) attributable to:						
Owners of the Company	509	(522)	N.M.	(2,823)	(9,677)	(70.8)
Non-controlling interests	37	34	8.8	53	540	(90.2)
Total comprehensive income for the year	546	(488)	N.M.	(2,770)	(9,137)	(69.7)
Profit/(loss) attributable to:						
Owners of the Company						
Total comprehensive income from continuing operations, net of tax	509	(345)	N.M.	(2,823)	(2,203)	N.M.
Total comprehensive income from discontinued operation, net of tax	-	(177)	N.M.	-	(7,474)	N.M.
Total comprehensive income for the year attributable to owners of the Company	509	(522)	N.M.	(2,823)	(9,677)	(70.8)

	The Group			The Group		
	Fourth Quarter Ended			Twelve Months Ended		
	31-May-19	31-May-18 Restated	change	31-May-19	31-May-18 Restated	change
	S$'000	S$'000	%	S$'000	S$'000	%
Loss from discontinued operation, net of tax:						
Share of result of joint venture	-	(920)	N.M.	-	(2,651)	N.M.
Loss on disposal of investment in joint venture	-	(4,823)	N.M.	-	(4,823)	N.M.
Reversal of provision for impairment loss on investment in joint venture	-	5,566	N.M.	-	-	N.M.
	-	(177)	N.M.	-	(7,474)	N.M.

GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 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		
	Unaudited 31-May-19	Unaudited 31-May-18 Restated	Unaudited 1-Jun-17 Restated	Unaudited 31-May-19	Audited 31-May-18	Audited 1-Jun-17
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
ASSETS						
Non-current assets						
Property, plant and equipment	114,845	122,696	107,127	88	142	156
Land use rights	4,480	4,794	4,745	-	-	-
Intangible assets	4,836	7,480	8,727	-	-	-
Investments in subsidiaries	-	-	-	47,959	51,959	59,560
Investment in associate	14	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	285	-	-	285	-	-
Other receivables	-	-	-	4,202	5,150	4,866
Prepayments	1,040	-	-	-	-	-
Total non-current assets	**125,500**	**138,115**	**133,342**	**52,534**	**61,080**	**68,468**
Current assets						
Inventories	395	469	253	-	-	-
Trade and other receivables	31,471	22,770	19,116	10,293	13,321	12,361
Prepaid operating expenses	986	550	713	143	24	25
Fixed deposits (restricted)	2,265	2,180	2,180	-	-	-
Cash and cash equivalents	9,396	12,640	10,582	2,988	123	528
Total current assets	**44,513**	**38,609**	**32,844**	**13,424**	**13,468**	**12,914**
Total assets	**170,013**	**176,724**	**166,186**	**65,958**	**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	(8,785)	(6,950)	2,806	(30,340)	(24,774)	(17,066)
Other reserves	111	1,099	1,029	(98)	201	282
Equity attributable to owners of the Company	**68,819**	**71,642**	**80,784**	**47,055**	**52,920**	**60,165**
Non-controlling interests	4,933	5,240	4,910	-	-	-
Total equity	**73,752**	**76,882**	**85,694**	**47,055**	**52,920**	**60,165**
Non-current liabilities						
Other liabilities	3,032	4,317	2,068	-	-	-
Borrowings	59,995	52,911	49,323	-	-	-
Deferred tax liabilities	433	449	646	-	-	-
Finance lease liabilities	-	-	454	-	-	-
Total non-current liabilities	**63,460**	**57,677**	**52,491**	**-**	**-**	**-**
Current liabilities						
Trade and other payables	13,897	8,409	7,594	17,906	19,148	18,777
Other liabilities	5,136	7,399	6,829	973	2,436	2,376
Borrowings	9,295	21,876	7,655	-	-	-
Finance lease liabilities	3,647	3,610	3,709	24	44	64
Tax payable	826	871	2,214	-	-	-
Total current liabilities	**32,801**	**42,165**	**28,001**	**18,903**	**21,628**	**21,217**
Total liabilities	**96,261**	**99,842**	**80,492**	**18,903**	**21,628**	**21,217**
Total equity and liabilities	**170,013**	**176,724**	**166,186**	**65,958**	**74,548**	**81,382**

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

	The Group		The Group	
	As at 31 May 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	3,647	-	3,610	-
Borrowings	9,295	-	21,876	-
(b) Amount repayable after one year				
Loan from non-controlling interests	-	591	-	595
Borrowings	59,995	-	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 and lifting equipment 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, 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.

GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

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		The Group	
	Fourth Quarter Ended		Twelve Months Ended	
	31-May-19	31-May-18 Restated	31-May-19	31-May-18 Restated
	S$'000	S$'000	S$'000	S$'000
Cash flow from operating activities				
Profit/(loss) from continuing operations, net of tax	1,426	(20)	178	(889)
Loss before tax from discontinued operation	-	(177)	-	(7,474)
Profit/(Loss) before tax, total	1,426	(197)	178	(8,363)
Adjustments for:				
Allowance for doubtful trade receivables	16	5	16	8
Amortisation of land use rights	26	27	104	107
Amortisation of intangible assets - customer relationship	77	290	733	1,247
Bad debts charged	-	6	-	6
Depreciation of property, plant and equipment	2,113	1,498	8,951	6,453
Fair value gain on contingent consideration	(1,983)	-	(1,983)	(315)
Gain on disposal of property, plant and equipment	(15)	(18)	(9)	(203)
Gain on disposal of investment in associate	-	-	(538)	-
Impairment loss on goodwill	1,912	-	1,912	-
Fair value loss on financial assets	168	-	355	35
Interest expense	690	795	2,507	1,945
Interest income	(13)	(27)	(48)	(29)
Loss on disposal of investment in joint venture	-	4,823	-	4,823
Property, plant and equipment written off	226	2	227	2
Reversal of provision for impairment loss on investment in joint venture	-	(5,566)	-	-
Share of results of joint venture	-	920	-	2,651
Share of results of associates	-	131	154	337
Effect of exchange rate changes	84	(26)	289	(340)
Operating cash flows before changes in working capital	4,727	2,663	12,848	8,364
Changes in working capital:				
Inventories	187	98	74	(216)
Trade and other receivables	(3,765)	(494)	(6,734)	(3,668)
Prepaid operating expenses	(1,004)	134	(1,476)	163
Trade and other payables	2,407	867	5,489	815
Other liabilities	(271)	2,310	(1,954)	2,769
Cash flows from operations	2,281	5,578	8,247	8,227
Interest received	13	27	48	29
Income tax paid	(1,050)	(170)	(2,168)	(2,501)
Net cash flows from operating activities	1,244	5,435	6,127	5,755
Investing activities				
Capital contribution into investment in associate	(14)	-	(14)	-
Purchase of available-for-sale investment	-	-	-	(50)
Proceeds from disposal of investment in associate	-	-	2,821	-
Proceeds from disposal of property, plant and equipment	15	35	152	458
Proceeds from disposal of investment in joint venture	-	1,451	-	1,451
Purchase of property, plant and equipment	(340)	(1,048)	(2,323)	(19,329)
Net cash flows (used in)/from investing activities	(339)	438	636	(17,470)
Financing activities				
Dividends paid to non controlling interests	-	-	(360)	(210)
Interest paid	(690)	(795)	(2,507)	(1,945)
Placement in/release of short-term deposit - pledged	52	-	(85)	-
Proceeds from loans and borrowings	246	2,952	3,388	22,403
Repayment of obligation under finance leases	(346)	(504)	(1,616)	(1,950)
Repayments of loans and borrowings	(1,629)	(836)	(8,874)	(4,583)
Net cash (used in)/from financing activities	(2,367)	817	(10,054)	13,715
Net (decrease)/increase in cash and cash equivalents	(1,462)	6,690	(3,291)	2,000
Cash and cash equivalents at the beginning of financial quarter/year	10,850	5,848	12,640	10,582
Effect of exchange rate changes on cash and cash equivalents	8	102	47	58
Cash and cash equivalents at the end of financial year quarter/year[(1)]	9,396	12,640	9,396	12,640

Explanatory Notes:

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

	The Group		The Group	
	Fourth Quarter Ended		Twelve Months Ended	
	31-May-19	31-May-18	31-May-19	31-May-18
	S$'000	S$'000	S$'000	S$'000
Cash at banks and on hand	9,396	12,640	9,396	12,640
Fixed deposits (restricted)	2,265	2,180	2,265	2,180
	11,661	14,820	11,661	14,820
Fixed deposits charged with bank	(2,265)	(2,180)	(2,265)	(2,180)
Cash and cash equivalents	9,396	12,640	9,396	12,640

GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

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

The Group	Share capital	Treasury shares	(Accumulated losses)/ 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)/profit for the year	-	-	(9,756)	-	(9,756)	430	(9,326)
Other comprehensive income:							
Fair value loss on available-for-sale investments	-	-	-	(72)	(72)	-	(72)
Foreign currency translation	-	-	-	127	127	110	237
Share of other comprehensive income of associate	-	-	-	24	24	-	24
Other comprehensive income for the year, net of tax	-	-	-	79	79	110	189
Total comprehensive income for the year	-	-	(9,756)	79	(9,677)	540	(9,137)
Contributions by and distributions to owners:							
Dividends paid on ordinary shares	-	-	-	-	-	(210)	(210)
Treasury shares reissued pursuant to	-	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
Closing Balance at 31 May 2018	78,165	(672)	(6,950)	1,099	71,642	5,240	76,882

The Group	Share capital	Treasury shares	(Accumulated losses)/ 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)/profit for the year	-	-	(2,134)	-	(2,134)	206	(1,928)
Other comprehensive income:							
Foreign currency translation	-	-	-	(622)	(622)	(153)	(775)
Share of other comprehensive income of associate	-	-	-	(67)	(67)	-	(67)
Other comprehensive loss for the year, net of tax	-	-	-	(689)	(689)	(153)	(842)
Total comprehensive income for the year	-	-	(2,134)	(689)	(2,823)	53	(2,770)
Contributions by and distributions to owners:							
Dividends paid on ordinary shares	-	-	-	-	-	(360)	(360)
Total contributions by and distributions to owners	-	-	-	-	-	(360)	(360)
Total transactions with owners in their capacity as owners	-	-	-	-	-	(360)	(360)
Closing Balance at 31 May 2019	78,165	(672)	(8,785)	111	68,819	4,933	73,752

GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

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

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 year	-	-	(7,708)	-	(7,708)
Other comprehensive income:					
Fair value loss on available-for-sale investments	-	-	-	(72)	(72)
Other comprehensive income for the year, net of tax	-	-	-	(72)	(72)
Total comprehensive income for the year	-	-	(7,708)	(72)	(7,780)
Contributions by and distributions to owners:					
Treasury shares reissued	-	544	-	(9)	535
Total contributions by and distributions to owners	-	544	-	(9)	535
Closing Balance at 31 May 2018	78,165	(672)	(24,774)	201	52,920

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 year representing total comprehensive income for the year	-	-	(5,865)	-	(5,865)
Closing Balance at 31 May 2019	78,165	(672)	(30,340)	(98)	47,055

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 of the issuer and subsidiary holdings, 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

	Group and the Company	
	31-May-19	31-May-18
Total number of issued shares (excluding treasury shares and subsidiary holdings):		
Total number of issued shares		
At beginning and end of financial year	694,700,540	694,700,540
Treasury shares		
At beginning of financial year	(6,168,650)	(11,168,650)
Treasury shares reissued pursuant to acquisition of a subsidiary (1)	-	5,000,000
At end of the financial year	(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 pursuant to the terms of sales and purchase agreement dated 26 october 2015, when the profit guarantee 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 or 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 31 May 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)	-	-	640	640
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)	-	-	640	640
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.

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

	The Group			
	Fourth Quarter Ended		Twelve Months Ended	
	31-May-19	31-May-18 Restated	31-May-19	31-May-18 Restated
Profit/(Loss) per share from continuing operations (in SGD cent)				
- Basic (1)	0.09	(0.05)	(0.31)	(0.33)
- Fully diluted (2)	0.09	(0.05)	(0.31)	(0.33)
Loss per share from discontinued operations (in SGD cent)				
- Basic (1)	-	(0.02)	-	(1.09)
- Fully diluted (2)	-	(0.02)	-	(1.09)
Profit/(Loss) per share, total (in SGD cent)				
- Basic (1)	0.09	(0.07)	(0.31)	(1.42)
- Fully diluted (2)	0.09	(0.07)	(0.31)	(1.42)
(1) Calculated based on weighted average number of shares	688,531,890	688,531,890	688,531,890	686,367,506
(2) Calculated based on weighted average number of shares for diluted earnings	688,531,890	688,531,890	688,531,890	686,367,506

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	
	31-May-19	31-May-18 Restated	31-May-19	31-May-18 Restated
Net assets (S$'000)	68,819	71,642	47,055	52,920
Net asset value per share (in SGD cents)	10.00	10.41	6.83	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

Review for FY2019 vs FY2018

Revenue
For the financial year ended 31 May 2019 (“FY19”), the Group’s revenue increased by 23.5% year-on-year to S$88.2 million, up from S$71.5 million in the financial year ended 31 May 2018 ("FY18"). The increase was attributed to higher revenue contribution from its ready-mix concrete manufacturing plant, Wuzhou Xing Jian Readymix Co., Ltd ("Wuzhou Xing Jian") and higher warehouse and trucking revenue.

Cost of sales
Cost of sales increased by 26.3% from S$57.8 million in FY18 to S$73.0 million in FY19 on the back of higher operational expenses. The increase was attributable to the increase production expenses from Wuzhou Xing Jian and in line with the higher revenue from local warehousing and logistics segment.

Gross profit
Gross profit increased by 11.8% from S$13.7 million in FY18 to S$15.3 million in FY19. The Group's gross margin declined from 19.1% in FY18 to 17.3% in FY19, mainly due to lower gross margin from the third party logistics segment due to increase in depreciation of property, plant and equipment but was offset by improved gross margin from Wuzhou Xing Jian.

Other income
Other income increased from S$1.6 million in FY18 to S$3.7 million in FY19. This was mainly due to fair value gain on contingent consideration and gain on disposal of the Company's 49% stake in its associate, GKE Metal Logistics Pte Ltd and interest income.

Marketing and distribution costs
Marketing and distribution expenses increased by 19.6% to S$0.3 million in FY19. This was mainly due to higher expenses incurred on marketing from Wuzhou Xing Jian.

Administrative expenses
Administration expenses increased by 14.1% to S$15.6 million in FY19, from S$13.7 in FY18. The increase in FY19 was mainly due to impairment loss on goodwill amounting to S$1.9 million.

Finance costs
Finance costs increased by 32.6% from S$1.9 million in FY18 to S$2.6 million in FY19. The increase was mainly due to the financing cost incurred for loans taken for the redevelopment of 39 Benoi Road property and purchase of equipment.

Other expenses
Other expenses incurred in FY19 was mainly due to net foreign exchange losses.

Share of results of associate
The reduction in share of loss from associate was due to the disposal of GKE Metal Logistics Pte Ltd during the financial year.

Loss from discontinued operation
There was no discontinued operation in FY19 as compared to loss of S$7.5 million in FY18 which arose from the disposal of Ocean Latitude Limited in FY18.

Tax expense
Tax expenses in FY19 and FY18 were derived from profitable subsidiaries. The increase was due to better performance for the overseas subsidiary which attracted a higher income tax.

Loss for the year attributable to owners of the Company
Taking into account of the above, the Group recorded a net loss attributable to owners of the Company of S$2.1 million in FY19, compared with a net loss attributable to owners of the Company of S$9.8 million in FY18.

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

Review for 4Q FY2019 vs 4Q FY2018

Revenue
The Group's revenue grew 40.5% to S$26.2 million for the fourth quarter ended 31 May 2019 ("4Q FY19") from S$18.6 million for the fourth quarter ended 31 May 2018 ("4Q FY18"). The increase was mainly driven by higher revenue contributions from its ready-mix concrete manufacturing plant, Wuzhou Xing Jian, coupled with an increase in storage, trucking and trading revenue from the third party logistics segment.

Cost of sales
Cost of sales increased by 42.3% from S$14.9 million in 4Q FY18 to S$21.2 million in 4Q FY19. The increase was in tandem with the increase in revenue coupled with an increase from the operations of Wuzhou Xing Jian and higher trucking expenses in line with increase trucking revenue.

Gross profit
The Group's gross profit increased by 33.0% from S$3.7 million in 4Q FY18 to S$4.9 million in 4Q FY19 which was mainly due to higher revenue contributed from Wuzhou Xing Jian. The composite gross margin decreased from 20.0% in 4Q FY18 to 18.9% in 4Q FY19. The decrease was mainly due to lower gross margin from third party logistics segment offset by improvement in gross margin from Wuzhou Xing Jian.

Other income
Other income increased by S$0.8 million from 4Q FY18 to S$2.4 million in 4Q FY19. The increase was mainly due to fair value gain on contingent consideration which was offset by the decrease in grant received from government and a net exchange gain in 4Q FY18.

Marketing and distribution expenses
Marketing and distribution expenses increased from S$57,000 in 4Q FY18 to S$97,000 in 4Q FY19, mainly due to higher sales and marketing expenses for Wuzhou Xing Jian.

Administrative expenses
Administrative expenses increased by 40.4% to S$3.7 million in 4Q FY19, from S$5.2 million in 4Q FY18. The increase in 4Q FY19 was mainly due to impairment loss on goodwill amounting to S$1.9 million.

Finance costs
Finance costs increased by 1.1% from S$0.6 million in 4Q FY18 to S$0.7 million in 4Q FY19. The slight increase was mainly due to slight increase of interest expenses for bank borrowing.

Other expenses
There was net foreign exchange gain in 4Q FY19 as compared to net exchange loss in 4Q FY18.

Share of results of associate
The Group has disposed GKE Metal Logistics Pte Ltd on 8 August 2018 and hence, no share of result was recorded in 4Q FY19.

Tax expenses
Tax expenses in 4Q FY19 and 4Q FY18 were derived from profitable subsidiaries.

Profit/(loss) attributable to owners of the Company
As a result of the above, the Group recorded a net profit attributable to owners of the Company of $0.6 million in 4Q FY19 as compared with a net loss of S$0.5 million in 4Q FY18. The improvement in the result in profit was due to higher revenue contributed from Wuzhou Xing Jian and the logistics segment.

Other comprehensive income
Other comprehensive income for foreign currency translation and share of foreign currency translation of associate 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 from S$138.1 million as at 31 May 2018 to S$125.5 million as at 31 May 2019. This was mainly due to the decrease in property, plant and equipment arising from the depreciation charge and adjustment of the redevelopment cost of the 39 Benoi Road property and the decrease in investment in associate due to the disposal of associate, GKE Metal Logistics Pte Ltd. The decrease was partially offset by the acquisition of mining rights.

Current assets increased by S$5.9 million or 15.3% from S$38.6 million as at 31 May 2018 to S$44.5 million as at 31 May 2019. The increase was mainly due to the increase in trade and other receivables arising from higher trade receivables from Wuzhou Xing Jian as a result of higher revenue and increase in prepaid operating expenses. This was offset by a decrease in cash and cash equivalents from S$12.6 million as at 31 May 2018 to S$9.4 million as at 31 May 2019, which was mainly due to the repayment of borrowing and finance lease and purchase of fixed assets, the reduction offset by proceeds from borrowings.

Non-current liabilities increased by S$5.8 million or 10.0% from S$57.7 million as at 31 May 2018 to S$63.5 million as at 31 May 2019. The increase was mainly due to classification of certain bank borrowings from current liabilities to non-current liabilities due to renewal of loan repayment schedule. The increase was partially offset by a decrease in other liabilities as a result of classification of certain retention sum to current liabilities.

Current liabilities decreased from S$42.2 million as at 31 May 2018 to S$32.8 million as at 31 May 2019. The decrease was mainly due to repayment of borrowings and reclassification of certain bank borrowings from non-current liabilities. This was partially offset by the increase in trade and other payables and finance lease liabilities due to the purchase of motor vehicles.

Shareholder's equity decreased from S$76.9 million as at 31 May 2018 to S$73.8 million as at 31 May 2019. The decrease was mainly due to the loss for the financial year and lower translation reserves as at year end.

STATEMENT OF CASH FLOWS

FY2019 vs FY2018

The Group's net cash generated from operating activities in FY19 was S$6.1 million. This comprised of positive operating cash flows before changes in working capital of S$12.8 million, adjusted by a decrease in net working capital flow of S$4.6 million, interest received and income tax paid of S$48,000 and S$2.2 million, respectively.

Net cash generated from investing activities was S$0.6 million in FY19. This was mainly due to the cash outlay for the purchase of fixed assets of S$2.3 million. This was partially offset by proceeds from the disposal of fixed assets of S$152,000 and proceeds from the disposal of investment in associate of S$2.8 million.

Net cash used in financing activities was S$10.1 million in FY19. This was mainly due to proceeds from bank borrowings of S$3.4 million for the racking system and working capital in Van Der Horst Shanghai, which was partially offset by the repayment of loans, finance leases and interest expenses.

4Q FY2019 vs 4Q FY2018

The Group's net cash generated from operating activities for 4Q FY19 was S$1.2 million. This comprised positive operating cash flows before changes in working capital of S$4.7 million, adjusted by a decrease in net working capital flow of S$2.4 million, and interest received and income tax paid of S$13,000 and S$1.1 million, respectively.

Net cash used in investing activities of S$0.3 million in 4Q FY19 was mainly due to the cash outlay purchase of racking system during the quarter.

Net cash used in financing activities of S$2.4 million in 4Q FY19 was mainly due to the proceeds from bank borrowings for the purchase of fixed assets of S$0.2 million, which was partially offset by the repayment of loans and finance leases and interest paid.

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

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 remains prudent in its business decision as the global economic and business environment become uncertain and challenging due to the simmering trade tensions between the US and China, which have taken their toll on the global economy. In Singapore, the Group has taken initiatives to manage its operating costs and continues to drive synergies among the subsidiaries within its core warehousing & logistics division.

In China, the Group is embarking on a few new projects, including a recycling plant for construction raw material. Despite the slowing macro economy, the Group still sees a strong demand of such materials due to its limited resources.

On 22 July 2019, the Group had completed the placement of 100,000,000 new ordinary shares at S$0.07. The total issued and paid-up shares (excluding treasury shares) has increased from 688,531,890 shares to 788,531,890 shares.

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 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 final dividend has been proposed for FY2019.

GKE CORPORATION LIMITED

(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or half year results)

13. Segmental revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

(a) Operating Segments

31 May 2019	Investment Holding S$'000	Third Party Logistics S$'000	Shipping Logistics (discontinued operation) S$'000	Infrastructural Logistics S$'000	Eliminations S$'000	Total S$'000
Revenue						
- External customers	-	63,769	-	24,475	-	88,244
- Inter-segment [1]	-	216	-	-	(216)	-
Total revenue	-	63,985	-	24,475	(216)	88,244
Results:	(2,931)	7,528	-	5,859	3,425	13,881
Depreciation and amortisation	(76)	(8,041)	-	(938)	-	(9,055)
Allowance for doubtful trade receivables	-	(16)	-	-	-	(16)
Property, plant and equipment written off	-	(227)	-	-	-	(227)
Gain on disposal of investment in associate	(368)	-	-	-	906	538
Fair value loss on financial assets	(355)	-	-	-	-	(355)
Impairment loss on goodwill	(1,912)	-	-	-	-	(1,912)
Gain on disposal of property, plant and equipment	-	9	-	-	-	9
Share of results of associate	-	(154)	-	-	-	(154)
Dividend income	840	-	-	-	(840)	-
Interest income	1	634	-	5	(592)	48
Finance costs	(593)	(2,636)	-	(108)	758	(2,579)
Segment (loss)/profit	(5,394)	(2,903)	-	4,818	3,657	178
Tax expense						(2,106)
Loss for the year						(1,928)
Assets:						
Investments in associates	-	14	-	-	-	14
Additions to non-current assets [2]	22	3,936	-	42	-	4,000
Segment assets [3]	69,021	154,453	-	20,126	(73,587)	170,013
Segment liabilities [3]	3,049	101,246	-	8,678	(17,971)	95,002
Unallocated liabilities:						
Tax payable						826
Deferred tax liabilities						433
Total liabilities						96,261

(1) Inter-segment revenues are eliminated on consolidation.
(2) Consist of additions to property, plant and equipment.
(3) Inter-segment assets and liabilities are eliminated to arrive at the total assets and liabilities reported in the consolidated balance sheet.

(a) Operating Segments (cont'd)

31 May 2018 (Restated)	Investment Holding S$'000	Third Party Logistics S$'000	Shipping Logistics (discontinued operation) S$'000	Infrastructural Logistics S$'000	Eliminations S$'000	Total S$'000
Revenue						
- External customers	-	53,278	-	18,186	-	71,464
- Inter-segment [1]	-	262	-	-	(262)	-
Total revenue	-	53,540	-	18,186	(262)	71,464
Results:	(133)	6,702	-	3,318	(2,115)	7,772
Depreciation and amortisation	(88)	(5,488)	-	(983)	-	(6,559)
Allowance for doubtful trade receivables	-	(8)	-	-	-	(8)
Bad debts charged	-	(2)	-	-	-	(2)
Loss on disposal of investment in joint venture	-	-	(4,823)	-	-	(4,823)
Property, plant and equipment written off	-	(6)	-	-	-	(6)
Impairment of investments in subsidiaries	(7,602)	-	-	-	7,602	-
Fair value loss on financial assets	(35)	-	-	-	-	(35)
Gain on disposal of property, plant and equipment	-	202	-	-	-	202
Share of results of associates	-	(337)	-	-	-	(337)
Share of results of joint venture	-	-	(2,651)	-	-	(2,651)
Dividend income	490	-	-	-	(490)	-
Interest income	-	512	-	1	(484)	29
Finance costs	(486)	(1,866)	-	(234)	641	(1,945)
Segment (loss)/profit	(7,854)	(291)	(7,474)	2,102	5,154	(8,363)
Tax credit						(963)
Profit for the year						(9,326)
Assets:						
Investments in associates	2,505	-	-	-	-	2,505
Additions to non-current assets [2]	74	21,045	-	474	-	21,593
Segment assets [3]	74,550	161,880	7,408	16,956	(84,070)	176,724
Segment liabilities [3]	5,750	103,904	5,347	8,311	(24,790)	98,522
Unallocated liabilities:						
Tax payable						871
Deferred tax liabilities						449
Total liabilities						99,842

(1) Inter-segment revenues are eliminated on consolidation.
(2) Consist of additions to property, plant and equipment.
(3) Inter-segment assets and liabilities are eliminated to arrive at the total assets and liabilities reported in the consolidated balance sheet.

(b) Geographical Segments

	Revenue		Non-current assets[4]	
	2019	2018	2019	2018 Restated
	S$'000	S$'000	S$'000	S$'000
Singapore	62,951	52,270	100,866	109,271
People's Republic of China	25,293	19,194	23,295	25,699
	88,244	71,464	124,161	134,970

(4) Non-current assets information presented above consist of property, plant and equipment, land use rights and intangible assets as presented in the consolidated balance sheet.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Investment Holdings
The investment holding comprises primarily coporate service and investment activities. The investment holding segment recorded a loss of S$5.4 million which consist of its corporate services expenses, impairment loss of available-for-sale investments and impairment loss on goodwill. In FY18, the investment holding segment incurred a significant loss of S$7.9 million mainly due to impairment loss on its investment in the shipping logistics segment.

Third Party Logistics
Revenue increased from S$53.5 million to S$64.0 million mainly due to higher warehousing storage, trucking and trading services. FY19 segmental loss was significantly higher compared to FY18, mainly due to the higher depreciation expenses and property related expenses arising from the new warehouse at 39 Benoi Road coupled with higher finance cost due to purchase of equipment and construction of 39 Benoi Road.

Shipping Logistics (Discontinued operation)
There was no segment result for this FY19 as the related business was disposed.

Infrastructural Logistics
Revenue increased from S$6.3 million to $24.5 million as sale volume for Wuzhou Xing Jian increased coupled with higher average selling price. As a result, the segment recorded a segment profit of S$4.8 million in FY19 compared to of S$2.1 million in FY18.

15. A breakdown of sales

	The Group		
	31 May 2019	31 May 2018 Restated	% Change
Sales reported for first half year	39,506	35,498	11.3
Operating loss after tax before non-controlling interest reported for first half year	(1,679)	(8,387)	(80.0)
Sales reported for second half year	48,738	35,966	35.5
Operating loss after tax before non-controlling interest reported for second half year including discontinued operation	(249)	(939)	(73.5)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previously full year.

Total Annual Dividend	Latest Full Year	Previous Full Year
	S$'000	S$'000
Ordinary, tax exempt one tier	-	-

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such person, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and / substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Neo Hwee Lee	50	Sister of Mr Neo Cheow Hui (Chief Executive Officer and Executive Director)	Managing Director of GKE Warehousing & Logistics Pte Ltd since 1 June 2011	Nil
Chen Jiangnan	28	Son of Mr Chen Yonghua (Executive Chairman and Executive Director)	Vice President of GKE Express Logistics Pte Ltd since 22 October 2018	Nil

18. If the Group has obtained a general mandate from shareholders for Interested Person Transaction ("IPT"), the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has ben 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.

19. 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
26 July 2019

This announcement has been prepared by the Company and its contents have 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