GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED SECOND HALF YEAR AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF SECOND 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		
	2nd Half Year Ended			Twelve Months Ended		
	31-May-21	31-May-20	change	31-May-21	31-May-20	change
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	58,936	52,294	12.7	118,986	107,262	10.9
Cost of sales	(44,779)	(40,702)	10.0	(90,289)	(85,421)	5.7
Gross profit	14,157	11,592	22.1	28,697	21,841	31.4
Other income	4,063	1,659	144.9	7,293	3,078	136.9
Expenses						
Marketing and distribution costs	(162)	(106)	52.8	(337)	(214)	57.5
Administrative expenses	(9,298)	(6,454)	44.1	(15,830)	(12,950)	22.2
Finance costs	(1,312)	(2,018)	(35.0)	(2,808)	(3,377)	(16.8)
Other credit	102	281	(63.7)	233	75	210.7
Share of results of associates	(17)	(28)	(39.3)	(90)	(29)	210.3
Profit before tax	7,533	4,926	52.9	17,158	8,424	103.7
Tax expense	(2,369)	(1,932)	22.6	(5,284)	(3,600)	46.8
Profit after tax	5,164	2,994	72.5	11,874	4,824	146.1
Profit attributable to:						
Owners of the Company	5,008	2,890	73.3	11,530	4,696	145.5
Non-controlling interests	156	104	50.0	344	128	168.8
	5,164	2,994	72.5	11,874	4,824	146.1

Profit before tax includes the following items :

	The Group			The Group		
	2nd Half Year Ended			Twelve Months Ended		
	31-May-21	31-May-20	change	31-May-21	31-May-20	change
	S$'000	S$'000	%	S$'000	S$'000	%
Audit fees payable to:						
- Auditors of the Company	(133)	(88)	51.1	(201)	(176)	14.2
Allowance for expected credit loss	(926)	(166)	457.8	(913)	(290)	214.8
Amortisation of intangible assets - customer relationship	(152)	(152)	-	(305)	(305)	-
Bad debts charged	(162)	(3)	N.M.	(179)	(8)	N.M.
Depreciation of property, plant and equipment	(7,811)	(7,798)	0.2	(15,633)	(15,381)	1.6
Fair value gain/(loss) on financial assets	78	(116)	N.M.	90	(78)	N.M.
Gain on disposal of financial assets at fair value through profit or loss	-	-	N.M.	111	-	N.M.
Gain on disposal of property, plant and equipment	21	26	(19.2)	45	40	12.5
Gain on disposal of subsidiaries	2,549	20	N.M.	2,549	314	N.M.
Impairment loss on goodwill	(402)	-	N.M.	(402)	-	N.M.
Interest expenses	(1,312)	(2,018)	(35.0)	(2,808)	(3,377)	(16.8)
Interest income	16	80	(80.0)	30	143	(79.0)
Legal and professional fees	(132)	(122)	8.2	(205)	(275)	(25.5)
Property, plant and equipment written off	-	-	-	(5)	-	N.M.
Net foreign exchange gain	102	281	(63.7)	233	75	210.7

N.M. denotes not meaningful.

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UNAUDITED SECOND HALF YEAR AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

1 (a)(i) Consolidated Statement of Comprehensive Income for the year ended 31 May 2021

	The Group			The Group		
	2nd Half Year Ended			Twelve Months Ended		
	31-May-21	31-May-20	change	31-May-21	31-May-20	change
	S$'000	S$'000	%	S$'000	S$'000	%
Profit after tax	5,164	2,994	72.5	11,874	4,824	146.1
Other comprehensive income, net of tax						
Foreign currency translation	280	371	(24.5)	1,101	(121)	N.M.
Realisation of foreign currency translation reserve from disposal of subsidiaries	(477)	-	N.M.	(477)	-	N.M.
Net change in fair value of cash flow hedges	469	(1,532)	N.M.	903	(2,036)	N.M.
Other comprehensive income for the year, net of tax	272	(1,161)	N.M.	1,527	(2,157)	N.M.
Total comprehensive income for the year	5,436	1,833	196.6	13,401	2,667	402.5
Attributable to:						
Owners of the Company	5,222	1,679	211.0	12,920	2,572	402.3
Non-controlling interests	214	154	39.0	481	95	406.3
Total comprehensive income for the year	5,436	1,833	196.6	13,401	2,667	402.5

N.M. denotes not meaningful.

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UNAUDITED SECOND HALF YEAR AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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-21	Audited 31-May-20	Unaudited 31-May-21	Audited 31-May-20
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	123,394	129,800	245	321
Intangible assets	4,874	5,563	-	-
Investments in subsidiaries	-	-	43,792	47,959
Investment in associates	1,884	997	-	-
Financial assets at fair value through profit or loss	267	313	155	207
Other receivables	-	-	9,737	7,763
Total non-current assets	**130,419**	**136,673**	**53,929**	**56,250**
Current assets				
Inventories	687	340	-	-
Trade and other receivables	48,414	35,247	11,618	11,834
Prepaid operating expenses	1,663	1,336	33	27
Cash and short term deposit	30,889	23,100	13,489	6,459
Total current assets	**81,653**	**60,023**	**25,140**	**18,320**
Total assets	**212,072**	**196,696**	**79,069**	**74,570**
EQUITY AND LIABILITIES				
Equity				
Share capital	85,145	85,145	85,145	85,145
Treasury shares	(1,531)	(1,062)	(1,531)	(1,062)
Retained earnings/(accumulated losses)	4,502	(6,251)	(26,965)	(30,696)
Other reserves	259	(1,072)	(97)	(97)
Equity attributable to owners of the Company	**88,375**	**76,760**	**56,552**	**53,290**
Non-controlling interests	-	4,818	-	-
Total equity	**88,375**	**81,578**	**56,552**	**53,290**
Non-current liabilities				
Other liabilities	2,322	2,518	-	-
Borrowings	52,907	55,223	2,455	-
Lease liabilities	24,604	13,307	-	130
Deferred tax liabilities	1,218	562	14	-
Total non-current liabilities	**81,051**	**71,610**	**2,469**	**130**
Current liabilities				
Trade and other payables	12,097	13,855	17,512	20,155
Other liabilities	12,425	8,615	1,767	959
Derivative financial liabilities	1,364	2,036	-	-
Lease liabilities	5,728	8,010	130	36
Borrowings	9,932	9,689	545	-
Tax payable	1,100	1,303	94	-
Total current liabilities	**42,646**	**43,508**	**20,048**	**21,150**
Total liabilities	**123,697**	**115,118**	**22,517**	**21,280**
Total equity and liabilities	**212,072**	**196,696**	**79,069**	**74,570**

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

	The Group		The Group	
	As at 31 May 2021		As at 31 May 2020	
	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	2,113	-	1,477	-
Borrowings	9,932	-	9,689	-
(b) Amount repayable after one year				
Loan from non-controlling interests	-	-	-	1,231
Finance lease	2,467	-	2,261	-
Borrowings	52,907	-	55,223	-

(c) Details of any collateral

Finance lease are entered into for certain motor vehicles, trailers, forklifts, lifting equipment and prime movers that are secured by the lessor's charge over the leased assets and are secured by corporate guarantee from GKE Corporation Limited ("GKEC").

Borrowings are obtained for the acquisition of warehouses located at 6 Pioneer Walk, 7 Kwong Min Road, and 39 Benoi Road, and the working capital of Wuzhou Xing Jian Readymix Co., Ltd..

Borrowings are secured by corporate guarantee from GKEC, first legal mortgage over the properties located at 6 Pioneer Walk, 7 Kwong Min Road and 39 Benoi Road, and charge on property, plant and equipment of Wuzhou Xing Jian Readymix Co., Ltd. ("Wuzhou Xing Jian").

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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		The Group	
	2nd Half Year Ended		Twelve Months Ended	
	31-May-21	31-May-20	31-May-21	31-May-20
	S$'000	S$'000	S$'000	S$'000
Cash flow from operating activities				
Profit before tax	7,533	4,926	17,158	8,424
Adjustments for:				
Allowance for expected credit loss	926	166	913	290
Amortisation of intangible assets - customer relationship	152	152	305	305
Bad debts charged	162	3	179	8
Depreciation of property, plant and equipment	7,811	7,798	15,633	15,381
Fair value (gain)/loss on financial assets	(78)	116	(90)	78
Gain on disposal of property, plant and equipment	(21)	(26)	(45)	(40)
Gain on disposal of subsidiaries	(2,549)	(20)	(2,549)	(314)
Gain on disposal of financial assets at fair value through profit or loss	-	-	(111)	-
Interest expense	1,312	2,018	2,808	3,377
Interest income	(16)	(80)	(30)	(143)
Impairment loss on goodwill	402	-	402	-
Property, plant and equipment written off	-	-	5	-
Share of results of associates	17	28	90	29
Effect of exchange rate changes	162	(222)	218	(2)
Operating cash flows before changes in working capital	15,813	14,859	34,886	27,393
Changes in working capital:				
Inventories	(374)	(28)	(347)	55
Trade and other receivables	(4,405)	(612)	(8,190)	(4,982)
Prepaid operating expenses	(514)	(276)	(330)	(343)
Trade and other payables	(1,918)	1,188	(1,123)	2,744
Other liabilities	7,702	955	4,871	1,407
Cash flows from operations	16,304	16,086	29,767	26,274
Interest received	16	80	30	143
Income tax paid	(2,215)	(1,480)	(4,629)	(2,994)
Net cash flows from operating activities	14,105	14,686	25,168	23,423
Investing activities				
Capital contribution into investment in associate	(19)	(391)	(930)	(1,012)
Net cash inflow /(outflow) from disposal of subsidiaries[(1)]	5,649	-	5,649	(185)
Proceed from disposal of financial assets at fair value though profit or loss	-	-	251	-
Purchase of financial assets at fair value through profit or loss	-	-	-	(106)
Proceeds from disposal of property, plant and equipment	73	170	173	265
Purchase of property, plant and equipment	(1,447)	(1,455)	(4,326)	(1,909)
Net cash flows generated/(used in) from investing activities	4,256	(1,676)	817	(2,947)
Financing activities				
Acquisition of non-controlling interests	(2,700)	-	(2,700)	-
Dividends paid to non-controlling interests	(225)	-	(225)	(210)
Interest paid	(1,312)	(2,018)	(2,808)	(3,377)
Issuance of ordinary shares, net	-	-	-	6,980
(Placement)/decrease in short-term deposit - pledged	-	(41)	982	(41)
Loan from non-controlling interests	-	366	-	633
Proceeds from borrowings	-	2,517	6,627	4,300
Purchase of treasury shares	-	(390)	(469)	(390)
Repayment of principal portion of lease liabilities	(5,101)	(4,292)	(9,478)	(8,405)
Repayment of borrowings	(3,083)	(5,251)	(8,891)	(8,707)
Net cash used in financing activities	(12,421)	(9,109)	(16,962)	(9,217)
Net increase in cash and cash equivalents	5,940	3,901	9,023	11,259
Cash and cash equivalents at the beginning of financial period	23,694	16,603	20,708	9,310
Effect of exchange rate changes on cash and cash equivalents	(155)	204	(252)	139
Cash and cash equivalents at the end of financial year[(2)]	29,479	20,708	29,479	20,708

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Explanatory Notes:

(1) The Group disposed off its entire 65% stake in Van Der Horst Logistics Limited and its subsidiary, and G-Chem Logistics Pte Ltd, a wholly-owned subsidiary, on 31 May 2021 and 18 June 2019 respectively. The value of assets and liabilities recorded in the financial statements as at disposal date, and the cash flow effect of the disposal, were as follows:

	The Group	
	Twelve Months Ended	
	31-May-21	31-May-20
	S$'000	S$'000
Property, plant and equipment	11,687	455
Intangible assets	3,052	-
Trade and other receivables	3	588
Prepaid operating expenses	5	1
Cash and cash equivalents	105	185
Trade and other payables	(5,680)	(1,249)
Finance lease liabilities	-	(294)
Net assets/(liabilities) derecognised	**9,172**	**(314)**
Less: Non-controlling interests	(3,210)	-
Net assets/(liabilities) disposed of	**5,962**	**(314)**
Receivables written off	3,227	-
Reclassification of foreign currency translation reserve	(477)	-
Provision of withholding tax	565	-
Sale proceed from disposal	(11,826)	-
Gain on disposal	**(2,549)**	**(314)**
Total consideration	11,826	- *
Sale proceed receivables	(6,072)	-
Cash and cash equivalent of the subsidiaries	(105)	(185)
Net cash inflow/(outflow) on disposal of the subsidiaries	**5,649**	**(185)**

* Total consideration is S$1 for FY2020.

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

	The Group		The Group	
	2nd Half Year Ended		Twelve Months Ended	
	31-May-21	31-May-20	31-May-21	31-May-20
	S$'000	S$'000	S$'000	S$'000
Cash and short-term deposit	30,889	23,100	30,889	23,100
Short-term deposit which is not cash and cash equivalents	(1,410)	(2,392)	(1,410)	(2,392)
	29,479	20,708	29,479	20,708

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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

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 at 1 June 2020	85,145	(1,062)	(6,251)	(1,072)	76,760	4,818	81,578
Profit for the year	-	-	11,530	-	11,530	344	11,874
Other comprehensive income:							
Net change in fair value of cash flow hedges	-	-	-	903	903	-	903
Foreign currency translation	-	-	-	964	964	137	1,101
Realisation of foreign currency translation reserve from disposal of subsidiaries	-	-	-	(477)	(477)	-	(477)
Other comprehensive income for the year, net of tax	-	-	-	1,390	1,390	137	1,527
Total comprehensive income for the year	-	-	11,530	1,390	12,920	481	13,401
Contributions by and distributions to owners:							
Dividends paid to non-controlling interests	-	-	-	-	-	(225)	(225)
Purchase of treasury shares	-	(469)	-	-	(469)	-	(469)
Total contributions by and distributions to owners	-	(469)	-	-	(469)	(225)	(694)
Changes in ownership interests in subsidiaries:							
Disposal of subsidiaries	-	-	-	-	-	(3,210)	(3,210)
Acquisition of additional shares in a subsidiary	-	-	-	(836)	(836)	(1,864)	(2,700)
Total changes in ownership interests in subsidiaires	-	-	-	(836)	(836)	(5,074)	(5,910)
Total transactions with owners in their capacity as owners	-	(469)	-	(836)	(1,305)	(5,299)	(6,604)
Others							
Transfer to statutory reserve	-		(777)	777	-	-	-
Closing balance at 31 May 2021	85,145	(1,531)	4,502	259	88,375	-	88,375

The Group	Share capital	Treasury shares	Accumulated losses	Other reserves	Total attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 June 2019, previously reported	78,165	(672)	(9,208)	534	68,819	4,933	73,752
Effect of adopting of SFRS(I) 16	-	-	(1,221)	-	(1,221)	-	(1,221)
Adjusted balance at 1 June 2019	78,165	(672)	(10,429)	534	67,598	4,933	72,531
Profit for the year	-	-	4,696	-	4,696	128	4,824
Other comprehensive income:							
Net change in fair value of cash flow hedges	-	-	-	(2,036)	(2,036)	-	(2,036)
Foreign currency translation	-		-	(88)	(88)	(33)	(121)
Other comprehensive income for the year, net of tax	-	-	-	(2,124)	(2,124)	(33)	(2,157)
Total comprehensive income for the year	-	-	4,696	(2,124)	2,572	95	2,667
Contributions by and distributions to owners:							
Dividends paid to non-controlling interests	-	-	-	-	-	(210)	(210)
Issuance of ordinary shares, net	6,980	-	-	-	6,980	-	6,980
Purchase of treasury shares	-	(390)	-	-	(390)	-	(390)
Total contributions by and distributions to owners	6,980	(390)	-	-	6,590	(210)	6,380
Total transactions with owners in their capacity as owners	6,980	(390)	-	-	6,590	(210)	6,380
Others							
Transfer to statutory reserve	-	-	(518)	518	-	-	-
Closing balance at 31 May 2020	85,145	(1,062)	(6,251)	(1,072)	76,760	4,818	81,578

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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

The Company	**Share capital**	**Treasury shares**	**Accumulated losses**	**Capital reserve**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at 1 June 2020	85,145	(1,062)	(30,696)	(97)	53,290
Profit for the year	-	-	3,731	-	3,731
Total comprehensive income for the year	-	-	3,731	-	3,731
Contributions by and distributions to owners:					
Purchase of treasury shares	-	(469)	-	-	(469)
Total contributions by and distributions to owners	-	(469)	-	-	(469)
Closing balance at 31 May 2021	85,145	(1,531)	(26,965)	(97)	56,552

The Company	**Share capital**	**Treasury shares**	**Accumulated losses**	**Capital reserve**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at 1 June 2019	78,165	(672)	(30,341)	(97)	47,055
Loss for the year	-	-	(355)	-	(355)
Total comprehensive income for the year	-	-	(355)	-	(355)
Contributions by and distributions to owners:					
Issuance of ordinary shares, net	6,980	-	-	-	6,980
Purchase of treasury shares	-	(390)	-	-	(390)
Total contributions by and distributions to owners	6,980	(390)	-	-	6,590
Closing balance at 31 May 2020	85,145	(1,062)	(30,696)	(97)	53,290

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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 purpose 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, 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

Total number of issued shares (excluding treasury shares):	**Group and the Company**	
	31-May-21	**31-May-20**
Total number of issued shares		
At beginning of financial year	794,700,540	694,700,540
Issue of new shares [(1)]	-	100,000,000
At end of financial year	794,700,540	794,700,540
Treasury shares		
At beginning of financial year	(13,227,950)	(6,168,650)
Share buyback	(6,348,500)	(7,059,300)
End of the financial year	(19,576,450)	(13,227,950)
Total	775,124,090	781,472,590

(1) During the financial year ended 31 May 2020, the Company had issued 100,000,000 ordinary shares at $0.07 each.

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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:
(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those used in the most recently audited financial statements for the year ended 31 May 2020.

The adoption of new/revised FRS and INT FRS has no material financial impact on the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	The Group			
	2nd Half Year Ended		Twelve Months Ended	
	31-May-21	31-May-20	31-May-21	31-May-20
Earnings per share (in SGD cent)				
- Basic [(1)]	0.65	0.37	1.49	0.61
- Fully diluted [(2)]	0.65	0.37	1.49	0.61
(1) Calculated based on weighted average number of shares	775,124,090	784,780,898	776,339,919	773,927,815
(2) Calculated based on weighted average number of shares for diluted earnings	775,124,090	784,780,898	776,339,919	773,927,815

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-21	31-May-20	31-May-21	31-May-20
Net assets (S$'000)	88,375	76,760	56,552	53,290
Net asset value per share (in SGD cents)	11.40	9.82	7.30	6.82
Number of shares used in calculating NAV	775,124,090	781,472,590	775,124,090	781,472,590

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 FY2021 vs FY2020

Revenue
For the financial year ended 31 May 2021 (“FY21”), the Group’s revenue increased by 10.9% year-on-year to S$119.0 million, up from S$107.3 million in the financial year ended 31 May 2020 ("FY20"). The increase was mainly attributed to higher revenue contribution from (i) higher utilisation of warehouse space; (ii) increase in trucking volume, and (iii) higher revenue from ready-mix concrete plant.

Cost of sales
Cost of sales increased by 5.7% from S$85.4 million in FY20 to S$90.3 million in FY21, in tandem with the increase in revenue.

Gross profit
Gross profit increased by 31.4% from S$21.8 million in FY20 to S$28.7 million in FY21. The Group's gross margin increased from 20.4% in FY20 to 24.1% in FY21, mainly due to better utilisation of warehouse space and Singapore government support schemes.

Other income
Other income increased by 136.9% from S$3.1 million in FY20 to S$7.3 million in FY21. The increase was due to gain on disposal of subsidiaries amounting to S$2.5 million and government support schemes in FY21.

Marketing and distribution costs
Marketing and distribution expenses increased by 57.5% from S$0.2 million in FY20 to S$0.3 million in FY21. The increase was due to higher expenses incurred on marketing from Wuzhou Xing Jian.

Administrative expenses
Administration expenses increased by 22.2% from S$13.0 million in FY20 to S$15.8 million in FY21. The increase was due to increase in staff expenses, impairment loss on goodwill, allowance for expected credit loss and depreciation expenses compared to FY20.

Finance costs
Finance costs decreased by 16.8% from S$3.4 million in FY20 to S$2.8 million in FY21. The decrease was due to the reduction of interest on lease liabilities.

Other credit
Other credit of S$233,000 in FY21 was mainly due to net foreign exchange gain.

Share of results of associates
The share of loss from associates increased mainly due to the start-up costs of Cenxi Haoyi Recycling Co., Ltd in China.

Tax expense
In FY20, some of the subsidiaries were in loss making position resulting in higher effective tax rate of 42.7%. In FY21, those subsidiaries has turned profitable and hence, reducing the effective tax rate to 30.8%.

Profit 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 S$11.5 million in FY21 as compared to S$4.7 million in FY20. The improvement in the result in profit was due to higher revenue contributed from Wuzhou Xing Jian, better utilisation of the warehouses, gain on disposal of subsidiaries and government support schemes.

Other comprehensive income
Other comprehensive income mainly comprises change in fair value of cash flow hedges and foreign currency translation of subsidiaries and associates.

Review for 2H FY2021 vs 2H FY2020

Revenue
The Group's revenue grew 12.7% to S$58.9 million for the 2nd half year ended 31 May 2021 ("2H FY21") from S$52.3 million for the 2nd half year ended 31 May 2020 ("2H FY20"). The increase was mainly attributed to higher revenue contribution from (i) higher utilisation of warehouse space; and (ii) higher revenue from ready-mix concrete plant.

Cost of sales
Cost of sales increased by 10.0% from S$40.7 million in 2H FY20 to S$44.8 million in 2H FY21, in tandem with the increase in revenue.

Gross profit
The Group's gross profit increased by 22.1% from S$11.6 million in 2H FY20 to S$14.2 million in 2H FY21 which was mainly due to higher revenue contributed from Wuzhou Xing Jian. The gross margin increased from 22.2% in 2H FY20 to 24.0% in 2H FY21. The increase was due better utilisation of the warehouses and Singapore government support schemes.

Other income
Other income increased by 144.9% from S$1.7 million from 2H FY20 to S$4.1 million in 2H FY21. The increase was mainly due to gain on disposal of subsidiaries.

Marketing and distribution expenses
Marketing and distribution expenses increased by 52.8% from S$106,000 in 2H FY20 to S$162,000 in 2H FY21. The increase was due to higher marketing expenses for Wuzhou Xing Jian.

Administrative expenses
Administrative expenses increased by 44.1% from S$6.5 million in 2H FY20 to S$9.3 million in 2H FY21. The increase was due increase in staff expenses, impairment loss on goodwill, allowance for expected credit loss and depreciation expenses compared to 2H FY20.

Finance costs
Finance costs decreased from S$2.0 million in 2H FY20 to S$1.3 million in 2H FY21. The decrease was due to the reduction of interest on lease liabilities.

Other expenses
Other expenses incurred in 2H FY21 and 2H FY20, mainly due to net foreign exchange gain.

Share of results of associates
The share of loss from associates in 2H FY21 was mainly due to the start-up costs of Cenxi Haoyi Recycling Co., Ltd in China.

Tax expense
In 2H FY20, some of the subsidiaries were in loss making position resulting in higher effective tax rate of 39.2%. In 2H FY21, those subsidiaries has turned profitable and hence, reducing the effective tax rate to 31.4%.

Profit 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 S$5.0 million in 2H FY21 as compared to S$2.9 million in 2H FY20. The improvement in profit was due to higher revenue contributed from Wuzhou Xing Jian, better utilisation of the warehouses, gain on disposal of subsidiaries and government support schemes.

Other comprehensive income
Other comprehensive income mainly comprises change in fair value of cash flow hedges and foreign currency translation of subsidiaries and associates.

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

STATEMENT OF FINANCIAL POSITION

Non-current assets decreased from S$136.7 million as at 31 May 2020 to S$130.4 million as at 31 May 2021. This decrease was mainly due to disposal of Van Der Horst Logistics Limited and its subsidiary, and depreciation of property, plant and equipment. It is partially offset by the acquisition of property, plant and equipment and additional capital contribution into an associate, Cenxi Haoyi Recycling Co., Ltd.

Current assets increased by S$21.6 million or 36.0% from S$60.0 million as at 31 May 2020 to S$81.7 million as at 31 May 2021. This was mainly due to the increase in trade and other receivables from Wuzhou Xing Jian by S$8.0 million and increase in cash and cash equivalents from S$23.1 million as at 31 May 2020 to S$30.9 million as at 31 May 2021.

Non-current liabilities increased by S$9.4 million or 13.2% from S$71.6 million as at 31 May 2020 to S$81.1 million as at 31 May 2021. The increase mainly arose from lease liabilities due to rental renewal of a property by approximately S$13.0 million and is offset by the repayment of borrowings.

Current liabilities decreased by S$0.9 million or 2.0% from S$43.5 million as at 31 May 2020 to S$42.6 million as at 31 May 2021. The decrease was mainly due to reduction in trade and other payables, fair value of derivative liabilities and repayment of principal portion of lease liabilities.

Total equity increased from S$81.6 million as at 31 May 2020 to S$88.4 million as at 31 May 2021 due to profit in FY21.

STATEMENT OF CASH FLOWS

FY2021 vs FY2020

The Group's net cash generated from operating activities in FY21 was S$25.2 million. It comprised positive operating cash flows before changes in working capital of S$34.9 million, adjusted by a decrease in net working capital flow of S$5.1 million, interest received and income tax paid of S$30,000 and S$4.6 million, respectively.

Net cash generated from investing activities was S$0.8 million in FY21. This was mainly due to the net cash inflow from disposal of subsidiaries of $5.6 million and proceeds from disposal of financial assets at fair value through profit or loss of S$0.3 million. This was partially offset with the capital contribution into investment in associate and purchase of property, plant and equipment.

Net cash used in financing activities was S$17.0 million in FY21. This was mainly due to the payment of principal portion of lease liabilities of S$9.5 million, purchase of treasury shares of S$0.5 million, repayment of loans, and interest expenses which was offset by proceeds from bank borrowings of S$6.6 million.

2H FY2021 vs 2H FY2020

The Group's net cash generated from operating activities for 2H FY21 was S$14.1 million. This comprised positive operating cash flows before changes in working capital of S$15.8 million, adjusted by an increase in net working capital flow of S$0.5 million, interest received and income tax paid of S$16,000 and S$2.2 million, respectively.

Net cash generated from investing activities was S$4.3 million in 2H FY21. This was mainly due to the net cash inflow from disposal of subsidiaries of $5.6 million and was offset with the capital contribution into investment in associate and purchase of property, plant and equipment.

Net cash used in financing activities was S$12.4 million in 2H FY21 was mainly due to the repayment of loans, lease liabilities, interest paid and the acquisition of non-controlling interests.

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

There was 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 record optimal utilisation at better rental rates as demand for one-stop inventory management spurs growth in its warehousing and logistics segment. While the Group has successfully renewed its lease with cost savings for its 30 Pioneer Road warehouse cum office property in Singapore commencing 15 April 2021 for another five years, it will continue to seek viable opportunities to broaden its warehousing and logistics capabilities.

On 30 April 2021, Marquis Services Pte Ltd ("**Marquis**") became the Group's wholly-owned subsidiary following the acquisition of the remaining 30% stake in Marquis which it did not own. Marquis specialises in specialty chemicals storage and inventory management of chemical products and flammable materials, as well as industrial coating blending services and marine support services. The Group will continue to strengthen its dangerous cargo storage capabilities (Class 2, 3, 4, 5.1, 6.1, 8 and 9) to tap on the growing vibrancy in the specialty chemicals and electronics industries in Singapore.

On 31 May 2021, the Group completed the disposal of its 65% stake in Van Der Horst Logistics Limited and its subsidiary, which holds a warehouse property in Shanghai, China upon receipt of 50% of the sale consideration. The Company will update shareholders when the Deferred Consideration has been received.

The Group's strategic investment in infrastructural materials and services in China is expected to remain positive as urbanisation projects in the cities where the Group operates, continue to drive demand for ready-mix concrete ("**RMC**"). The construction of the wholly-owned RMC manufacturing facility in Cenxi City ("**Cenxi Xing Jian**") with an installed production capacity of 400,000m^3 per annum was recently completed in July 2021 and it has since commenced trial production. The Group expects gradual positive contributions from the new establishments, Cenxi Xing Jian, and its associated company, Cenxi Haoyi Recycling Co., Ltd, which focuses on construction waste materials recycling in Cenxi City, China.

In early 2021, the Group has diversified to include the agri-tech business specifically indoor cultivation of vegetables in Singapore. The Group also expects contribution of this strategic business to progress gradually.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend:	Ordinary (Final)
Dividend Type:	Cash
Dividend per share:	0.40 Singapore cent per ordinary share
Tax Rate:	Tax exempt (one-Tier)

(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

To be announced at a later date, subject to shareholders' approval in the forthcoming Annual General Meeting.

(d) Books Closure Date

To be announced at a later date.

12. If no dividend has been declared (recommended), a statement to that effect and reason(s) for the decision.

Not applicable.

GKE CORPORATION LIMITED

(Company Registration No. 200001941G)

UNAUDITED SECOND HALF YEAR AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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 2021	**Investment Holding** S$'000	**Third Party Logistics** S$'000	**Infrastructural Logistics** S$'000	**Agriculture** S$'000	**Eliminations** S$'000	**Total** S$'000
Revenue						
- External customers	-	66,149	52,817	20	-	118,986
- Inter-segment [1]	-	226	-	-	(226)	-
Total revenue	-	66,375	52,817	20	(226)	118,986
Results:	(1,144)	22,956	12,657	(97)	102	34,474
Depreciation of property, plant and equipment	(96)	(14,021)	(1,503)	(13)	-	(15,633)
Allowance for expected credit loss	-	185	(1,098)	-	-	(913)
Bad debts charged	-	(179)	-	-	-	(179)
Fair value gain on financial assets	90	-	-	-	-	90
Property, plant and equipment written off	-	(5)	-	-	-	(5)
Impairment loss on goodwill	(402)	-	-	-	-	(402)
Gain on disposal of subsidiaries	1,292	-	-	-	1,257	2,549
Gain on disposal of property, plant and equipment	-	45	-	-	-	45
Share of results of associates	-	-	(90)	-	-	(90)
Dividend income	4,074	-	-	-	(4,074)	-
Interest income	575	637	9	-	(1,191)	30
Finance costs	(684)	(2,809)	(506)	-	1,191	(2,808)
Segment profit/(loss)	3,705	6,809	9,469	(110)	(2,715)	17,158
Tax expense						(5,284)
Profit for the year						11,874
Assets:						
Investments in associates	-	14	1,870	-	-	1,884
Additions to non-current assets [2]	20	3,713	2,193	381	-	6,307
Segment assets [3]	81,171	170,832	46,788	440	(87,159)	212,072
Segment liabilities [3]	22,411	114,664	26,625	50	(42,371)	121,379
Unallocated liabilities:						
Tax payable						1,100
Deferred tax liabilities						1,218
Total liabilities						123,697

(1) Inter-segment revenues are eliminated on consolidation.
(2) Consist of additions to property, plant and equipment and right-of-use assets.
(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 2020	Investment Holding S$'000	Third Party Logistics S$'000	Infrastructural Logistics S$'000	Eliminations S$'000	Total S$'000
Revenue					
- External customers	-	70,375	36,887	-	107,262
- Inter-segment [1]	-	216	-	(216)	-
Total revenue	-	70,591	36,887	(216)	107,262
Results:	(260)	18,843	8,805	(298)	27,090
Depreciation of property, plant and equipment	(96)	(14,185)	(1,100)	-	(15,381)
Allowance for expected credit loss	(424)	(16)	(150)	300	(290)
Bad debts charged	-	(8)	-	-	(8)
Fair value loss on financial assets	(78)	-	-	-	(78)
Gain on disposal of subsidiary	-	-	-	314	314
Gain/(loss) on disposal of property, plant and equipment	53	(13)	-	-	40
Share of results of associates	-	-	(29)	-	(29)
Dividend income	490	-	-	(490)	-
Interest income	490	650	9	(1,006)	143
Finance costs	(608)	(3,469)	(306)	1,006	(3,377)
Segment (loss)/profit	(433)	1,802	7,229	(174)	8,424
Tax expense					(3,600)
Profit for the year					4,824
Assets:					
Investments in associates	-	14	983	-	997
Additions to non-current assets [2]	329	2,403	2,193	-	4,925
Segment assets [3]	76,872	167,846	34,442	(82,464)	196,696
Segment liabilities [3]	21,281	117,378	18,433	(43,839)	113,253
Unallocated liabilities:					
Tax payable					1,303
Deferred tax liabilities					562
Total liabilities					115,118

(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]	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Singapore	66,147	70,348	114,362	110,812
People's Republic of China	52,839	36,914	13,906	24,551
	118,986	107,262	128,268	135,363

(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 corporate service and investment activities. The investment holding segment in FY21 recorded a profit of S$3.7 million which consists of its corporate services expenses, dividend income and gain on disposal of subsidiaries. In FY20, the investment holding segment incurred a loss of S$0.4 million mainly due to fair value loss on financial assets and corporate services expenses.

Third Party Logistics
Revenue decreased from S$70.6 million in FY20 to S$66.4 million in FY21 mainly due to reduction in sales from customers in the aviation sector. However, the impact is offset by an increase in storage, trucking services and government support schemes in FY21 which resulted in a segment profit of S$6.8 million as compare to a profit of S$1.8 million in FY20.

Infrastructural Logistics
Revenue increased from S$36.9 million to S$52.8 million as sales volume for Wuzhou Xing Jian increased. As a result, the segment recorded a higher segment profit of S$9.5 million in FY21 compared to S$7.2 million in FY20.

Agricultural
The losses incurred is due to the setting up costs and development expenses for farming related activities.

15. A breakdown of sales

	The Group		
	31 May 2021	31 May 2020	% Change
	S$'000	S$'000	
Sales reported for first half year	60,050	54,968	9.2
Operating profit after tax before non-controlling interest reported for first half year	6,710	1,830	266.7
Sales reported for second half year	58,936	52,294	12.7
Operating profit after tax before non-controlling interest reported for second half year	5,164	2,994	72.5

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	-	-

The company has proposed a final dividend of 0.40 Singapore cent per share for the financial year ended 31 May 2021. Upon approval by shareholders in the forthcoming Annual General Meeting, the total dividend payable is amounting to $3,100,000, estimated based on 775,124,090 shares as at 31 May 2021, which will be accounted for in the Shareholder's Equity as an appropriation of "Retained Earnings" in the next financial year ending 31 May 2022.

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	52	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	30	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 year under review.

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

20. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

The movement of the company's shareholdings in subsidiaries and associates for FY21 and up to the date of this announcement are as follows:

S/N	Company Name	Place of Incorporation	Issued and Paid-up Capital	Principal Activities	Interest Held by the Group	Date of announcement	Remark
1.	GKE Agritech Pte Ltd	Singapore	S$500,000	Agricultural activities	100%	22 January 2021	On 22 January 2021, the Group has acquired a company and increase the share capital from $1,000 to $500,000.
2.	Marquis Services Pte Ltd	Singapore	S$50,000	Lighterage services	100%	30 April 2021	On 30 April 2021, the Group has acquired the remaining 15,000 shares from the minority shareholders.
3.	Van Der Horst Logistics Limited	British Virgin Islands	USD5,460,000	Investment holding	65%	31 May 2021	On 31 May 2021, the Group has disposed Van Der Horst Logistics Limited, which ceased to be a subsidiary of the Company.

BY ORDER OF THE BOARD

Neo Cheow Hui
Executive Director and Chief Executive Officer
28 July 2021

This announcement has been prepared by the Company and its contents have reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "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 are:-

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