



GKE CORPORATION LIMITED  
(Company Registration No. 200001941G)

UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2014

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

1(a) An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		
	Year ended 31 May		
	2014	2013	%
	S\$'000	S\$'000	change + / (-)
<b>Revenue</b>	31,381	26,538	18.2
Cost of sales	(24,994)	(18,769)	33.2
<b>Gross profit</b>	6,387	7,769	(17.8)
<b>Other income</b>	554	12,871	(95.7)
<b>Expenses</b>			
Marketing and distribution costs	(318)	(151)	110.6
Administrative expenses	(12,311)	(11,064)	11.3
Finance costs	(1,340)	(14)	9,471.4
Other expenses	(133)	(82)	62.2
Share of results of associates	286	541	(47.1)
Share of results of joint venture	(1)	-	(100.0)
<b>(Loss)/ profit before tax</b>	(6,876)	9,870	(169.7)
Tax (expense)/ credit	(254)	93	(373.1)
<b>(Loss)/ profit for the year</b>	(7,130)	9,963	(171.6)
<b>(Loss)/ Profit attributable to:</b>			
Owners of the Company	(5,915)	10,128	(158.4)
Non-controlling interests	(1,215)	(165)	636.4
	(7,130)	9,963	(171.6)

(Loss)/ profit before tax includes the following items :

	The Group		
	Year ended 31 May		
	2014	2013	%
	S\$'000	S\$'000	change + / (-)
Audit fees paid to:			
- auditors of the Company	(150)	(138)	8.7
- other auditors	(9)	(1)	800.0
Non-audit fees paid to:			
- auditors of the Company	(24)	(21)	14.3
- other auditors	(57)	(41)	39.0
Allowance for doubtful non-trade receivables	-	(976)	(100.0)
Allowance for doubtful trade receivables	(5)	(28)	(82.1)
Amortisation of land use rights	(75)	(72)	4.2
Bad debts written off	(1)	(46)	(97.8)
Depreciation of property, plant and equipment	(6,877)	(3,279)	109.7
Dividend income from available-for-sale investments	5	4	25.0
Gain on disposal of available-for-sale investments	41	405	(89.9)
Gain on disposal of property, plant and equipment	226	189	19.6
Gain on disposal of subsidiaries	-	6,943	(100.0)
Gain on revaluation of investment in associate to fair value	-	5,168	(100.0)
Grant income from government	192	39	392.3
Impairment of available-for-sale investments	(415)	(1,144)	(63.7)
Interest income	18	47	(61.7)
Legal and professional fees	(3,133)	(312)	904.2
Net foreign exchange loss	(133)	(82)	62.2
(Under)/over provision of prior year tax	(215)	410	(152.4)
Property, plant and equipment written off	-	(4)	(100.0)



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1 (a)(i) Consolidated Statement of Comprehensive Income for the year ended 31 May 2014

The Statement of Comprehensive Income included as part of the results of the announcement is in compliance with the revised Financial Reporting Standard (FRS) 1 (effective from 1 January 2009).

	<b>The Group</b>		
	<b>Year ended 31 May</b>		
	<b>2014</b>	<b>2013</b>	<b>%</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>change</b>
			<b>+ / (-)</b>
<b>(Loss)/ profit for the year</b>	(7,130)	9,963	(171.6)
<b>Other comprehensive income, net of tax</b>			
Foreign currency translation	(130)	535	(124.3)
Revaluation gain on property, plant and equipment	947	10,805	(91.2)
Fair value transfer to profit or loss on disposal of available-for-sale investments	(19)	-	100.0
Fair value gain on available-for-sale investments	131	392	(66.6)
Share of foreign currency translation of associates	(40)	40	(200.0)
Other comprehensive income for the year, net of tax	889	11,772	(92.4)
<b>Total comprehensive income for the year</b>	<b>(6,241)</b>	<b>21,735</b>	<b>(128.7)</b>
<b>(Loss)/ Profit attributable to:</b>			
Owners of the Company	(5,338)	21,793	(124.5)
Non-controlling interests	(903)	(58)	1,456.9
<b>Total comprehensive income for the year</b>	<b>(6,241)</b>	<b>21,735</b>	<b>(128.7)</b>

	<b>The Company</b>		
	<b>Year ended 31 May</b>		
	<b>2014</b>	<b>2013</b>	<b>%</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>change</b>
			<b>+ / (-)</b>
<b>(Loss)/ Profit for the year</b>	(1,543)	12,066	(112.8)
<b>Other comprehensive income, net of tax</b>			
Fair value transfer to profit or loss on disposal of available-for-sale investments	(19)	-	100.0
Fair value gain on available-for-sale investments	131	392	(66.6)
<b>Total comprehensive income for the year</b>	<b>(1,431)</b>	<b>12,458</b>	<b>(111.5)</b>
<b>(Loss)/ Profit attributable to:</b>			
Owners of the Company	(1,431)	12,458	(111.5)



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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	31.05.2014 S\$'000	31.05.2013 S\$'000	31.05.2014 S\$'000	31.05.2013 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	121,267	56,400	169	185
Land use rights	3,506	3,597	-	-
Investments in subsidiaries	-	-	50,188	42,909
Investments in associates	9,513	6,902	6,615	6,615
Investments in joint venture	4,202	-	-	-
Available-for-sale investments	859	1,181	859	1,181
Other receivables	-	-	8,167	597
Prepayments	2,081	8,722	-	-
<b>Total non-current assets</b>	<b>141,428</b>	<b>76,802</b>	<b>65,998</b>	<b>51,487</b>
<b>Current assets</b>				
Trade and other receivables	10,671	6,143	6,291	9,872
Prepaid operating expenses	346	295	38	23
Cash and cash equivalents	5,256	10,924	330	193
<b>Total current assets</b>	<b>16,273</b>	<b>17,362</b>	<b>6,659</b>	<b>10,088</b>
<b>Total assets</b>	<b>157,701</b>	<b>94,164</b>	<b>72,657</b>	<b>61,575</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	62,215	62,215	62,215	62,215
Treasury shares	(848)	(848)	(848)	(848)
Accumulated losses	(10,200)	(2,911)	(9,216)	(6,299)
Other reserves	16,346	15,769	125	13
<b>Equity attributable to owners of the Company</b>	<b>67,513</b>	<b>74,225</b>	<b>52,276</b>	<b>55,081</b>
Non-controlling interests	4,916	3,688	-	-
<b>Total equity</b>	<b>72,429</b>	<b>77,913</b>	<b>52,276</b>	<b>55,081</b>
<b>Non-current liabilities</b>				
Borrowings	65,170	1,035	18,667	-
Deferred tax liabilities	4,764	4,432	36	25
Loan from non-controlling interests	337	347	-	-
<b>Total non-current liabilities</b>	<b>70,271</b>	<b>5,814</b>	<b>18,703</b>	<b>25</b>
<b>Current liabilities</b>				
Trade and other payables	2,340	1,443	70	4,958
Other liabilities	4,084	3,251	566	1,511
Borrowings	4,491	2,300	1,042	-
Finance lease liabilities	3,472	3,259	-	-
Tax payable	614	184	-	-
<b>Total current liabilities</b>	<b>15,001</b>	<b>10,437</b>	<b>1,678</b>	<b>6,469</b>
<b>Total liabilities</b>	<b>85,272</b>	<b>16,251</b>	<b>20,381</b>	<b>6,494</b>
<b>Total equity and liabilities</b>	<b>157,701</b>	<b>94,164</b>	<b>72,657</b>	<b>61,575</b>



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UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2014

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

(a) Amount repayable in one year or less, or on demand

	The Group		The Group	
	As at 31 May 2014		As at 31 May 2013	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Finance lease liabilities	3,472	-	3,259	-
Borrowings	4,491	-	2,300	-

(b) Amount repayable after one year

	The Group		The Group	
	As at 31 May 2014		As at 31 May 2013	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Loan from non-controlling interests	-	337	-	347
Borrowings	65,170	-	1,035	-

(c) Details of any collateral

Finance leases are entered into for certain motor vehicles, trailers, forklifts, lifting equipment and cranes that are secured by the lessor's charge over the leased assets and are secured by Corporate Guarantee from GKE Corporation Limited ("GKEC") and non-controlling interests.

The borrowings repayable in one year or less comprise:

- (a) the current portion of the borrowings entered into to finance the acquisition of warehouses located at No. 6 Pioneer Walk and No. 39 Benoi Road, the construction of the warehouse in Yangshan Shanghai, China and funds used as working capital of the Group; and
- (b) bank overdraft utilised and used as working capital of the Group.

The borrowing is secured by Corporate Guarantee from GKEC, first legal mortgage over the properties located at No. 1 Jalan Besut, No. 30 Pioneer Road, No. 6 Pioneer Walk and No. 39 Benoi Road and fixed charged over 100% shareholdings in the share capital of a subsidiary, Van der Horst (Shanghai) Logistics Co. Ltd.

The loan from non-controlling interests repayable after one year are entered into to finance the construction of the warehouse in Yangshan Shanghai, China. The loan from non-controlling interests is unsecured.

The borrowings repayable after one year are entered into to finance the construction of the warehouse in Yangshan Shanghai, China and to finance the acquisition of the new warehouses located at No. 6 Pioneer Walk and No. 39 Benoi Road, Singapore. The borrowings are secured by Corporate Guarantee from GKEC, first legal mortgage over the properties located at No. 1 Jalan Besut, No. 30 Pioneer Road, No. 6 Pioneer Walk and No. 39 Benoi Road and fixed charged over 100% shareholdings in the share capital of a subsidiary, Van der Horst (Shanghai) Logistics Co. Ltd.



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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	
	Year ended 31 May 2014	2013
	S\$'000	S\$'000
<b>Cash flow from operating activities</b>		
(Loss)/ profit before tax	(6,876)	9,870
Adjustments for:		
Allowance of doubtful receivables	5	1,004
Amortisation of land use rights	75	72
Bad debts written off	1	46
Depreciation of property, plant and equipment	6,877	3,279
Dividend income from available-for-sale investments	(5)	(4)
Gain on disposal of available-for-sale investments	(41)	(405)
Gain on disposal of property, plant and equipment	(226)	(189)
Gain on disposal of subsidiaries	-	(6,943)
Gain on revaluation of investment in associate to fair value	-	(5,168)
Impairment of available-for-sale investments	415	1,144
Interest expense	1,340	14
Interest income	(18)	(47)
Property, plant and equipment written off	-	4
Share of results of joint venture	1	-
Share of results of associates	(286)	(541)
Effect of exchange rate changes	21	(230)
<b>Operating cash flows before changes in working capital</b>	<u>1,283</u>	<u>1,906</u>
<u>Changes in working capital:</u>		
Trade and other receivables	(4,534)	(5,387)
Prepaid operating expenses	(51)	31
Trade and other payables	897	1,711
Other liabilities	796	1,054
<b>Cash used in operations</b>	<u>(1,609)</u>	<u>(685)</u>
Interest received	18	47
Income tax refunded/ (paid)	170	(382)
<b>Net cash flows used in operating activities</b>	<u>(1,421)</u>	<u>(1,020)</u>
<b>Cash flows from investing activities</b>		
Capital contribution from non-controlling interests	2,131	1,807
Dividend income from associate company	-	294
Dividend income from available-for-sale investments	5	4
Net cash inflow on disposal of subsidiaries <sup>(2)</sup>	-	6,936
Net cash outflow on acquisition of associate	(2,389)	-
Prepayments relating to acquisition of property, plant and equipment	(3,493)	(8,722)
Proceeds from disposal of available-for-sale investments	83	810
Proceeds from disposal of property, plant and equipment	583	241
Purchase of property, plant and equipment	(13,336)	(6,290)
<b>Net cash flows used in investing activities</b>	<u>(16,416)</u>	<u>(4,920)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(1,374)	(1,390)
Interest paid	(1,303)	(14)
Loan from non-controlling interests	-	347
Proceeds from borrowings	19,011	3,335
Purchase of treasury shares	-	(848)
Repayment of obligation under finance leases	(1,181)	(217)
Repayments of loans and borrowings	(3,014)	-
<b>Net cash generated from financing activities</b>	<u>12,139</u>	<u>1,213</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(5,698)</u>	<u>(4,727)</u>
Cash and cash equivalents at the beginning of financial period <sup>(1)</sup>	10,924	15,374
Effect of exchange rate changes on cash and cash equivalents	(16)	277
Cash and cash equivalents at the end of financial period <sup>(1)</sup>	<u>5,210</u>	<u>10,924</u>



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**UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2014**

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Explanatory Notes:

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

	<b>The Group</b>	
	<b>31.05.2014</b>	<b>31.05.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	5,256	10,924
Bank overdrafts	(46)	-
<b>Cash and cash equivalents</b>	<u>5,210</u>	<u>10,924</u>

	<b>The Group</b>	
	<b>01.06.2013</b>	<b>01.06.2012</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances		
- Continuing operations	10,924	7,964
- Discontinued operation	-	7,410
<b>Cash and cash equivalents</b>	<u>10,924</u>	<u>15,374</u>

(2) In the financial period ended 31 August 2012, the Group disposed its 51% shareholding interest in its wholly-owned subsidiary, GKE Metal Logistics Pte Ltd ("GKEML") and its entire 52% shareholding interest in Liaoning China Starzyme Co., Ltd ("LCS"). The effects of the disposal on the cash flows of the Group were:

Carrying amounts of assets and liabilities disposed of

	<b>Total</b>
	<b>S\$'000</b>
Property, plant and equipment	4,255
Trade and other receivables	5,329
Cash and bank balances	2,059
<b>Total assets</b>	<u>11,643</u>
Trade and other Payables	7,544
Income tax payable	673
Deferred tax liabilities	1,069
<b>Total liabilities</b>	<u>9,286</u>
<b>Net assets derecognised</b>	2,357
Less: Non controlling interests	(27)
<b>Net assets disposed of</b>	<u>2,330</u>
Less: 49% of net assets of GKEMLPL retained by the Group	(1,447)
Add: Reclassification of translation reserves	174
Gain on disposal	6,943
<b>Cash proceeds from disposal</b>	<u>8,000</u>
Less: Cash and cash equivalents in subsidiaries disposed of	(1,064)
<b>Net cash inflow on disposal of subsidiaries</b>	<u>6,936</u>



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the year ended 31 May 2014

The Group	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Reserves of disposal groups classified as held for sale S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Balance as at 1 June 2012</b>	62,215	-	(12,878)	4,278	1,055	54,670	2,292	56,962
Profit/ (loss) for the year	-	-	10,128	-	-	10,128	(165)	9,963
<u>Other comprehensive income:</u>								
Fair value gain on available-for-sale investments	-	-	-	392	-	392	-	392
Revaluation gain on property, plant and equipment	-	-	-	10,805	-	10,805	-	10,805
Foreign currency translation	-	-	-	254	174	428	107	535
Share of other comprehensive income of associate	-	-	-	40	-	40	-	40
<b>Other comprehensive income for the year, net of tax</b>	-	-	-	11,491	174	11,665	107	11,772
<b>Total comprehensive income for the year</b>	-	-	10,128	11,491	174	21,793	(58)	21,735
<u>Contributions by and distributions to owners:</u>								
Dividends paid by the Company	-	-	(1,390)	-	-	(1,390)	-	(1,390)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(326)	(326)
Purchase of treasury shares	-	(848)	-	-	-	(848)	-	(848)
<b>Total contributions by and distributions to owners</b>	-	(848)	(1,390)	-	-	(2,238)	(326)	(2,564)
<u>Changes in ownership interests in subsidiaries:</u>								
Disposal of subsidiaries	-	-	1,229	-	(1,229)	-	(27)	(27)
Capital contribution from non-controlling interests that do not result in a loss of control	-	-	-	-	-	-	1,807	1,807
<b>Total changes in ownership interests in subsidiaries</b>	-	-	1,229	-	(1,229)	-	1,780	1,780
<b>Total transactions with owners in their capacity as owners</b>	-	(848)	(161)	-	(1,229)	(2,238)	1,454	(784)
<b>Balance as at 31 May 2013</b>	62,215	(848)	(2,911)	15,769	-	74,225	3,688	77,913



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the year ended 31 May 2014

The Group	Share capital	Treasury shares	Accumulate 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 as at 1 June 2013	62,215	(848)	(2,911)	15,769	74,225	3,688	77,913
Loss for the year	-	-	(5,915)	-	(5,915)	(1,215)	(7,130)
<u>Other comprehensive income:</u>							
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	-	-	(19)	(19)	-	(19)
Fair value gain on available-for-sale investments	-	-	-	131	131	-	131
Revaluation gain on property, plant and equipment	-	-	-	616	616	331	947
Foreign currency translation	-	-	-	(111)	(111)	(19)	(130)
Share of other comprehensive income of associate	-	-	-	(40)	(40)	-	(40)
<b>Other comprehensive income for the year, net of tax</b>	-	-	-	577	577	312	889
<b>Total comprehensive income for the year</b>	-	-	(5,915)	577	(5,338)	(903)	(6,241)
<u>Contributions by and distributions to owners:</u>							
Dividend paid on ordinary shares	-	-	(1,374)	-	(1,374)	-	(1,374)
<b>Total contributions by and distributions to owners</b>	-	-	(1,374)	-	(1,374)	-	(1,374)
Capital contribution from non-controlling interests that do not result in a loss of control, representing total changes in ownership interests in subsidiaries	-	-	-	-	-	2,131	2,131
<b>Total transactions with owners in their capacity as owners</b>	-	-	(1,374)	-	(1,374)	2,131	757
<b>Balance as at 31 May 2014</b>	<b>62,215</b>	<b>(848)</b>	<b>(10,200)</b>	<b>16,346</b>	<b>67,513</b>	<b>4,916</b>	<b>72,429</b>





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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the year ended 31 May 2014

The Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
<b>Balance as at 1 June 2012</b>	62,215	-	(16,975)	(379)	44,861
Profit for the year	-	-	12,066	-	12,066
<u>Other comprehensive income:</u>					
Fair value gain on available-for-sale investments, representing other comprehensive income for the period, net of tax	-	-	-	392	392
<b>Other comprehensive income for the year, net of tax</b>	-	-	-	392	392
<b>Total comprehensive income for the year</b>	-	-	12,066	392	12,458
<u>Contributions by and distributions to owners:</u>					
Dividend paid on ordinary shares	-	-	(1,390)	-	(1,390)
Purchase of treasury shares	-	(848)	-	-	(848)
<b>Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners</b>	-	(848)	(1,390)	-	(2,238)
<b>Balance as at 31 May 2013</b>	<b>62,215</b>	<b>(848)</b>	<b>(6,299)</b>	<b>13</b>	<b>55,081</b>
<b>Balance as at 1 June 2013</b>	62,215	(848)	(6,299)	13	55,081
Loss for the year	-	-	(1,543)	-	(1,543)
<u>Other comprehensive income:</u>					
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	-	-	(19)	(19)
Fair value gain on available-for-sale investments	-	-	-	131	131
<b>Other comprehensive income for the year, net of tax</b>	-	-	-	112	112
<b>Total comprehensive income for the year</b>	-	-	(1,543)	112	(1,431)
<u>Contributions by and distributions to owners:</u>					
Dividend paid on ordinary shares	-	-	(1,374)	-	(1,374)
<b>Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners</b>	-	-	(1,374)	-	(1,374)
<b>Balance as at 31 May 2014</b>	<b>62,215</b>	<b>(848)</b>	<b>(9,216)</b>	<b>125</b>	<b>52,276</b>



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

**Details of any changes in the Company's issued share capital**

	31.05.2014	31.05.2013	28.02.2014	28.02.2013
Total number of issued shares (excluding treasury shares)	457,946,636	457,946,636	457,946,636	457,946,636
Total number of treasury shares	5,417,000	5,417,000	5,417,000	5,417,000

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to 1(d)(ii).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or used of treasury shares as at end of the current financial period reported on.

Treasury shares relate to ordinary shares of the Company that are bought-back and held by the Company.

There are no sale, transfer, disposal, cancellation and/or use of treasury shares as at 31 May 2014.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been reviewed nor audited.

**3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).**

Not Applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those used in the most recently audited financial statements for the year ended 31 May 2013, except for the adoption of new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") applicable to the Group for the financial period beginning 1 June 2013.

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

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

Not Applicable.



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**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**

	<b>The Group</b>	
	<b>Year ended 31 May</b>	
	<b>2014</b>	<b>2013</b>
Earnings per share (in SGD cents)		
- Basic <sup>(1)</sup>	(1.29)	2.20
- Fully diluted <sup>(2)</sup>	(1.29)	2.20

Notes:

(1) The calculation of basic earnings per share is based on the loss for the year of S\$5,915,000 (2013: profit of S\$10,128,000) divided by the weighted number of ordinary shares in issue during the year of 457,946,636 (2013: 460,744,468).

(2) The calculation of fully diluted earnings per share is based on the loss for the year of S\$5,915,000 (2013: profit of S\$10,128,000) divided by the weighted number of ordinary shares in issue during the year of 457,946,636 (2013: 460,744,468). Diluted earnings per share for financial year ended 31 May 2014 is the same as basic earnings per share as the Group does not have any dilutive potential ordinary shares.

**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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>31.05.2014</b>	<b>31.05.2013</b>	<b>31.05.2014</b>	<b>31.05.2013</b>
Net assets (S\$'000)	67,513	74,225	52,276	55,081
<b>Net asset value per share (in SGD cents)</b>	14.74	16.21	11.42	12.03
Number of shares used in calculating NAV	457,946,636	457,946,636	457,946,636	457,946,636

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**8 (a) REVIEW OF THE PERFORMANCE OF THE GROUP**  
**INCOME STATEMENT**

Revenue increased by 18.2% from S\$26.5 million to S\$31.4 million mainly contributed by the increase in volume handled from our local transportation services as well as the increase in storage revenue generated from our newly acquired warehouses during the financial year.

Cost of sales increased by 33.2% from S\$18.8 million to S\$25 million largely due to higher direct costs such as staff costs and depreciation of property, plant and equipment. In line with the Group's business expansion, there was a substantial increase in staff headcount and also escalating cost of manpower. Depreciation charges increased significantly due to the upwards revaluation of the Group's leasehold properties.

The Group's gross profit decreased by 17.8% from S\$7.8 million to S\$6.4 million mainly due to the increase in cost of sales as mentioned above.

The significant decrease in other income from S\$12.9 million to S\$0.6 million is mainly due to the one time gain on revaluation of investment in associate to fair value, gain on disposal of subsidiaries and gain on disposal of available-for-sale investments in the corresponding financial year.

The increase in marketing and distribution costs is mainly due to expenses such as commission incurred and other incidental expenses for better development of the Group's future prospects.

The increase in administrative expenses is mainly due to increase in bank charges and legal and professional fees incurred for the new acquisitions. Furthermore, there is an increase in staff costs which in line with the Group's business expansion as mentioned above. The increase was partly off-set with the decrease in allowance for doubtful debts and impairment on available-for-sale investments during the financial year.

Finance cost increased significantly due to the loan drawdown for financing the new acquisitions and finance lease liabilities drawdown by the Group.

The share of results of associates represent the share of profit from associate, GKE Metal Logistics Pte Ltd after netting off the share of losses from Maoming City Hung Ji Construction Materials Co., Ltd ("Maoming").

The share of results of joint venture represents the share of losses from joint venture, Steadfast (HK) Co. Limited.



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

**STATEMENT OF FINANCIAL POSITION**

The increase in property, plant and equipment from S\$56.4 million to S\$121.3 million relates to the acquisition of warehouses located at No. 6 Pioneer Walk and No. 39 Benoi Road, construction of the warehouse in Yangshan Shanghai, China, purchase of prime movers, forklift and lifting equipment and upwards revaluation of the warehouse in Yangshan Shanghai, China.

Investments in associates represent the investment of 49% interest in GKE Metal Logistics Pte Ltd and the 40% interest in Maoming. Increase in investment in associates is attributable to the acquisition of 40% interest in Maoming during the financial year.

Investments in joint venture represents the investment of 50% interest in Steadfast (HK) Co., Limited.

Non-current prepayments represent advances paid for potential land acquisition located at Wuzhou, China.

Increase in trade and other receivables from S\$6.1 million to S\$10.7 million is mainly due to the deposit paid for the acquisition of Uniplas (Shanghai) Co., Ltd.

Increase in prepaid operating expenses from S\$295,000 to S\$346,000 is mainly due to prepayments for insurance during the financial year.

Non-current borrowings represents the loan drawdown by the Group to finance the construction of the warehouse in Yangshan Shanghai, China and acquisition of warehouses located at No. 6 Pioneer Walk and No. 39 Benoi Road.

Deferred tax liabilities increased mainly due to recognition of deferred tax on revaluation surplus of the warehouse in Yangshan Shanghai, China.

Current borrowings represent short term loan drawdowns by the Group to fund expansion, bank overdraft used as working capital of the Group and acquisitions of properties which have materialised in the current financial year.

Increase in trade and other payables from S\$1.4 million to S\$2.3 million is mainly due to the outstanding settlement for the construction of the warehouse in Yangshan Shanghai, China.

Increase in other liabilities from S\$3.3 million to S\$4.1 million is mainly due to the provision of legal and professional fees for the acquisition of Uniplas (Shanghai) Co., Ltd.

Finance lease liabilities increased from S\$3.3 million to S\$3.5 million in relation to the purchase of forklifts and lifting equipment under finance lease arrangements.

Increase in tax payable from S\$184,000 to S\$614,000 is mainly due to tax provision for the financial year.

**STATEMENT OF CASH FLOWS**

The Group had a deficit of S\$1.4 million from operating activities due to the deposit paid for the acquisition of Uniplas (Shanghai) Co., Ltd.

The Group invested S\$2.4 million for the acquisition of an associate Maoming as mentioned above and S\$16.8 million for the purchase of property, plant and equipment.

For financing activities, the Group had drawn down S\$19 million mainly for new acquisitions and expansion during the financial year.

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

The announcement is in line with the profit guidance announcement disclosed on 7 July 2014.



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**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 cautious of the global economy which may impact the local logistics industry and will continue to manage its business prudently.

In addition, the Group expects its overall performance to decline for the time being owing to initial investment costs relating to the warehouse acquisitions initiated in the current and last financial year. Once the operations of the warehouses acquired have stabilised, the Group's performance is expected to improve.

Inflationary cost pressures and difficulties with recruiting manpower may not ease in the immediate term. The Group will continue to monitor and enhance its operational efficiency.

**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?

Yes.

Name of dividend	: Final
Dividend type	: Cash
Dividend rate	: Tax exempt one-tier dividend of \$0.003 per share

**(c) Date Payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

Not Applicable.



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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

	Investment Holding	Third Party Logistics	Shipping Logistics	Infrastructural Logistics	Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>31 May 2014</b>						
Revenue						
- External customers	-	31,381	-	-	-	31,381
- Inter-segment <sup>(1)</sup>	-	356	-	-	(356)	-
<b>Total revenue</b>	-	31,737	-	-	(356)	31,381
Results:	216	1,622	(12)	(604)	40	1,262
Depreciation and amortisation	(77)	(6,861)	-	(14)	-	(6,952)
Allowance for doubtful trade receivables	-	(5)	-	-	-	(5)
Bad debts written off	-	(1)	-	-	-	(1)
Impairment of investments in subsidiaries	(876)	-	-	-	876	-
Impairment of available-for-sale investments	(415)	-	-	-	-	(415)
Gain on disposal of property, plant and equipment	-	226	-	-	-	226
Gain on disposal of available-for-sale investments	41	-	-	-	-	41
Share of results of associate	-	-	-	-	286	286
Share of results of joint venture	-	-	-	-	(1)	(1)
Dividend income from available-for-sale investments	5	-	-	-	-	5
<b>Segment loss</b>	(1,106)	(5,019)	(12)	(618)	1,201	(5,554)
Finance costs						(1,340)
Interest income						18
Tax expense						(254)
<b>Loss from continuing operations, net of tax</b>						(7,130)
Investments in associates	6,616	-	-	1,966	931	9,513
Additions to non-current assets <sup>(2)</sup>	61	70,807	-	2,157	-	73,025
<b>Segment assets<sup>(3)</sup></b>	72,657	137,831	4,217	6,836	(63,840)	157,701
<b>Segment liabilities<sup>(3)</sup></b>	20,343	74,086	26	22	(14,583)	79,894
Unallocated liabilities:						
Tax payable						614
Deferred tax liabilities						4,764
<b>Total liabilities</b>						85,272

(1) Inter-segment revenues are eliminated on consolidation.

(2) Additions to non-current assets consist of additions to property, plant and equipment and prepayments relating to acquisition of 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.



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**(a) Operating Segments (continued)**

	Investment Holding	Third Party Logistics	Shipping Logistics	Infrastructural Logistics	Eliminations	Total
31 May 2013	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>						
- External customers	-	26,538	-	-	-	26,538
- Inter-segment <sup>(1)</sup>	-	347	-	-	(347)	-
<b>Total revenue</b>	-	26,885	-	-	(347)	26,538
Results:	(687)	3,245	-	-	(422)	2,136
Depreciation and amortisation	(160)	(3,191)	-	-	-	(3,351)
Allowance for doubtful trade receivables	-	(28)	-	-	-	(28)
Allowance for doubtful non-trade receivables	-	-	-	-	(976)	(976)
Bad debts written off	-	(46)	-	-	-	(46)
Property, plant and equipment written off	-	(4)	-	-	-	(4)
Impairment of investments in subsidiaries	(876)	-	-	-	876	-
Impairment of available-for-sale investments	(1,144)	-	-	-	-	(1,144)
Gain on disposal of property, plant and equipment	-	189	-	-	-	189
Gain on disposal of available-for-sale investments	405	-	-	-	-	405
Gain on disposal of subsidiaries	7,592	-	-	-	(649)	6,943
Gain on revaluation of investment in associate to fair value	6,223	-	-	-	(1,055)	5,168
Share of associate results	-	541	-	-	-	541
Dividend income from available-for-sale investments	4	-	-	-	-	4
Dividend income from associate	294	-	-	-	(294)	-
<b>Segment loss</b>	11,651	706	-	-	(2,520)	9,837
Finance costs						(14)
Interest income						47
Tax expense						93
<b>Loss from continuing operations, net of tax</b>						9,963
Investments in associates	6,615	-	-	-	287	6,902
Additions to non-current assets <sup>(2)</sup>	11	18,184	-	-	-	18,195
<b>Segment assets<sup>(3)</sup></b>	69,059	83,046	-	-	(57,941)	94,164
<b>Segment liabilities<sup>(3)</sup></b>	6,468	20,476	-	-	(15,309)	11,635
Unallocated liabilities:						
Tax payable						184
Deferred tax liabilities						4,432
<b>Total liabilities</b>						16,251

(1) Inter-segment revenues are eliminated on consolidation.

(2) Additions to non-current assets consist of additions to property, plant and equipment and prepayments relating to acquisition of 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 <sup>(4)</sup>	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	30,892	25,968	106,434	58,280
United States of America	-	206	-	-
People's Republic of China	486	-	20,417	10,434
Indonesia	3	364	3	5
	31,381	26,538	126,854	68,719

(4) Non-current assets information presented above consist of property, plant and equipment, land use rights and prepayments relating to acquisition of property, plant and equipment 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.**

Please refer to paragraph 8.



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15. A breakdown of sales

	The Group		% Change
	Actual Full Year Ended 31 May 2014	Actual Full Year Ended 31 May 2013	
Sales reported for first half year	14,748	13,389	10.2
Operating profit after tax before non-controlling interest reported for first half year	(2,695)	10,874	(124.8)
Sales reported for second half year including discontinued operation	16,633	13,149	26.5
Operating profit after tax before non-controlling interest reported for second half year including discontinued operation	(4,435)	(911)	386.8

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

	<sup>(1)</sup> Latest Full Year	Previous Full Year
Total Annual Dividend	S\$'000	S\$'000
Ordinary, tax exempt one tier	-	1,374

<sup>(1)</sup> Proposed dividend payable





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17. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Chippel Overseas Supplies	Rental income - \$1,210  Service income - \$45	NIL
Chip Hup Timber	Rental income - \$77  Service income - \$60	NIL
Grand total	- \$1,392	NIL

18. 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	46	Daughter of Mr Neo Kok Ching (Executive Investment Director) and 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

**BY ORDER OF THE BOARD**

Neo Cheow Hui  
Executive Director and Chief Executive Officer  
30 July 2014

*This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The details of the contact person for the Sponsor is:-

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