



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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		change	Twelve Months Ended		change
	31-May-17	31-May-16		31-May-17	31-May-16	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	16,838	10,702	57.3	56,130	36,873	52.2
Cost of sales	(13,121)	(7,768)	68.9	(44,710)	(27,157)	64.6
Gross profit	3,717	2,934	26.7	11,420	9,716	17.5
Other income	571	14,199	(96.0)	1,102	15,749	(93.0)
Expenses						
Marketing and distribution costs	(90)	(50)	80.0	(303)	(123)	146.3
Administrative expenses	(4,310)	(8,336)	(48.3)	(11,993)	(14,973)	(19.9)
Finance costs	(409)	(498)	(17.9)	(1,537)	(2,066)	(25.6)
Other expenses	(571)	(334)	71.0	(772)	(308)	150.6
Share of results of associate	(13)	(182)	N.M.	7	(543)	N.M.
Share of results of joint venture	(99)	(210)	N.M.	(41)	(211)	N.M.
(Loss)/profit before tax	(1,204)	7,523	N.M.	(2,117)	7,241	N.M.
Tax credit/(expense)	436	(1,314)	N.M.	267	(1,367)	N.M.
(Loss)/profit for the period	(768)	6,209	N.M.	(1,850)	5,874	N.M.
(Loss)/profit attributable to:						
Owners of the Company	(908)	6,118	N.M.	(2,270)	5,709	N.M.
Non-controlling interests	140	91	53.8	420	165	154.5
	(768)	6,209	N.M.	(1,850)	5,874	N.M.

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

	The Group			The Group		
	Fourth Quarter Ended		change	Twelve Months Ended		change
	31-May-17	31-May-16		31-May-17	31-May-16	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Reversal of allowance/(allowance) for doubtful trade receivables	-	2	N.M.	16	(11)	N.M.
Amortisation of land use rights	(26)	(27)	(3.7)	(106)	(113)	(6.2)
Amortisation of intangible assets - customer relationship	(591)	(127)	N.M.	(820)	(127)	N.M.
Bad debts reversed/(charged)	-	103	N.M.	(19)	(26)	(26.9)
(Loss)/gain on disposal of associate	-	(12)	N.M.	-	1,168	N.M.
Depreciation of property, plant and equipment	(1,587)	(1,442)	10.1	(6,104)	(6,909)	(11.7)
Gain on disposal of available-for-sale investments	-	-	N.M.	8	-	N.M.
Fair value loss on contingent consideration	(465)	-	N.M.	(465)	-	N.M.
(Loss)/gain on disposal of property, plant and equipment	(4)	13,712	N.M.	89	13,917	N.M.
Grant income from government	289	261	10.7	349	325	7.4
Impairment of available-for-sale investments	(61)	(28)	117.9	(93)	(98)	(5.1)
Interest income	30	5	500.0	76	41	85.4
Legal and professional fees	(92)	(180)	(48.9)	(407)	(793)	(48.7)
Net foreign exchange loss	(106)	(334)	(68.3)	(307)	(308)	(0.3)
Over/(under) provision of tax for prior years current income tax	325	(2)	N.M.	325	(2)	N.M.
Over/(under) provision of tax for prior years deferred income tax	(11)	554	N.M.	(11)	554	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 2017

1 (a)(i) Consolidated Statement of Comprehensive Income for the period ended 31 May 2017

	The Group			The Group		
	Fourth Quarter Ended		change	Twelve Months Ended		change
	31-May-17	31-May-16		31-May-17	31-May-16	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(Loss)/profit for the period	(768)	6,209	N.M.	(1,850)	5,874	N.M.
Other comprehensive income, net of tax						
Foreign currency translation	(315)	(628)	(49.8)	(615)	(564)	N.M.
Disposal of property, plant and equipment	-	2,328	(100.0)	-	2,328	(100.0)
Revaluation gain on property, plant and equipment	1,010	-	N.M.	1,010	-	N.M.
Fair value transfer to profit on disposal of available-for-sale investments	(2)	-	N.M.	(8)	-	N.M.
Fair value (loss)/gain on available-for-sale investments	(103)	52	N.M.	66	312	(78.8)
Share of foreign currency translation of associates	(9)	(29)	(69.0)	(47)	(57)	(17.5)
Other comprehensive (loss)/income for the period, net of tax	581	1,723	N.M.	406	2,019	N.M.
Total comprehensive (loss)/income for the period	(187)	7,932	N.M.	(1,444)	7,893	N.M.
(Loss)/profit attributable to:						
Owners of the Company	(289)	7,920	N.M.	(1,729)	7,884	N.M.
Non-controlling interests	102	12	N.M.	285	9	N.M.
Total comprehensive (loss)/income for the period	(187)	7,932	N.M.	(1,444)	7,893	N.M.



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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-17 S\$'000	Audited 31-May-16 S\$'000	Unaudited 31-May-17 S\$'000	Audited 31-May-16 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	111,053	90,422	156	185
Land use rights	4,745	5,083	-	-
Intangible assets	8,727	3,323	-	-
Investments in subsidiaries	-	-	59,560	53,202
Investment in associate	2,818	3,189	3,189	3,189
Investment in joint venture	9,228	9,237	-	-
Available-for-sale investments	697	723	697	723
Other receivables	-	-	5,452	5,288
Total non-current assets	137,268	111,977	69,054	62,587
Current assets				
Inventories	253	281	-	-
Trade and other receivables	19,116	12,119	11,775	23,479
Prepaid operating expenses	713	520	25	25
Fixed deposits (restricted)	2,180	-	-	-
Cash and cash equivalents	10,582	30,768	528	98
Total current assets	32,844	43,688	12,328	23,602
Total assets	170,112	155,665	81,382	86,189
EQUITY AND LIABILITIES				
Equity				
Share capital	78,165	74,831	78,165	74,831
Treasury shares	(1,216)	(1,537)	(1,216)	(1,537)
Retained earnings/(Accumulated losses)	(640)	5,425	(17,066)	(11,356)
Other reserves	6,742	6,289	282	312
Equity attributable to owners of the Company	83,051	85,008	60,165	62,250
Non-controlling interests	5,213	4,928	-	-
Total equity	88,264	89,936	60,165	62,250
Non-current liabilities				
Other liabilities	2,918	408	850	385
Borrowings	49,323	43,516	-	-
Deferred tax liabilities	2,002	1,910	-	-
Finance lease liabilities	454	910	-	-
Loan from non-controlling interests	426	348	-	-
Total non-current liabilities	55,123	47,092	850	385
Current liabilities				
Trade and other payables	7,926	5,077	18,777	21,295
Other liabilities	5,221	3,702	1,526	2,163
Borrowings	7,655	4,302	-	-
Finance lease liabilities	3,709	2,072	64	83
Tax payable	2,214	3,484	-	13
Total current liabilities	26,725	18,637	20,367	23,554
Total liabilities	81,848	65,729	21,217	23,939
Total equity and liabilities	170,112	155,665	81,382	86,189



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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

	The Group		The Group	
	As at 31 May 2017		As at 31 May 2016	
	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	3,709	-	2,072	-
Borrowings	7,655	-	4,302	-
(b) Amount repayable after one year				
Loan from non-controlling interests	-	426	-	348
Finance lease liabilities	454	-	910	-
Borrowings	49,323	-	43,516	-

(c) Details of any collateral

The loan from non-controlling interests repayable after one year was entered into for the financing of the construction of the warehouse in Yangshan Shanghai, China. The loan from non-controlling interests was 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.

The borrowings repayable in one year or less and the borrowings repayable after one year comprise the current portion of the borrowings entered into to finance the acquisition of warehouses located at 6 Pioneer Walk, 7 Kwong Min Road, redevelopment of warehouse at 39 Benoi Road and the construction of the warehouse in Yangshan Shanghai, China.

The borrowings are secured by proportional corporate guarantee from the GKEC and non-controlling interests, first legal mortgage over the properties located at 1 Jalan Besut, 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 2017

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	31-May-16	Twelve Months Ended	31-May-16
	31-May-17	31-May-16	31-May-17	31-May-16
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities				
(Loss)/profit before tax	(1,204)	7,523	(2,117)	7,241
Adjustments for:				
(Reversal of allowance)/allowance for doubtful trade receivables	-	(2)	(16)	11
Amortisation of land use rights	26	27	106	113
Amortisation of intangible assets - customer relationship	591	127	820	127
Bad debts (reversed)/charged	-	(103)	19	26
Depreciation of property, plant and equipment	1,587	1,442	6,104	6,909
Fair value loss on contingent consideration	465	-	465	-
Gain on disposal of available-for-sale investments	-	-	(8)	-
Loss/(gain) on disposal of property, plant and equipment	4	(13,712)	(89)	(13,917)
Loss/(gain) on disposal of associate	-	12	-	(1,168)
Impairment of available-for-sale investments	61	28	93	98
Impairment of investment in associate	-	3,916	-	3,916
Interest expense	399	498	1,509	2,066
Interest income	(30)	(5)	(76)	(41)
Property, plant and equipment written off	43	51	47	76
Share of results of joint venture	99	210	41	211
Share of results of associates	13	182	(7)	543
Effect of exchange rate changes	23	179	268	529
Operating cash flows before changes in working capital	2,077	373	7,159	6,740
Changes in working capital:				
Inventories	17	(231)	28	(281)
Trade and other receivables	(1,757)	(100)	(4,961)	1,579
Prepaid operating expenses	125	(110)	(7)	(171)
Trade and other payables	(3,057)	385	(204)	(1,836)
Other liabilities	3,714	1,681	4,029	767
Cash flows from operations	1,119	1,998	6,044	6,798
Interest received	30	5	76	41
Income tax paid	(417)	(1)	(1,426)	(370)
Net cash flows from operating activities	732	2,002	4,694	6,469
Investing activities				
Capital contribution into joint venture	-	(6)	-	(4,712)
Dividend income from associate	-	-	331	-
Net cash inflow on disposal of associate	-	(12)	-	3,300
Net cash inflow on disposal of subsidiaries	-	-	(14)	-
Net cash outflow on acquisition of subsidiary ⁽²⁾	-	-	(1,767)	(743)
Proceeds from disposal of available-for-sale investments	-	-	14	-
Proceeds from disposal of property, plant and equipment	28	44,558	161	44,842
Purchase of land use rights	-	-	-	-
Purchase of property, plant and equipment	(7,750)	(7,285)	(23,604)	(11,298)
Net cash flows (used in)/from investing activities	(7,722)	37,255	(24,879)	31,389
Financing activities				
Dividends paid	-	-	(3,795)	-
Interest paid	(399)	(514)	(1,509)	(2,066)
Increase in fixed deposits charged with bank	-	-	(2,180)	-
Loan from non-controlling interests	91	-	91	-
Proceeds from borrowings	6,109	4,320	13,358	4,320
Purchase of treasury shares	-	(208)	(155)	(689)
Repayment of obligation under finance leases	(445)	(325)	(1,622)	(1,056)
Repayments of loans and borrowings	(1,021)	(22,315)	(4,209)	(25,981)
Net cash from/(used in) financing activities	4,335	(19,042)	(21)	(25,472)
Net (decrease)/increase in cash and cash equivalents	(2,655)	20,215	(20,206)	12,386
Cash and cash equivalents at the beginning of financial period	13,236	10,645	30,768	18,442
Effect of exchange rate changes on cash and cash equivalents	1	(92)	20	(60)
Cash and cash equivalents at the end of financial period ⁽¹⁾	10,582	30,768	10,582	30,768



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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-17	31-May-16	31-May-17	31-May-16
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks and on hand	10,582	30,768	10,582	30,768
Fixed deposits (restricted) #	2,180	-	2,180	-
	12,762	30,768	12,762	30,768
Fixed deposits charged with bank #	(2,180)	-	(2,180)	-
Cash and cash equivalents	10,582	30,768	10,582	30,768

Fixed deposits charged with bank relate to the bank guarantee for warehouse rental deposit.

(2) Net cash outflow on acquisition of subsidiary

On 30 November 2016, the Group acquired the entire share capital in TNS Ocean Lines (S) Pte Ltd for the purchase consideration consist of cash S\$2,700,000 and 52,500,000 ordinary shares in the capital of the Company.

The net assets acquired in the transaction, and the intangible arising, are as follows:-

	S\$'000
Property, plant and equipment	68
Intangible assets - customer relationship	1,884
Trade and other receivables	2,039
Prepaid operating expenses	186
Cash and cash equivalents	933
Trade and other payables	(2,589)
Finance leases	(119)
Deferred tax liabilities	(320)
Net asset acquired	2,082
Goodwill	4,340
Purchase consideration	6,422
Purchase consideration:-	
- Cash	2,700
- Shares of the Company #	3,722
	6,422

The provision of 52,500,000 ordinary shares (part of the purchase consideration) was arrived at by taking into consideration the volume weighted average share price of the Company of S\$0.0892 on the completion date of the acquisition and discount for lack of marketability of the shares and contingent adjustment.

Net cash outflow from acquisition of subsidiary	
Cash consideration paid	(2,700)
Cash at bank and on hand	933
	(1,767)



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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
Opening Balance as at 1 June 2015	74,831	(848)	(14,021)	17,851	77,813	4,326	82,139
Profit for the year	-	-	5,709	-	5,709	165	5,874
<u>Other comprehensive income:</u>							
Fair value gain on available-for-sale investments	-	-	-	312	312	-	312
Disposal of property, plant and equipment	-	-	13,695	(11,367)	2,328	-	2,328
Foreign currency translation	-	-	-	(408)	(408)	(156)	(564)
Share of other comprehensive income of associate	-	-	-	(57)	(57)	-	(57)
Other comprehensive income for the year, net of tax	-	-	13,695	(11,520)	2,175	(156)	2,019
Total comprehensive income for the year	-	-	19,404	(11,520)	7,884	9	7,893
<u>Contributions by and distributions to owners:</u>							
Purchase of treasury shares	-	(689)	-	-	(689)	-	(689)
Total contributions by and distributions to owners	-	(689)	-	-	(689)	-	(689)
<u>Changes in ownership interests in subsidiaries</u>							
Subsidiary struck off	-	-	42	(42)	-	-	-
Acquisition of subsidiary	-	-	-	-	-	593	593
Total changes in ownership interests in subsidiaries	-	-	42	(42)	-	593	593
Total transactions with owners in their capacity as owners	-	(689)	42	(42)	(689)	593	(96)
Closing Balance as at 31 May 2016	74,831	(1,537)	5,425	6,289	85,008	4,928	89,936
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
Opening Balance as at 1 June 2016	74,831	(1,537)	5,425	6,289	85,008	4,928	89,936
Loss for the year	-	-	(2,270)	-	(2,270)	420	(1,850)
<u>Other comprehensive income:</u>							
Fair value transfer to profit on disposal of available-for-sale investments	-	-	-	(8)	(8)	-	(8)
Fair value gain on available-for-sale investments	-	-	-	66	66	-	66
Revaluation gain on property, plant and equipment	-	-	-	1,010	1,010	-	1,010
Foreign currency translation	-	-	-	(480)	(480)	(135)	(615)
Share of other comprehensive income of associate	-	-	-	(47)	(47)	-	(47)
Other comprehensive loss for the year, net of tax	-	-	-	541	541	(135)	406
Total comprehensive income for the year	-	-	(2,270)	541	(1,729)	285	(1,444)
<u>Contributions by and distributions to owners:</u>							
Dividend paid on ordinary shares	-	-	(3,795)	-	(3,795)	-	(3,795)
Issue of new shares	3,246	-	-	-	3,246	-	3,246
Purchase of treasury shares	-	(155)	-	-	(155)	-	(155)
Treasury shares reissued pursuant to acquisition of a subsidiary	-	476	-	-	476	-	476
Total contributions by and distributions to owners	3,246	321	(3,795)	-	(228)	-	(228)
Total transactions with owners in their capacity as owners	3,246	321	(3,795)	-	(228)	-	(228)
Closing Balance as at 31 May 2017	78,077	(1,216)	(640)	6,830	83,051	5,213	88,264



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(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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 S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
Opening Balance as at 1 June 2015	74,831	(848)	(15,331)	-	58,652
Profit for the year	-	-	3,975	-	3,975
<u>Other comprehensive income:</u>					
Fair value gain on available-for-sale investments, representing other comprehensive income for the period, net of tax	-	-	-	312	312
Other comprehensive income for the year, net of tax	-	-	-	312	312
Total comprehensive income for the year	-	-	3,975	312	4,287
<u>Contributions by and distributions to owners:</u>					
Purchase of treasury shares	-	(689)	-	-	(689)
Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners	-	(689)	-	-	(689)
Closing Balance as at 31 May 2016	74,831	(1,537)	(11,356)	312	62,250

The Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
Opening Balance as at 1 June 2016	74,831	(1,537)	(11,356)	312	62,250
Loss for the year	-	-	(1,915)	-	(1,915)
<u>Other comprehensive income:</u>					
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	-	-	(8)	(8)
Fair value gain on available-for-sale investments	-	-	-	66	66
Other comprehensive income for the year, net of tax	-	-	-	58	58
Total comprehensive income for the year	-	-	(1,915)	58	(1,857)
<u>Contributions by and distributions to owners:</u>					
Dividend paid on ordinary shares	-	-	(3,795)	-	(3,795)
Issue of new shares	3,246	-	-	-	3,246
Purchase of treasury shares	-	(155)	-	-	(155)
Treasury shares reissued	-	476	-	-	476
Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners	3,246	321	(3,795)	-	(228)
Closing Balance as at 31 May 2017	78,077	(1,216)	(17,066)	370	60,165



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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

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

	Group and the Company	
	31-May-17	31-May-16
Total number of issued shares (excluding treasury shares and subsidiary holdings):		
Total number of issued shares		
At beginning of financial year	646,542,290	646,542,290
Issue of new shares ⁽¹⁾	48,158,250	-
At end of financial year	<u>694,700,540</u>	<u>646,542,290</u>
Treasury shares		
At beginning of financial year	(13,800,400)	(5,417,000)
Share buyback	(1,710,000)	(8,383,400)
Treasury shares reissued pursuant to acquisition of a subsidiary ⁽¹⁾	4,341,750	-
At end of the financial year	<u>(11,168,650)</u>	<u>(13,800,400)</u>
Total	<u>683,531,890</u>	<u>632,741,890</u>

(1) During the period under review, the company has issued 48,158,250 new shares and transferred 4,341,750 treasury shares as part of the consideration for the acquisition of TNS.

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 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 2016.

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



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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-17	31-May-16	31-May-17	31-May-16
(Loss) / Earning per share (in SGD cent)				
- Basic ⁽¹⁾	(0.13)	0.97	(0.34)	0.89
- Fully diluted ⁽²⁾	(0.13)	0.97	(0.34)	0.89
(1) Calculated based on weighted average number of shares	683,531,890	632,962,325	658,076,849	638,676,433
(2) Calculated based on weighted average number of shares for diluted earnings	683,531,890	632,962,325	658,076,849	638,676,433

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-17	31-May-16	31-May-17	31-May-16
Net assets (S\$'000)	83,051	85,008	60,165	62,250
Net asset value per share (in SGD cents)	12.15	13.43	8.80	9.84
Number of shares used in calculating NAV	683,531,890	632,741,890	683,531,890	632,741,890

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

Review for 4Q FY17 vs 4Q FY16

Revenue

The Group recorded a 57.3% year-on-year increase in revenue to S\$16.8 million for the fourth quarter ended 31 May 2017 ("4Q FY17"), compared with S\$10.7 million in the fourth quarter ended 31 May 2016 ("4Q FY16"). This was mainly due to higher revenue contributions from the Group's subsidiaries including chemical warehouse operator, Marquis Services Pte Ltd ("Marquis"), ready-mix concrete manufacturing plant, Wuzhou Xing Jian Readymix Co., Ltd ("Wuzhou Xing Jian"), as well as maiden contribution from port operations service provider, TNS Ocean Lines (S) Pte Ltd ("TNS"). This was partially offset by the decrease in revenue from its warehousing and logistics segment as a result of a sudden reduction for storage space by one key customer during the quarter under review.

Cost of Sales

Cost of sales increased by 68.9% from S\$7.8 million in 4Q FY16 to S\$13.1 million in 4Q FY17. The increase was due to additional operational expenses from Marquis, Wuzhou Xing Jian and TNS as well as higher warehouse rental expenses.

Gross Profit and Gross Margin

The Group's gross profit increased by 26.7% from S\$2.9 million in 4Q FY16 to S\$3.7 million in 4Q FY17, driven by higher revenue contribution. The composite gross margin declined from 27.4% in 4Q FY16 to 22.1% in 4Q FY17, which was partially negated by lower margin from the warehousing & logistics segment.

Other Income

Other income decreased from S\$14.2 million in 4Q FY16 to S\$0.6 million in 4Q FY17. The significant decrease was mainly due to the absence of the one-time gain of S\$13.7 million from the disposal of warehouse cum office property at 30 Pioneer Road in 4Q FY16.



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

Marketing and Distribution Expenses

Marketing and distribution expenses increased by S\$40,000 to S\$90,000 in 4Q FY17, mainly due to additional expenses incurred by Wuzhou Xing Jian and TNS.

Administrative Expenses

Administrative expenses decreased by 48.3% from S\$8.3 million in 4Q FY16 to S\$4.3 million in 4Q FY17. This was mainly due to the absence of impairment loss of S\$3.9 million for investment in GKE Metal Logistics Pte Ltd ("GKE Metal") that was recognised in 4Q FY16. The decrease was partially offset by higher staff costs as a result of the acquisition of TNS and ramp up of production in Wuzhou Xing Jian.

Finance Costs

Finance costs decreased by 17.9% from S\$0.5 million in 4Q FY16 to S\$0.4 million in 4Q FY17. This was mainly due to the repayment of borrowings and lower property loan interest as a result of refinancing, which was partially offset by the interest expense incurred on hire purchase of equipment and motor vehicles for Wuzhou Xing Jian and operations in Singapore and loan for the acquisition of the 7 Kwong Min Road property for Marquis.

Other Expenses

Other expenses increased by 71.0% from S\$0.3 million in 4Q FY16 to S\$0.6 million in 4Q FY17. This was mainly due to the fair value loss on contingent consideration of S\$0.5 million arising from the appreciation of GKE's share price for 5,000,000 ordinary shares from \$0.077 as at the date of acquisition to \$0.17 as at 31 May 2017, that was used as the contingent consideration for the acquisition of Marquis. The contingent consideration arrangement is part of the purchase agreement with the previous owner of Marquis that 5,000,000 ordinary shares shall be issued to the previous owner, if Marquis generates a net profit before tax of \$2.8 million or greater for the period from 1 December 2015 to 30 November 2017. This was offset by lower foreign exchange loss.

Share of Results of Associate

The Group reported a loss of S\$13,000 from its share of results of associate in 4Q FY17, compared to a loss of S\$0.2 million in 4Q FY16. This was due to the gradual improvement in the occupancy rate for the storage of metals under GKE Metal.

Share of Results of Joint Venture

The chartering contract for the liquefied gas carrier vessel was renewed at a prevailing lower charter rate, which led to a loss of S\$99,000 from its share of results of joint venture in 4Q FY17.

Net Loss 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\$0.9 million in 4Q FY17, reversing from a net profit attributable to owners of the Company of S\$6.1 million in 4Q FY16.

Other comprehensive loss for foreign currency translation and share of foreign currency translation of associates was a result of translating the financial statements of the foreign subsidiaries and associates from their functional currencies into Singapore dollar as at the balance sheet date, for the period under review. The movement was mainly due to fluctuations of functional currencies against the Singapore dollar.

Review for FY17 vs FY16

Revenue

For the financial year ending 31 May 2017 ("FY17"), the Group's revenue increased by 52.2% year-on-year to S\$56.1 million, up from S\$36.9 million in FY16. The increase was attributed to higher revenue contributions from Marquis, maiden contributions from Wuzhou Xing Jian and newly acquired TNS, which was partially undermined by lower revenue from its warehousing and logistics segment.

Cost of sales

Cost of sales increased by 64.6% from S\$27.2 million in FY16 to S\$44.7 million in FY17. The increase was due to additional operational expenses from Marquis, Wuzhou Xing Jian and TNS as well as higher warehouse rental expenses.

Gross Profit and Gross Margin

The Group reported a gross profit of S\$11.4 million in FY17, an increase of 17.5%, from S\$9.7 million in FY16. The increase was in tandem with the increase in revenue. Composite gross margin, which was partially negated by lower margin from the local warehousing and logistics segment, decreased from 26.3% in FY16 to 20.3% in FY17.



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

Other Income

For FY17, other income declined by 93.0% to S\$1.1 million, down from S\$15.7 million in FY16. This was mainly due to the absence of the one-time gains of S\$1.2 million from the disposals of Everflourish and Maoming, and S\$13.7 million from the disposal of the warehouse cum office property at 30 Pioneer Road.

Marketing and Distribution Expenses

For FY17, marketing and distribution expenses increased by 146.3% to S\$0.3 million from S\$0.1 million in FY16. The increase was due to marketing expenses incurred by Wuzhou Xing Jian, Van Der Horst's warehouse in Shanghai, TNS and Marquis, to increase sales.

Administrative Expenses

For FY17, administrative expenses decreased by 19.9% to S\$12.0 million, as compared to S\$15.0 million in FY16. This was mainly attributable to the absence of impairment loss of S\$3.9 million for investment in GKE Metal recognised in FY16, and effective cost management in the third-party warehousing and logistics segment, partially offset by the increase in staff cost with the addition of Marquis, TNS, and ramp up of production in Wuzhou Xing Jian as well as amortisation of intangible assets.

Finance Costs

Finance costs amounted to approximately S\$1.5 million in FY17, a decrease of 25.6% from S\$2.1 million in FY16. The reduction was mainly due to the repayment of borrowings undertaken for working capital purposes, partially offset by the interest expense incurred on hire purchase of equipment and motor vehicles for Wuzhou Xing Jian and operations in Singapore and loan for the acquisition of the 7 Kwong Min Road property for Marquis.

Other Expenses

Other expenses increased by S\$0.5 million from S\$0.3 million in FY16 to S\$0.8 million in FY17. This was mainly due to the fair value loss on contingent consideration of S\$0.5 million arising from the appreciation of GKE's share price for 5,000,000 ordinary shares from \$0.077 as at the date of acquisition to \$0.17 as at 31 May 2017, that was used as the contingent consideration for the acquisition of Marquis. The contingent consideration arrangement is part of the purchase agreement with the previous owner of Marquis that 5,000,000 ordinary shares shall be issued to the previous owner if Marquis generates a net profit before tax of \$2.8 million or greater for the period from 1 December 2015 to 30 November 2017.

Share of Results of Associate

The share of results of associate reversed from a loss of S\$0.5 million in FY16 to a profit of S\$7,000 in FY17, on the back of improved occupancy for the storage of metals under GKE Metal.

Share of Results of Joint Venture

As a result of the subdued economic recovery, the chartering contract for the liquefied gas carrier vessel was renewed at a significantly lower charter rate, resulting in a loss of S\$41,000 from its share of results of joint venture in FY17.

Net Loss 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\$2.3 million in FY17, compared with a net profit attributable to owners of the Company of S\$5.7 million in FY16.

Other comprehensive loss for foreign currency translation and share of foreign currency translation of associates was a result of translating the financial statements of the foreign subsidiaries and associates from their functional currencies into Singapore dollar as at the balance sheet date, for the period under review. The movement was mainly due to fluctuations of functional currencies against the Singapore dollar.

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

STATEMENT OF FINANCIAL POSITION

Non-current assets increased by S\$25.3 million or 22.6% from S\$112.0 million as at 31 May 2016 to S\$137.3 million as at 31 May 2017. This was largely due to (i) the increase in property, plant and equipment arising from the redevelopment of the 39 Benoi Road property, revaluation of property at 6 Pioneer Walk, and the purchase of fixed assets for the operations in Singapore and the ready-mix concrete manufacturing plant in Wuzhou, China, (ii) the increase in intangible assets due to additional goodwill arising from the acquisition TNS. The increase was partially offset by the decrease in investment in associate as a result of the dividend received from GKE Metal and its share of translation losses as well as amortisation for land use rights.

Current assets decreased by S\$10.8 million or 24.8% from S\$43.7 million as at 31 May 2016 to S\$32.8 million as at 31 May 2017. The decline was mainly due to the decrease in cash and cash equivalents from S\$30.8 million as at 31 May 2016 to S\$10.6 million as at 31 May 2017, which were deployed for (i) the redevelopment of the 39 Benoi Road property, (ii) the purchase of fixed assets, (iii) the payment of dividends, (iv) the acquisition of TNS, and (v) the repayment of borrowings and finance leases. The decrease was partially offset by the increase in trade and other receivables resulting from (i) the acquisition of TNS, (ii) the commencement of operations in Wuzhou Xing Jian, and (iii) higher loan receivables from Gas Aries, subsidiary of its joint venture Ocean Latitude Limited.



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

Non-current liabilities increased by S\$8.0 million or 17.1% from S\$47.1 million as at 31 May 2016 to S\$55.1 million as at 31 May 2017. This was due to (i) the increase in borrowings to finance the redevelopment of the 39 Benoi Road property and loans undertaken for working capital purposes in Wuzhou Xing Jian, (ii) the increase in other liabilities resulting from higher construction retention for the 39 Benoi Road property, and (iii) the increase in finance lease liabilities for the hire purchase of equipment in Wuzhou Xing Jian, which was partially offset by the repayment of borrowings and finance lease liabilities.

Current liabilities increased by S\$8.1 million or 43.4% from S\$18.6 million as at 31 May 2016 to S\$26.7 million as at 31 May 2017. This was mainly due to (i) the increase in trade and other payables as a result of the acquisition of TNS, the commencement of operations in Wuzhou Xing Jian, and amount due to the builder on the redevelopment of the 39 Benoi Road property, (ii) the increase in borrowings undertaken for working capital purposes in Wuzhou Xing Jian, and (iii) the increase in finance lease liabilities for the hire purchase of equipment and motor vehicles for the operations in Wuzhou Xing Jian and operations in Singapore.

Shareholder's equity decreased from S\$85.0 million as at 31 May 2016 to S\$83.1 million as at 31 May 2017. The decrease was mainly due to the payment of dividends and loss for the financial year, which was partially offset by the issuance of new shares and reissuance of treasury shares for the acquisition of TNS.

STATEMENT OF CASH FLOWS

4Q FY2017 vs 4Q FY2016

The Group's net cash generated from operating activities for 4Q FY17 was S\$0.7 million. This comprised positive operating cash flows before changes in working capital of S\$2.1 million, adjusted by a decrease in net working capital outflow of S\$1.1 million, and interest received and income tax paid of S\$30,000 and S\$0.4 million, respectively.

Net cash used in investing activities of S\$7.7 million in 4Q FY17 was mainly due to the cash outlay for the redevelopment of the 39 Benoi Road property and the purchase of equipment and motor vehicles during the quarter.

Net cash generated from financing activities for 4Q FY17 was S\$4.3 million. This was due to the increase in borrowings of S\$6.1 million for the redevelopment of the 39 Benoi Road, which was partially offset by the repayment of loans and finance leases, and interest paid.

FY17 vs FY16

The Group's net cash generated from operating activities in FY17 was S\$4.7 million. This comprised of positive operating cash flows before changes in working capital of S\$7.2 million, adjusted by net working capital outflow of S\$6.0 million and interest received and income tax paid of S\$76,000 and S\$1.4 million, respectively.

Net cash used in investing activities was S\$24.9 million in FY17, mainly due to the cash outlay for (i) the redevelopment of the 39 Benoi Road property, (ii) the acquisition of TNS and (iii) the purchase of fixed assets. This was partially offset by dividend income from associate of S\$0.3 million and proceeds from the disposal of fixed assets of S\$0.2 million.

Net cash used in financing activities was S\$21,000 in FY17. This was mainly due to (i) the payment of dividends of S\$3.8 million during the financial year, (ii) the increase in fixed deposits charged with the bank of S\$2.2 million, and (iii) the repayment of loans and finance leases of \$5.8 million, which was partially offset by the increase in bank borrowings of S\$13.4 million for the redevelopment of the 39 Benoi Road property and working capital purposes in Wuzhou Xing Jian.

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

Not Applicable.



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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 as the economic recovery in the region is likely to be subdued with challenging business environments.

The redevelopment of the 39 Benoi Road warehouse cum office property is progressing on schedule and is expected to be completed by end August 2017. The warehousing & logistics segment is looking to lower its cost of operations arising from the external leasing of additional storage space during the redevelopment of the 39 Benoi Road property.

The Group will continue to drive synergies among the subsidiaries within its core warehousing & logistics division, and provide its holistic suite of value-added services for supply chain management. It will also continue to monitor its current portfolio to achieve stable and sustainable earnings growth in the long term.

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 \$0.006 per share
Tax rate	: Not applicable

(c) Date Payable

Not Applicable.

(d) Books Closure Date

Not Applicable.

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

No dividend has been declared or recommended for the current financial year.



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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 2017	Investment Holding S\$'000	Third Party Logistics S\$'000	Shipping Logistics S\$'000	Infrastructural Logistics S\$'000	Eliminations S\$'000	Total S\$'000
Revenue						
- External customers	-	47,921	-	8,209	-	56,130
- Inter-segment ⁽¹⁾	-	294	-	-	(294)	-
Total revenue	-	48,215	-	8,209	(294)	56,130
Results:	(1,722)	7,732	(35)	1,097	(1,485)	5,587
Depreciation and amortisation	(63)	(5,198)	-	(949)	-	(6,210)
Reversal of allowance for doubtful trade receivables	-	16	-	-	-	16
Gain from disposal of available-for-sale investments	8	-	-	-	-	8
Bad debts (charged)/reversed	-	(112)	-	-	93	(19)
Impairment of available-for-sale investments	(93)	-	-	-	-	(93)
Gain on disposal of property, plant and equipment	1	88	-	-	-	89
Share of results of associate	-	7	-	-	-	7
Share of results of joint venture	-	-	(41)	-	-	(41)
Dividend income from associates	331	-	-	-	(331)	-
Interest income	-	534	-	2	(460)	76
Finance costs	(463)	(1,490)	-	(194)	610	(1,537)
Segment profit (loss)	(2,001)	1,577	(76)	(44)	(1,573)	(2,117)
Tax expense						267
Loss for the year						(1,850)
Assets:						
Investments in joint venture	-	-	9,228	-	-	9,228
Investments in associates	2,818	-	-	-	-	2,818
Additions to non-current assets ⁽²⁾	36	26,102	-	1,796	-	27,934
Segment assets⁽³⁾	81,382	147,340	13,914	14,569	(87,093)	170,112
Segment liabilities⁽³⁾	4,490	82,519	3,906	7,674	(20,957)	77,632
Unallocated liabilities:						
Tax payable						2,214
Deferred tax liabilities						2,002
Total liabilities						81,848

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

(2) Additions to non-current assets consist of additions to property, plant and equipment and land use rights.

(3) Inter-segment assets and liabilities are eliminated to arrive at the total assets and liabilities reported in the consolidated balance sheet.



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

(a) Operating Segments (cont'd)

	Investment Holding	Third Party Logistics	Shipping Logistics	Infrastructural Logistics	Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
31 May 2016						
Revenue						
- External customers	-	36,865	-	8		36,873
- Inter-segment ⁽¹⁾	-	302	-	-	(302)	-
Total revenue	-	37,167	-	8	(302)	36,873
Results:	(2,883)	9,648	21	(369)	(333)	6,084
Depreciation and amortisation	(115)	(6,726)	-	(181)	-	(7,022)
Allowance for doubtful trade receivables	-	(11)	-	-	-	(11)
Bad debts (charged)/reversed	-	(410)	-	-	384	(26)
Property, plant and equipment written off	-	(76)	-	-	-	(76)
Impairment of investments in subsidiaries	(914)	-	-	-	914	-
Impairment of investment in associate	(3,916)	-	-	-	-	(3,916)
Impairment of available-for-sale investments	(98)	-	-	-	-	(98)
Gain on disposal of property, plant and equipment	72	13,845	-	-	-	13,917
Gain on disposal of associate	-	-	-	1,168	-	1,168
Loss on disposal of subsidiaries	(44)	-	-	-	44	-
Share of results of associate	-	(529)	-	(14)	-	(543)
Share of results of joint venture	-	-	(211)	-	-	(211)
Dividend income	12,500	-	-	-	(12,500)	-
Interest income	29	79	-	5	(72)	41
Finance costs	(647)	(1,538)	-	(109)	228	(2,066)
Segment profit (loss)	3,984	14,282	(190)	500	(11,335)	7,241
Tax expense						(1,367)
Profit for the year						5,874
Assets:						
Investments in joint venture	-	-	9,237	-	-	9,237
Investments in associates	3,189	-	-	-	-	3,189
Additions to non-current assets ⁽²⁾	211	8,958	-	4,824	-	13,993
Segment assets⁽³⁾	86,189	145,819	11,961	11,512	(99,816)	155,665
Segment liabilities⁽³⁾	2,778	82,561	1,912	4,163	(31,079)	60,335
Unallocated liabilities:						
Tax payable						3,484
Deferred tax liabilities						1,910
Total liabilities						65,729

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

(2) Additions to non-current assets consist of additions to property, plant and equipment and land use rights.

(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⁾	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	46,973	35,825	97,618	71,341
People's Republic of China	9,157	1,048	26,907	27,487
	56,130	36,873	124,525	98,828

(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.



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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 is at the Group level which involves in primarily in corporate services and investment activities. The segment result in FY2017 was lower than FY2016 as a result of lower dividend income compared to last corresponding year and the fair value loss of S\$465,000 on contingent for Marquis.

Third Party Logistics

Revenue for this segment increased in FY2017 with the full-year contribution from Marquis as compared to 5.5 months in FY2016 and the addition of TNS during FY2017, but was partially offset by the decrease in warehousing revenue.

FY2017 segmental result was significantly lower compared to FY2016, mainly due to the absence of the S\$13.7 million gain from the disposal of 30 Pioneer Road property that was recognised in FY2016, and higher rental expenses for 30 Pioneer Road property and external leasing of storage space while the 39 Benoi Road property is under construction. The decrease was partially offset by lower depreciation.

Shipping Logistics

The chartering rate for the 83,000m3 liquefied gas carrier vessel which was completed and delivered in March 2016 to Gas Aries Limited, subsidiary of its joint venture Ocean Latitude Limited, was relatively low during FY2017 and saw a gradual pickup in the fourth quarter of FY2017. The segmental loss was narrowed in FY2017 compared to FY2016, due mainly to the pre-operating expenses and finance charges incurred in FY2016 before the commencement of chartering during the last quarter of FY2016.

Infrastructural Logistics

The segmental loss in FY2017 was mainly due to lower revenue in the first half of the financial year as it ramped up production gradually upon its commercial production in June 2016. The segmental profit recorded in FY2016 was mainly due to the S\$1.2 million gain from the disposal of associate, Maoming City Hung Ji Construction Materials Co., Ltd, which was partially offset by the initial start-up cost of the ready-mix concrete plant under Wuzhou Xing Jian Readymix Co., Ltd.

15. A breakdown of sales

	The Group		
	31 May 2017	31 May 2016	% Change
Sales reported for first half year	23,295	16,925	37.6
Operating profit after tax before non-controlling interest reported for first half year	(283)	262	(208.0)
Sales reported for second half year	32,835	19,948	64.6
Operating profit after tax before non-controlling interest reported for second half year including discontinued operation	(1,567)	5,612	(127.9)

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

	Latest Full Year	Previous Full Year
	S\$'000	S\$'000
Ordinary, tax exempt one tier	-	(3,795)



GKE CORPORATION LIMITED
(Company Registration No. 200001941G)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

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) \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
Ocean Latitude Limited - loan	1,551	Nil
Gas Aries Limited - loan*	1,991	Nil

* After March 2017, additional loan was provided from GKE Shipping Limited to Gas Aries Limited, interest free and repayable on demand in May 2017.

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	Current position and duties,	Details of changes in
Neo Hwee Lee	49	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

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
28 July 2017

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

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

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

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