

GKE CORPORATION

(Incorporated in the Republic of Singapore | Company Reg. No.: 200001941G)

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SGX stock code: 595

GKE achieves record revenue and net profit for FY21

- Proposes final dividend of S\$0.004 per share, amounting to approximately 26.8% of net profit of the Group for FY21
- Group expects to benefit in the coming financial year from cost savings from renewed lease and full contribution from Marquis Services for the warehousing and logistics segment, as well as contributions from the additional RMC production capacities of Wuzhou Xing Jian and Cenxi Xing Jian for the infrastructural materials and services segment

Key Financial Highlights:

FYE 31 May (S\$' Million)	FY21	FY20	YoY Change
Revenue	118.99	107.26	+ 10.9%
Gross profit	28.70	21.84	+ 31.4%
Gross profit margin	24.1%	20.4%	+ 3.7 pp
Profit before tax	17.16	8.42	+ 103.7%
Net profit ⁽¹⁾	11.53	4.70	+ 145.5%
EPS ⁽²⁾ (SGD cent)	1.49	0.61	+ 144.3%

(1) Net profit attributable to owners of the Company

(2) Earnings per share is based on the average weighted number of shares of 776.34 million for FY21 and 773.93 million for FY20.

For Immediate Release

SINGAPORE, 28 July 2021 – GKE Corporation Limited 锦佳集团 (“GKE” and together with its subsidiaries, “**Group**”), a leading integrated warehousing and logistics solutions provider with strategic investments in infrastructural materials and services business in China, registered record revenue and net profit of S\$119.0 million and S\$11.5 million respectively, for the financial year ended 31 May 2021 (“**FY21**”). The higher revenue was mainly attributable to (i) higher occupancy of the Group’s warehouses in Singapore and at better rental rates, (ii) increase in trucking volume, and (iii) higher volume of ready-mix concrete (“**RMC**”) produced and sold in Wuzhou, China.

Mr Neo Cheow Hui (梁鹏飞), CEO and Executive Director of GKE said, “**We are heartened by the confidence and support of our customers during these trying times. We remain committed to assist our customers with our competence in warehousing and logistics capabilities. In view of the eventual re-opening of the global economy, we will continue to seek viable opportunities to**

broaden our warehousing and logistics capabilities in order to tap on growth industries, in particular, the specialty chemicals and electronics industries in Singapore.

We expect the financial performance of the warehousing and logistics segment to benefit from (i) cost savings arising from the renewed lease of 30 Pioneer Road warehouse cum office property commencing 15 April 2021 for the next five years, and (ii) full contribution from the acquisition of the remaining 30% stake in Marquis Services Pte Ltd, the marine logistics and chemical warehouse operator, making it our wholly-owned subsidiary.

The Group's strategic investments in infrastructural materials and services in China continued to register revenue and earnings growth on the back of China's urbanisation plans in the rural cities. Despite the seasonal slowdown during the Lunar New Year in February, our RMC manufacturing facility in Wuzhou City, Wuzhou Xing Jian Readymix Co., Ltd. (梧州市星建混凝土), recorded a 43% year-on-year revenue growth to S\$52.8 million in FY21.

Our newly developed RMC manufacturing facility in Cenxi City, Cenxi Xing Jian Readymix Co., Ltd. (岑溪星建混凝土) with an installed capacity of 400,000m³ per annum experienced a delay in completion and has only recently commenced trial production. In anticipation of an increase in demand for RMC in these two cities located in Guangxi, China, we have not only expanded our production capacities, but also increased our fleet of concrete mixer trucks to about 70 vehicles.

We expect contributions from the construction waste materials recycling plant in Cenxi City and the indoor cultivation of vegetables, to progress gradually.”

The Board is recommending a final (tax exempted) dividend of S\$0.004 per share for FY21, subject to the approval of shareholders at the forthcoming annual general meeting.

Financial Review

The Group's revenue grew 10.9% year-on-year to S\$119.0 million in FY21, up from S\$107.3 million in the financial year ended 31 May 2020 (“FY20”). The increase was mainly driven by higher revenue contributions from its RMC manufacturing facility in Wuzhou City, China on increased productivity, as well as higher utilisation of warehouse space and increase in trucking volume in Singapore.

Gross profit improved by 31.4% from S\$21.8 million in FY20 to S\$28.7 million in FY21 in tandem with higher revenue from the RMC manufacturing facility, better utilisation of the warehouses and government support schemes in Singapore. Correspondingly, gross margin rose from 20.4% in FY20 to 24.1% in FY21.

Other income arising from interest income, government grants, and gain on disposal of fixed assets, increased from S\$3.1 million in FY20 to S\$7.3 million in FY21. The increase was mainly due to gain on disposal of subsidiaries and government support schemes.

Operating expenses comprising marketing and distribution costs and administrative expenses, increased by 22.8% year-on-year from S\$13.2 million in FY20 to S\$16.2 million in FY21. This was mainly due to higher marketing and distribution expenses for Wuzhou Xing Jian, an increase in staff, impairment loss on goodwill, allowance for expected credit loss, and depreciation expenses.

Finance costs decreased by 16.8% year-on-year from S\$3.4 million in FY20 to S\$2.8 million in FY21 due mainly to lower interest on lease liabilities.

Other credit increased from S\$75,000 in FY20 to S\$0.2 million in FY21 resulting from net foreign exchange gain.

The share of loss from associates increased from S\$29,000 in FY20 to S\$90,000 in FY21, stemming from the start-up costs of the 24% owned construction waste materials recycling plant, Cenxi Haoyi Recycling Co., Ltd in China. After taking into account the tax expenses and minority interests, the Group's net profit attributable to shareholders more than doubled from S\$4.7 million in FY20 to S\$11.5 million in FY21.

The Group's net asset value increased to approximately S\$88.4 million as at 31 May 2021, as compared with approximately S\$76.8 million as at 31 May 2020. Correspondingly, net asset value per share increased from 9.82 Singapore cents as at 31 May 2020 to 11.40 Singapore cents as at 31 May 2021.

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This media release is to be read in conjunction with the Company's announcement posted on the SGX website on 28 July 2021.

About GKE Corporation Limited

(Stock Codes – SGX: 595 | Bloomberg: GKEC SP | Thomson Reuters: GKEC.SI)

GKE Corporation Limited 锦佳集团 (“**GKE**” or the “**Company**” and together with its subsidiaries or the “**Group**”) is a leading integrated warehousing and logistics solutions provider offering one-stop, end-to-end multi-modal supply chain management solutions and services. The business activities of GKE are classified into two broad categories: (i) warehousing & logistics, and (ii) strategic investments.

The Group’s facilities host one of the best material handling equipment, with the most up-to-date safety and security features. It leverages information technology to increase order visibility, maximise operational efficiency, effective inventory management, and reduce overall supply chain costs for its customers.

The Group provides total integrated and comprehensive warehousing & logistics solutions and services that include general cargo storage, dangerous cargo storage (Class 2, 3, 4, 5.1, 6.1, 8 and 9), bonded and license warehousing services, conventional transportation, container trucking, project logistics, international multi-modal sea and air freight forwarding services, marine logistics and chemical warehousing. The Group has also established its support services at Singapore’s port operations to further enhance the logistics value chain.

The Group’s strategic investments focusing on infrastructural materials and services business in the People’s Republic of China, has diversified to include the agri-tech business specifically indoor cultivation of vegetables in Singapore in early 2021. The strategic investments under infrastructural materials and services are broadened through its wholly-owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd. (梧州市星建混凝土) (“**Wuzhou Xing Jian**”), which is primarily engaged in the manufacturing and supplying of ready-mix concrete products to the infrastructural development and construction sector in Wuzhou City since June 2016. The ongoing urbanisation plans in China spurred the Group to expand its automated ready-mix concrete manufacturing business to Cenxi City. Through Wuzhou Xing Jian, the Group has also extended its participation in (i) the construction material waste recycling in Cenxi City, and (ii) the mining and production of limestone products in Cangwu County, where Wuzhou Xing Jian holds the mining rights of a limestone mine.

For more information, please visit the company website at www.gke.com.sg.

Issued for and on behalf of **GKE Corporation Limited** by:

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*This media release has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this media release.*

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

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