

# GKE CORPORATION LIMITED

(Incorporated in the Republic of Singapore with Unique Entity No: 200001941G)

SGX Stock Code: 595

Website: [www.gke.com.sg](http://www.gke.com.sg)

## GKE registered S\$1.9 million net profit for 1H FY24

- Higher contribution from chemical related business in the warehousing and logistics segment lifted revenue and margins
- Stringent cost management and the decrease in the allowance of expected credit loss relating to receivables in the China operations attributed to higher profit
- The Group remains steadfast in achieving stable and sustainable growth in the long term as it continues to stay prudent in its resources management to ride through the uncertain times

### Key Financial Highlights:

FYE 31 May (S\$' Million)	1H FY24	1H FY23	YoY Change	FY23
Revenue	55.52	54.38	+ 2.1%	108.93
Gross profit	16.48	15.60	+ 5.6%	30.50
Gross profit margin	29.7%	28.7%	+ 1.0 pp	28.0%
Profit before tax	3.29	1.88	+ 75.1%	6.88
Net profit <sup>(1)</sup>	1.90	1.00	+ 90.1%	3.91
EPS <sup>(2)</sup> (cents)	0.25	0.13	+ 90.1%	0.50

\* 1H denotes six months ended 30 November and FY denotes 12 months ended 31 May

(1) Net profit attributable to owners of the Company

(2) Earnings per share are based on the average weighted number of shares of 775.12 million for 1H FY24, 1H FY23, and FY23.

### For Immediate Release

**SINGAPORE, 12 January 2024 – GKE Corporation Limited 锦佳集团 (“GKE”** and together with its subsidiaries, the “**Group**”), a leading integrated warehousing and logistics solutions provider with strategic investments in infrastructural materials and services business in China and agriculture business in Singapore, registered a 90.1% increase in net profit to S\$1.9 million on the back of a 2.1% growth in revenue to S\$55.5 million for the six months ended 30 November 2023 (“**1H FY24**”). The significant increase in net profit was bolstered by stable contribution from the warehousing and logistics segment in Singapore, in particular, the better margin chemical related business, as well as stringent cost management amid the gradual recovery of the infrastructural materials and services segment in China and rising inflationary pressure on business operations.

Commenting on the financial performance, Mr. Neo Cheow Hui (梁鹏飞), CEO and Executive Director of **GKE** said, “**Our effort in enhancing our assets in Singapore to maximise our competencies to provide higher value-adding solutions and services to our customers and broadening potential earnings at the same time, is a continuous challenge we have for ourselves. While the process is**

never smooth sailing, we are appreciative of the support of key stakeholders who persevered to make it possible.

**Despite the incremental improvement in our margins, it is a testament to our evolution over the years. We are not resting on our laurels, but we will press on with our good efforts to better support our customers in our integrated warehousing and logistics supply chain management solutions and services.”**

The global economy is expected to continue to confront challenges of moderate growth and elevated inflation, with a mild slowdown from 2.9% in 2023 to 2.7% in 2024.<sup>(1)</sup> While the long term economic outlook for China and Asia is relatively optimistic, the Group remains prudent and mindful of the inflationary pressure on its business operations in both Singapore and China.

(Reference: (1) Economic outlook: A mild slowdown in 2024 and slightly improved growth in 2025 <https://www.oecd.org/newsroom/economic-outlook-a-mild-slowdown-in-2024-and-slightly-improved-growth-in-2025.htm#:~:text=The%20Outlook%20projects%20global%20GDP,as%20it%20has%20in%202023>)

Mr. Neo adds, **“The stability in our Singapore and China operations demonstrated in the 1H FY24 results is a boon to the Group. However, we remain steadfast in achieving stable and sustainable growth for the long term and continue to stay prudent in the management of our resources to ride through the uncertain times.**

**Meanwhile, we will continue to monitor the progress of our infrastructural materials and services segment in Guangxi, China, and conduct regular credit risk assessment to safeguard our interest.”**

**Financial Review**

The Group recorded modest growth of a 2.1% year-on-year increase from S\$54.4 million in 1H FY23 to S\$55.5 million in 1H FY24. The stable contributions from both the infrastructural materials and services segment in China and the warehousing and logistics segment in Singapore were bolstered by higher revenue from its wholly-owned subsidiary, Fair Chem Industries Pte Ltd by S\$1.3 million in the financial period under review. In addition, revenue from the agriculture segment has continued to increase with the expansion of cultivation area and variety of vegetables, as well as distribution channels.

**Revenue analysis by business segments**

<b>FYE 31 May (S\$'000)</b>	<b>1H FY24</b>	<b>1H FY23</b>	<b>YoY Change</b>	<b>FY23</b>
Warehousing & logistics	44,122	43,286	+ 1.9%	86,268
Strategic Investments:				
Infrastructural materials & services	10,899	10,863	+ 0.3%	22,050
Agriculture	502	226	> 100.0%	612
<b>Total</b>	<b>55,523</b>	<b>54,375</b>	<b>+ 2.1%</b>	<b>108,930</b>

Gross profit increased by 5.6% from S\$15.6 million in 1H FY23 to S\$16.5 million in 1H FY24 in tandem with the higher revenue contribution. The stringent cost management and continual optimal utilisation

of warehousing space as well as higher value-adding solutions and services across the Group's operations lifted the gross margin from 28.7% in 1H FY23 to 29.7% in 1H FY24.

Other income increased by 4.2% from S\$542,000 in 1H FY23 to S\$565,000 in 1H FY24, due to a late payment interest of S\$97,000 of a customer from the infrastructural materials and services segment. The increase was partially offset by the decrease in grant income received from the government for the warehousing and logistics segment in Singapore.

Total operating expenses comprising marketing and distribution expenses and administrative expenses, decreased by 0.9% from S\$12.3 million in 1H FY23 to S\$12.2 million in 1H FY24. The decline was mainly due to (i) lower marketing and distribution expenses, and (ii) a decrease in the allowance of expected credit loss relating to receivables of S\$0.7 million in China, which was partially offset by (iii) the increase in staff costs by S\$0.2 million, and (iv) an increase in utilities expenses by S\$0.2 million.

Other expenses of S\$139,000 in 1H FY24 were mainly due to net foreign exchange loss, a decrease from S\$0.5 million in 1H FY23.

Finance costs decreased by 4.7% from S\$1.5 million in 1H FY23 to S\$1.4 million in 1H FY24 due to lower outstanding bank borrowings despite an increase in interest rate.

Share of results from associate, Cenxi Haoyi Recycling Co., Ltd, declined from S\$63,000 in 1H FY23 to S\$19,000 in 1H FY24 on the back of lower sales volume.

After taking into account tax expenses, the Group's net profit attributable to shareholders increased by 90.1% year-on-year from S\$1.0 million in 1H FY23 to S\$1.9 million in 1H FY24.

### Financial Position

FYE 31 May (S\$'000)	As at 30 November 2023	As at 31 May 2023
Net asset value	92,264	92,423
Cash and short-term deposit	26,847	29,760
Long-term bank borrowings	37,651	41,340
Short-term bank borrowings	12,612	13,043
Net asset value per share	S\$ 0.1190	S\$ 0.1192

Note: Net asset value per share was computed based on the share capital of 775.1 million shares as at 30 November 2023 and 31 May 2023.

The Group's net asset value decreased from S\$92.4 million as at 30 November 2023 to S\$92.3 million as at 30 November 2023, mainly due to the dividend payment of S\$1.6 million and a decrease in other reserves due to foreign currency translation. The decrease was offset by the profit generated in 1H FY24.

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This media release is to be read in conjunction with the Company's announcement posted on the SGX website on 12 January 2024.

**About GKE Corporation Limited**

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

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**GKE Corporation Limited** 錦佳集团 (“**GKE**” or the “**Company**” and together with its subsidiaries, 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, with strategic investments in infrastructural materials and services business in China and agricultural business in Singapore. The business activities of the Group are classified into two broad categories: (i) warehousing & logistics, and (ii) strategic investments.

The Group’s facilities host one of the best material handling systems, with the most up-to-date safety and security features. It harnesses information technology capabilities to improve order visibility, maximise operational efficiency, effective inventory management, and reduces cost on overall supply chain for its customers across a variety of industries.

The Group provides total integrated and comprehensive warehousing and 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 specialty chemical storage with ancillary services. 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 comprise infrastructural materials and services business in China and agriculture business in Singapore. 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 (“**RMC**”) products to the infrastructural development and construction sector in Wuzhou City. Since June 2016, the infrastructural materials and services business has been broadened to include (i) an automated RMC manufacturing business in Cenxi City, (ii) a construction material waste recycling facility in Cenxi City, and (iii) the mining and production of limestone products in Cangwu County, where Wuzhou Xing Jian holds the mining rights to a limestone mine. The agricultural business specialises in indoor cultivation of vegetables and development of agri-tech solutions, where an automated controlled-environment approach is adopted to provide protection and maintain optimal growth conditions for the vegetables crop.

For more information, please visit the Company website at [www.gke.com.sg](http://www.gke.com.sg).

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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**”).*

*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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