

The logo for GKE Corporation Limited features the letters 'G', 'K', and 'E' in a bold, sans-serif font. The 'G' is red, while the 'K' and 'E' are blue.

***CORPORATION LIMITED***

(Incorporated in the Republic of Singapore)  
(Company Registration no: 200001941G)

Condensed Interim Financial Statements  
For the six months and full year ended 31 May 2022

# **GKE CORPORATION LIMITED**

(Company Registration No: 200001941G)

Condensed interim financial statements for the six months and full year ended 31 May 2022

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# GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed interim financial statements for the six months and full year ended 31 May 2022

## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	The Group					
		2nd Half Year Ended			Twelve Months Ended		
		31 May 2022 S\$'000	31 May 2021 S\$'000	Change %	31 May 2022 S\$'000	31 May 2021 S\$'000	Change %
<b>Revenue</b>	5	<b>49,819</b>	58,936	(15.5)	<b>104,803</b>	118,986	(11.9)
Cost of sales		<b>(37,258)</b>	(44,779)	(16.8)	<b>(78,526)</b>	(90,289)	(13.0)
<b>Gross profit</b>		<b>12,561</b>	14,157	(11.3)	<b>26,277</b>	28,697	(8.4)
<b>Other income</b>	6.1	<b>1,055</b>	4,063	(74.0)	<b>2,131</b>	7,293	(70.8)
<b>Expenses</b>							
- Marketing and distribution costs		<b>(230)</b>	(162)	42.0	<b>(330)</b>	(337)	(2.1)
- Administrative expenses		<b>(8,683)</b>	(9,298)	(6.6)	<b>(16,959)</b>	(15,830)	7.1
- Finance costs		<b>(1,423)</b>	(1,312)	8.5	<b>(2,879)</b>	(2,808)	2.5
- Other expenses/credit		<b>(496)</b>	102	N.M.	<b>84</b>	233	(63.9)
Share of results of associates		<b>82</b>	(17)	N.M.	<b>200</b>	(90)	N.M.
<b>Profit before tax</b>	6.1	<b>2,866</b>	7,533	(61.1)	<b>8,524</b>	17,158	(50.3)
Tax expense	7	<b>(1,977)</b>	(2,369)	(16.5)	<b>(3,822)</b>	(5,284)	(27.7)
<b>Profit for the period</b>		<b>889</b>	5,164	(82.8)	<b>4,702</b>	11,874	(60.4)
<b>Profit attributable to:</b>							
Owners of the Company		<b>889</b>	5,008	(82.2)	<b>4,702</b>	11,530	(59.2)
Non-controlling interests		<b>-</b>	156	N.M.	<b>-</b>	344	N.M.
		<b>889</b>	5,164	(82.8)	<b>4,702</b>	11,874	(60.4)
<b>Earning per share (cents per share) attributable to owner of the company</b>							
- Basic	9	<b>0.11</b>	0.65	(83.1)	<b>0.61</b>	1.49	(59.1)
- Diluted	9	<b>0.11</b>	0.65	(83.1)	<b>0.61</b>	1.49	(59.1)

N.M. denotes not meaningful.

# GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed interim financial statements for the six months and full year ended 31 May 2022

## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	The Group					
	2nd Half Year Ended			Twelve Months Ended		
	31 May 2022 S\$'000	31 May 2021 S\$'000	Change %	31 May 2022 S\$'000	31 May 2021 S\$'000	Change %
<b>Profit for the period</b>	<b>889</b>	5,164	(82.8)	<b>4,702</b>	11,874	(60.4)
<b>Other comprehensive income, net of tax:</b>						
Foreign currency translation	<b>(946)</b>	280	N.M.	<b>(202)</b>	1,101	N.M.
Realisation of foreign currency translation reserve from disposal of subsidiaries	<b>-</b>	(477)	N.M.	<b>-</b>	(477)	N.M.
Net change in fair value of cash flow hedges	<b>754</b>	469	60.8	<b>1,204</b>	903	33.3
Other comprehensive income, net of tax	<b>(192)</b>	272	N.M.	<b>1,002</b>	1,527	(34.4)
<b>Total comprehensive income for the period</b>	<b>697</b>	5,436	(87.2)	<b>5,704</b>	13,401	(57.4)
<b>Profit attributable to:</b>						
Owners of the Company	<b>697</b>	5,222	(86.7)	<b>5,704</b>	12,920	(55.9)
Non-controlling interests	<b>-</b>	214	N.M.	<b>-</b>	481	N.M.
<b>Total comprehensive income for the period</b>	<b>697</b>	5,436	(87.2)	<b>5,704</b>	13,401	(57.4)

N.M. denotes not meaningful.

# GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed interim financial statements for the six months and full year ended 31 May 2022

## B. Condensed interim statement of financial position

	Note	Group		Company	
		31 May 2022	31 May 2021	31 May 2022	31 May 2021
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	132,436	123,394	252	245
Intangible assets	12	5,696	4,874	–	–
Investments in subsidiaries		–	–	57,157	43,792
Investments in associates		2,054	1,884	–	–
Financial assets at fair value through profit or loss		178	267	67	155
Other receivables	4	–	–	9,616	9,737
<b>Total non-current assets</b>		<b>140,364</b>	<b>130,419</b>	<b>67,092</b>	<b>53,929</b>
<b>Current assets</b>					
Inventories		1,065	687	–	–
Trade and other receivables	4	42,526	48,414	10,790	11,618
Prepaid operating expenses		1,846	1,663	73	33
Derivative financial assets		67	–	–	–
Cash and short-term deposit		27,106	30,889	5,783	13,489
<b>Total current assets</b>		<b>72,610</b>	<b>81,653</b>	<b>16,646</b>	<b>25,140</b>
<b>Total assets</b>		<b>212,974</b>	<b>212,072</b>	<b>83,738</b>	<b>79,069</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		85,145	85,145	85,145	85,145
Treasury shares		(1,531)	(1,531)	(1,531)	(1,531)
Retained earnings/ (accumulated losses)		5,835	4,502	(27,330)	(26,965)
Other reserves		1,562	259	(65)	(97)
<b>Total equity</b>		<b>91,011</b>	<b>88,375</b>	<b>56,219</b>	<b>56,552</b>
<b>Non-current liabilities</b>					
Other liabilities		2,164	2,322	–	–
Borrowings	13	50,480	52,907	6,117	2,455
Lease liabilities	13	21,544	24,604	57	–
Deferred tax liabilities		3,182	1,218	34	14
<b>Total non-current liabilities</b>		<b>77,370</b>	<b>81,051</b>	<b>6,208</b>	<b>2,469</b>
<b>Current liabilities</b>					
Trade and other payables	4	14,049	16,709	17,790	17,512
Other liabilities		8,173	7,813	1,518	1,767
Derivative financial liabilities		–	1,364	–	–
Borrowings	13	12,557	9,932	1,939	545
Lease liabilities	13	7,467	5,728	36	130
Tax payable		2,347	1,100	28	94
<b>Total current liabilities</b>		<b>44,593</b>	<b>42,646</b>	<b>21,311</b>	<b>20,048</b>
<b>Total liabilities</b>		<b>121,963</b>	<b>123,697</b>	<b>27,519</b>	<b>22,517</b>
<b>Total equity and liabilities</b>		<b>212,974</b>	<b>212,072</b>	<b>83,738</b>	<b>79,069</b>

# GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed interim financial statements for the six months and full year ended 31 May 2022

## C. Condensed interim statements of changes in equity

	Share capital	Treasury shares	Retained Earnings/ (Accumulated losses)	Other reserves	Total equity 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
<b>The Group</b>							
<b>Balance as at 1 June 2021</b>	85,145	(1,531)	4,502	259	88,375	–	88,375
Profit for the year	–	–	4,702	–	4,702	–	4,702
<u>Other comprehensive income:</u>							
Net change in fair value of cash flow hedges	–	–	–	1,204	1,204	–	1,204
Foreign currency translation	–	–	–	(202)	(202)	–	(202)
<b>Other comprehensive income for the year, net of tax</b>	–	–	–	1,002	1,002	–	1,002
<b>Total comprehensive income for the year</b>	–	–	4,702	1,002	5,704	–	5,704
<u>Contributions by and distributions to owners:</u>							
Dividend paid to ordinary shares	–	–	(3,100)	–	(3,100)	–	(3,100)
Share based payments expenses	–	–	–	32	32	–	32
<b>Total contributions by and distributions to owners</b>	–	–	(3,100)	32	(3,068)	–	(3,068)
<b>Total transactions with owners in their capacity as owners</b>	–	–	(3,100)	32	(3,068)	–	(3,068)
<u>Others</u>							
Transfer to statutory reserve	–	–	(269)	269	–	–	–
<b>Balance as at 31 May 2022</b>	<b>85,145</b>	<b>(1,531)</b>	<b>5,835</b>	<b>1,562</b>	<b>91,011</b>	<b>–</b>	<b>91,011</b>
<b>Balance as at 1 June 2020</b>	85,145	(1,062)	(6,251)	(1,072)	76,760	4,818	81,578
Profit for the year	–	–	11,530	–	11,530	344	11,874
<u>Other comprehensive income:</u>							
Net change in fair value of cash flow hedges	–	–	–	903	903	–	903
Foreign currency translation	–	–	–	964	964	137	1,101
Realisation of foreign currency translation reserve from disposal of subsidiaries	–	–	–	(477)	(477)	–	(477)
<b>Other comprehensive income for the year, net of tax</b>	–	–	–	1,390	1,390	137	1,527
<b>Total comprehensive income for the year</b>	–	–	11,530	1,390	12,920	481	13,401
<u>Contributions by and distributions to owners:</u>							
Purchase of treasury shares	–	(469)	–	–	(469)	–	(469)
Dividend paid to non-controlling interest	–	–	–	–	–	(225)	(225)
<b>Total contributions by and distributions to owners</b>	–	(469)	–	–	(469)	(225)	(694)

# GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed interim financial statements for the six months and full year ended 31 May 2022

## C. Condensed interim statements of changes in equity (cont'd)

	Share capital	Treasury shares	Retained Earnings/ (Accumulated losses)	Other reserves	Total equity 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
<b>The Group</b>							
<u>Changes in ownership interests in subsidiaries:</u>							
Disposal of subsidiaries	–	–	–	–	–	(3,210)	(3,210)
Acquisition of additional shares in a subsidiary	–	–	–	(836)	(836)	(1,864)	(2,700)
Total changes in ownership interests in subsidiaries	–	–	–	(836)	(836)	(5,074)	(5,910)
<b>Total transactions with owners in their capacity as owners</b>	–	(469)	–	(836)	(1,305)	(5,299)	(6,604)
<u>Others</u>							
Transfer to statutory reserve	–	–	(777)	777	–	–	–
<b>Balance as at 31 May 2021</b>	85,145	(1,531)	4,502	259	88,375	–	88,375

	Share capital	Treasury shares	Accumulated losses	Other reserves	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Company</b>					
<b>Balance as at 1 June 2021</b>	85,145	(1,531)	(26,965)	(97)	56,552
Profit for the year	–	–	2,735	–	2,735
<b>Total comprehensive income for the year</b>	–	–	2,735	–	2,735
<u>Contributions by and distributions to owners:</u>					
Dividend paid to ordinary shares	–	–	(3,100)	–	(3,100)
Share based payments expenses	–	–	–	32	32
<b>Total contributions by and distributions to owners</b>	–	–	(3,100)	32	(3,068)
<b>Balance as at 31 May 2022</b>	<b>85,145</b>	<b>(1,531)</b>	<b>(27,330)</b>	<b>(65)</b>	<b>56,219</b>
<b>Balance as at 1 June 2020</b>	85,145	(1,062)	(30,696)	(97)	53,290
Profit for the year	–	–	3,731	–	3,731
<b>Total comprehensive income for the year</b>	–	–	3,731	–	3,731
<u>Contributions by and distributions to owners:</u>					
Purchase of treasury shares	–	(469)	–	–	(469)
<b>Total contributions by and distributions to owners</b>	–	(469)	–	–	(469)
<b>Balance as at 31 May 2021</b>	85,145	(1,531)	(26,965)	(97)	56,552

# GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed interim financial statements for the six months and full year ended 31 May 2022

## D. Condensed interim consolidated statement of cash flows

	Note	The Group			
		2nd Half Year Ended		Twelve months Ended	
		31 May 2022 S\$'000	31 May 2021 S\$'000	31 May 2022 S\$'000	31 May 2021 S\$'000
<b>Cash flows from operating activities:</b>					
Profit before tax		2,866	7,533	8,524	17,158
<u>Adjustments for:</u>					
Depreciation of property, plant and equipment		7,175	7,811	13,997	15,633
Gain on disposal of financial assets at fair value through profit or loss		-	-	-	(109)
Amortisation of intangible assets – customer relationships		219	152	372	305
Gain on disposal of property, plant and equipment		(39)	(21)	(71)	(45)
Gain on disposal of investment in subsidiaries		-	(2,549)	-	(2,549)
Gain on bargain purchase	15	(235)	-	(235)	-
Impairment loss on goodwill		-	402	-	402
Allowance for expected credit loss		2	802	910	789
Bad debts charged	6.1	-	162	-	179
Fair value loss/(gain) on financial assets		91	(78)	88	(90)
Property, plant and equipment written off		-	-	-	5
Interest income		(8)	(16)	(16)	(30)
Interest expense		1,423	1,312	2,879	2,808
Share of results of associates		(82)	17	(200)	90
Share based payment expenses		32	-	32	-
Effect of exchange rate changes		(404)	162	(86)	216
<b>Operating cash flows before changes in working capital</b>		<b>11,040</b>	<b>15,689</b>	<b>26,194</b>	<b>34,762</b>
Changes in working capital:					
Inventories		(99)	(374)	(138)	(347)
Trade and other receivables		8,284	(4,281)	4,978	(8,066)
Prepaid operating expenses		(28)	(514)	(161)	(330)
Trade and other payables		(5,301)	2,694	1,991	3,489
Other liabilities		3,158	3,090	(4,429)	259
<b>Cash flows from operations</b>		<b>17,054</b>	<b>16,304</b>	<b>28,435</b>	<b>29,767</b>
Interest received		8	16	16	30
Net income tax paid		(1,000)	(2,215)	(2,533)	(4,629)
<b>Net cash flows from operating activities</b>		<b>16,062</b>	<b>14,105</b>	<b>25,918</b>	<b>25,168</b>
<b>Cash flows from investing activities:</b>					
Capital contribution into investment in associate		-	(19)	-	(930)
Net cash outflow on acquisition of a subsidiary	15	(12,055)	-	(12,055)	-
Net cash inflow on disposal of subsidiaries	16	-	5,649	-	5,649
Proceeds from disposal of financial assets at fair value through profit or loss		-	-	-	251
Proceeds from disposal of property, plant and equipment		47	73	85	173
Purchase of property, plant and equipment	11	(3,096)	(2,632)	(5,770)	(5,511)
<b>Net cash flows (used in)/from investing activities</b>		<b>(15,104)</b>	<b>3,071</b>	<b>(17,740)</b>	<b>(368)</b>



# GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed interim financial statements for the six months and full year ended 31 May 2022

## D. Condensed interim consolidated statement of cash flows (cont'd)

	Note	The Group			
		2nd Half Year Ended		Twelve months Ended	
		31 May 2022 S\$'000	31 May 2021 S\$'000	31 May 2022 S\$'000	31 May 2021 S\$'000
<b>Cash flows from financing activities:</b>					
Acquisition of non-controlling interests		-	(2,700)	-	(2,700)
Dividends paid to non-controlling interests		-	(225)	(3,100)	(225)
Loan from non-controlling interest		-	(1,322)	-	-
Interest paid		(1,405)	(1,630)	(2,861)	(2,808)
Purchase of treasury shares		-	-	-	(469)
Repayment of principal portion of lease liabilities		(3,134)	(3,598)	(6,179)	(8,293)
Proceeds from loans and borrowings		9,055	-	9,679	6,627
Repayment of loans and borrowings		(5,792)	(3,083)	(9,400)	(8,891)
Decrease in short-term deposit – pledged		-	-	1,410	982
<b>Net cash flows used in financing activities</b>		<b>(1,276)</b>	<b>(12,558)</b>	<b>(10,451)</b>	<b>(15,777)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(318)</b>	<b>4,618</b>	<b>(2,273)</b>	<b>9,023</b>
Cash and cash equivalents at the beginning of financial year		27,566	25,016	29,479	20,708
Effect of exchange rate changes on cash and cash equivalents		(142)	(155)	(100)	(252)
<b>Cash and cash equivalents at the end of financial year <sup>(1)</sup></b>		<b>27,106</b>	<b>29,479</b>	<b>27,106</b>	<b>29,479</b>

### Explanatory notes:

(1) Cash and cash equivalents in the cash flow statement comprised the followings:-

	Group			
	2nd Half Year Ended		Twelve months Ended	
	31 May 2022 S\$'000	31 May 2021 S\$'000	31 May 2022 S\$'000	31 May 2021 S\$'000
Cash and short-term deposit	27,106	30,889	27,106	30,889
Short-term deposit which is not cash and cash equivalents	-	(1,410)	-	(1,410)
	<b>27,106</b>	<b>29,479</b>	<b>27,106</b>	<b>29,479</b>

# **GKE CORPORATION LIMITED**

(Company Registration No: 200001941G)

Condensed interim financial statements for the six months and full year ended 31 May 2022

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

GKE Corporation Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 39 Benoi Road #06-01 Singapore 627725.

The principal activities of the Company are those of an investment holding company and the provision of management services. The principal activities of the subsidiaries are mainly as follows:

- Investment holding
- Provision of warehousing & ancillary services and trading business
- Provision of freight forwarding, transportation, warehousing and logistics services
- Provision of port operations and logistics services, stevedoring and freight forwarding services
- Provision of indoor farming solution and growing of crops
- Producing and manufacturing of environmentally friendly lightweight brick building materials and cement products.

### **2. Significant accounting policies**

#### **2.1 Basis of preparation**

The condensed financial statements for the six months and financial year ended 31 May 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 May 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

#### **2.2 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.3 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

# **GKE CORPORATION LIMITED**

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Condensed interim financial statements for the six months and full year ended 31 May 2022

## **2. Significant accounting policies (cont'd)**

### **2.3 Use of judgements and estimates (cont'd)**

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 May 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are: (i) impairment test of goodwill: key assumptions underlying recoverable amounts; and (ii) provision of expected credit loss of trade receivables.

#### Acquisition of a subsidiary

The fair value measurement of assets and liabilities acquired with business combinations is determined by the Directors at the date of acquisition using the acquisition method whereby identifiable assets acquired and liabilities assumed are measured at fair value at the date on which control is gained. Management has also engaged an external valuation specialist to assist them with the allocation of purchase consideration to the identified acquired assets and liabilities, and the measurement of their respective fair values at acquisition date.

## **3. Segment and revenue information**

For management purposes, the Group is organised into business units based on their products and services, and categorized into four reportable segments as follows:

- (a) The investment holding segment is involved in Group level corporate services and investment activities.
- (b) The warehousing and logistics segment provides total integrated and comprehensive warehousing and logistics solutions and services that include general cargo storage, dangerous cargo storage, bonded and license warehousing services, conventional transportation, container trucking, projects logistics, international multi-modal sea and air freight forwarding services, marine logistics and chemical warehousing with ancillary services.
- (c) The infrastructural materials and services segment is primarily involved in the business of manufacturing and supply of environmentally friendly ready-mixed concrete and building materials.
- (d) The agriculture segment is involved in indoor cultivation of vegetables and development of agriculture technology solutions.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments. The changes in the segment name from "Third party logistics" and "Infrastructural logistics" to "Warehousing and logistics" and "Infrastructural materials and services" respectively are merely to better reflect the activities and has no impact to the financial numbers.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Tax expense is managed on a Group basis and is not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

# GKE CORPORATION LIMITED

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Condensed interim financial statements for the six months and full year ended 31 May 2022

## 3. Segment and revenue information (cont'd)

### 3.1 Reportable segments

<b>Twelve Months Ended 31 May 2022</b>	<b>Investment holding S\$'000</b>	<b>Warehousing and logistics S\$'000</b>	<b>Infrastructural Materials and Services S\$'000</b>	<b>Agriculture S\$'000</b>	<b>Consolidation adjustments S\$'000</b>	<b>Total S\$'000</b>
Revenue						
- External customers	–	74,655	29,920	228	–	104,803
- Inter-segment <sup>(1)</sup>	–	298	–	17	(315)	–
<b>Total revenue</b>	<b>–</b>	<b>74,953</b>	<b>29,920</b>	<b>245</b>	<b>(315)</b>	<b>104,803</b>
Results:	(1,270)	22,473	5,475	(317)	(250)	26,111
Depreciation of property, plant and equipment	(89)	(12,178)	(1,507)	(93)	(130)	(13,997)
Allowance for expected credit loss	–	–	(910)	–	–	(910)
Impairment loss on investment in subsidiary	(494)	–	–	–	494	–
Fair value loss on financial assets	(88)	–	–	–	–	(88)
Gain on disposal of property, plant and equipment	–	71	–	–	–	71
Share of results of associates	–	–	200	–	–	200
Dividend income	5,000	–	–	–	(5,000)	–
Interest income	428	577	9	–	(998)	16
Finance costs	(692)	(2,643)	(542)	–	998	(2,879)
<b>Segment profit/(loss)</b>	<b>2,795</b>	<b>8,300</b>	<b>2,725</b>	<b>(410)</b>	<b>(4,886)</b>	<b>8,524</b>
Tax expense						(3,822)
<b>Profit for the year</b>						<b>4,702</b>

# GKE CORPORATION LIMITED

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## 3. Segment and revenue information (cont'd)

### 3.1 Reportable segments (cont'd)

Twelve Months Ended 31 May 2022 (cont'd)	Investment holding S\$'000	Warehousing and logistics S\$'000	Infrastructural Materials and Services S\$'000	Agriculture S\$'000	Consolidation adjustments S\$'000	Total S\$'000
Assets:						
Investments in associates	–	14	2,040	–	–	2,054
Additions to non-current assets <sup>(2)</sup>	98	7,344	1,254	420	–	9,116
<b>Segment assets</b> <sup>(3)</sup>	85,936	161,917	44,427	1,173	(80,479)	212,974
<b>Segment liabilities</b> <sup>(3)</sup>	27,460	104,066	23,679	103	(38,874)	116,434
Unallocated liabilities:						
Tax payable						2,347
Deferred tax liabilities						3,182
<b>Total Liabilities</b>						<b>121,963</b>

<sup>(1)</sup> Inter-segment revenues are eliminated on consolidation.

<sup>(2)</sup> Consist of additions to property, plant and equipment.

<sup>(3)</sup> 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)

Condensed interim financial statements for the six months and full year ended 31 May 2022

## 3 Segment and revenue information (cont'd)

### 3.1 Reportable segments (cont'd)

Twelve Months Ended 31 May 2021	Investment holding \$'000	Warehousing and logistics \$'000	Infrastructural Materials and Services \$'000	Agriculture \$'000	Consolidation adjustments \$'000	Total \$'000
Revenue						
- External customers	–	66,149	52,817	20	–	118,986
- Inter-segment <sup>(1)</sup>	–	226	–	–	(226)	–
	–	66,375	52,817	20	(226)	118,986
Results:	(1,268)	22,956	12,657	(97)	102	34,350
Depreciation of property, plant and equipment	(96)	(14,021)	(1,503)	(13)	–	(15,633)
Written back/(allowance) for expected credit loss	124	185	(1,098)	–	–	(789)
Bad debts charged	–	(179)	–	–	–	(179)
Fair value gain on financial assets	90	–	–	–	–	90
Property, plant and equipment written off	–	(5)	–	–	–	(5)
Impairment loss on goodwill	(402)	–	–	–	–	(402)
Gain on disposal of subsidiaries	1,292	–	–	–	1,257	2,549
Gain on disposal of property, plant and equipment	–	45	–	–	–	45
Share of results of associates	–	–	(90)	–	–	(90)
Dividend income	4,074	–	–	–	(4,074)	–
Interest income	575	637	9	–	(1,191)	30
Finance costs	(684)	(2,809)	(506)	–	1,191	(2,808)
<b>Segment profit/(loss)</b>	<b>3,705</b>	<b>6,809</b>	<b>9,469</b>	<b>(110)</b>	<b>(2,715)</b>	<b>17,158</b>
Tax expense						(5,284)
Profit for the year						<u>11,874</u>

# GKE CORPORATION LIMITED

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## 3 Segment and revenue information (cont'd)

### 3.1 Reportable segments (cont'd)

	Investment holding \$'000	Warehousing and logistics \$'000	Infrastructural Materials and Services \$'000	Agriculture \$'000	Consolidation adjustments \$'000	Total \$'000
<b>Twelve Months Ended 31 May 2021 (cont'd)</b>						
Assets:						
Investments in associates	–	14	1,870	–	–	1,884
Additions to non-current assets <sup>(2)</sup>	20	17,748	4,634	394	–	22,796
<b>Segment assets</b> <sup>(3)</sup>	81,171	170,832	46,788	440	(87,159)	212,072
<hr/>						
<b>Segment liabilities</b> <sup>(3)</sup>	22,411	114,664	26,625	50	(42,371)	121,379
Unallocated liabilities:						
Tax payable						1,100
Deferred tax liabilities						1,218
<b>Total liabilities</b>						<u>123,697</u>

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

(2) Consist of additions to property, plant and equipment.

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

# GKE CORPORATION LIMITED

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## 3 Segment and revenue information (cont'd)

### 3.2 Geographical segments

The Group's business segments operate in two main geographical areas:

1. Singapore - the operations in this area are principally in logistics service, freight forwarding, transportation, warehousing, port operations, stevedoring, indoor farming;
2. People's Republic of China - the operations in this area are principally in the manufacturing and supply of environmentally friendly ready-mixed concrete products and building materials.

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets*	
	31 May 2022	31 May 2021	31 May 2022	31 May 2021
	\$'000	\$'000	\$'000	\$'000
Singapore	74,884	66,149	124,562	114,362
People's Republic of China	29,919	52,837	13,570	13,906
	<b>104,803</b>	118,986	<b>138,132</b>	128,268

Revenue from one major customer amount to S\$14,971,000 (2021: S\$13,983,000) was arising from income services by the warehousing and logistics segment.

\* Non-current assets information presented above consist of property, plant and equipment and intangible assets as presented in the condensed interim statement of financial position.



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## 4 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 May 2022 and 31 May 2021:

	Group		Company	
	31 May 2022 S\$'000	31 May 2021 S\$'000	31 May 2022 S\$'000	31 May 2021 S\$'000
<b>Trade and other receivables (current):</b>				
Trade receivables	37,142	40,973	–	–
SGD loans to subsidiaries	–	–	500	696
Amounts due from subsidiaries	–	–	6,658	4,563
Staff advances	12	15	–	–
Refundable deposits	565	825	–	–
Capitalised contract cost	43	91	–	–
Deferred receivables	3,359	6,072	3,359	6,072
Other receivables	1,405	438	273	287
	<b>42,526</b>	<b>48,414</b>	<b>10,790</b>	<b>11,618</b>
<b>Other receivables (non-current):</b>				
SGD loan to subsidiaries	–	–	9,616	9,737
Total trade and other receivables (current and non-current)	<b>42,526</b>	<b>48,414</b>	<b>20,406</b>	<b>21,355</b>
Less: Capitalised contract cost	(43)	(91)	–	–
Add: Cash and short-term deposit	<b>27,106</b>	<b>30,889</b>	<b>5,783</b>	<b>13,489</b>
Total financial assets carried at amortised cost	<b>69,589</b>	<b>79,212</b>	<b>26,189</b>	<b>34,844</b>
<b>Expected Credit Loss</b>				
Movements in allowance account:				
At beginning of the year	1,295	471	4,197	4,321
Charge for the year, recorded in administrative expenses	910	1,098	–	–
Written back	–	(309)	–	(124)
Exchange differences	(41)	35	–	–
At end of the year	<b>2,164</b>	<b>1,295</b>	<b>4,197</b>	<b>4,197</b>

# GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed interim financial statements for the six months and full year ended 31 May 2022

## 4 Financial assets and financial liabilities (cont'd)

	Group		Company	
	31 May 2022 S\$'000	31 May 2021 S\$'000	31 May 2022 S\$'000	31 May 2021 S\$'000
<b>Trade and other payables (current):</b>				
Trade payables	10,626	12,863	–	–
Other payables	3,423	3,846	189	32
Amounts due to subsidiaries	–	–	2,423	2,302
Loan from subsidiary	–	–	15,178	15,178
Total trade and other payables	14,049	16,709	17,790	17,512
Add: Borrowings	63,037	62,839	8,056	3,000
Add: Lease liabilities	29,011	30,332	93	130
Add: Other liabilities	7,675	7,277	1,495	1,735
Total financial liabilities carried at amortised cost	113,772	117,157	27,434	22,377

## 5 Revenue

	The Group			
	2nd Half Year Ended		Twelve Months Ended	
	31 May 2022 S\$'000	31 May 2021 S\$'000	31 May 2022 S\$'000	31 May 2021 S\$'000
<b>Major product or service lines</b>				
Sale of goods	13,427	23,898	32,495	53,043
Services rendered	18,848	18,430	37,251	34,283
Rental income	17,544	16,608	35,057	31,660
	49,819	58,936	104,803	118,986
<b>Timing of transfer of goods or services</b>				
At a point in time	13,427	23,898	32,495	53,043
Over time	36,392	35,038	72,308	65,943
	49,819	58,936	104,803	118,986

## 6 Profit before taxation

### 6.1 Breakdown and explanatory notes to interim consolidated profit or loss

1. Other income comprises the following:

	2nd Half Year Ended			Twelve Months Ended		
	31 May 2022 S\$'000	31 May 2021 S\$'000	Change %	31 May 2022 S\$'000	31 May 2021 S\$'000	Change %
Gain on disposal of financial assets at fair value through profit or loss	–	–	N.M.	–	109	N.M.
Gain on disposal of investment in subsidiaries	–	2,549	N.M.	–	2,549	N.M.
Gain on disposal of property, plant and equipment	39	21	85.7	71	45	57.8
Grant income from government	847	1,285	(34.2)	1,638	4,142	60.5
Interest income	8	16	(50.0)	16	30	(46.7)
Others	161	192	(16.1)	406	418	(2.9)
	1,055	4,063	(74.0)	2,131	7,293	(70.8)

# GKE CORPORATION LIMITED

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Condensed interim financial statements for the six months and full year ended 31 May 2022

## 6 Profit before taxation (cont'd)

### 6.1 Breakdown and explanatory notes to interim consolidated profit or loss

1. Other income comprises the following:

Government grants mainly comprised Job growth incentive and Jobs Support Scheme under the various support measures granted by the Singapore Government to help businesses cushion the negative impact of the COVID-19 pandemic.

2. Profit before tax, includes the following items:

	2nd Half Year Ended			Twelve Months Ended		
	31 May 2022	31 May 2021	Change	31 May 2022	31 May 2021	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Audit fees payable to auditors of the Company	137	133	3.0	245	201	21.9
Amortisation of intangible assets – customer relationships	219	152	44.1	372	305	22.0
Allowance for expected credit loss	2	802	99.9	910	789	15.2
Bad debts charged	–	162	N.M.	–	179	N.M.
Depreciation of property, plant and equipment	7,175	7,811	(8.1)	13,997	15,633	(10.5)
Fair value (gain)/loss on financial assets	91	(78)	N.M.	88	(90)	N.M.
Bad debts charged	–	162	N.M.	–	179	N.M.
Gain on bargain purchase	(235)	–	N.M.	(235)	–	N.M.
Gain on disposal of financial assets at fair value through profit or loss	–	–	N.M.	–	(109)	N.M.
Impairment loss on goodwill	–	402	N.M.	–	402	N.M.
Legal and professional fee	221	132	67.4	350	205	70.7
Net foreign exchange loss/(gain)	496	(102)	N.M.	(84)	(233)	(63.9)
Property, plant and equipment written off	–	–	N.M.	–	5	N.M.
Share based payment expenses	32	–	N.M.	32	–	N.M.

### 6.2 Related party transaction

Other than disclosed elsewhere in the financial statements, the Group had significant transactions with related parties on terms agreed between the parties as follows:

	Group			
	2nd Half Year Ended		Twelve Months Ended	
	31 May 2022	31 May 2021	31 May 2022	31 May 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Sale of goods to an associate	15	68	112	68
Purchase of goods from an associate	(1,258)	(48)	(2,966)	(48)

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Condensed interim financial statements for the six months and full year ended 31 May 2022

## 7 Tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	2nd Half Year Ended		Twelve months Ended	
	31 May 2022	31 May 2021	31 May 2022	31 May 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax	1,534	2,123	3,405	4,493
Deferred tax	413	158	387	868
	<b>1,947</b>	<b>2,281</b>	<b>3,792</b>	<b>5,361</b>
Under/(Over)provision in prior financial years:				
- Current income tax	30	(96)	30	(96)
- Deferred tax	-	184	-	19
	<b>1,977</b>	<b>2,369</b>	<b>3,822</b>	<b>5,284</b>

## 8 Dividend

	Group and Company	
	31 May 2022	31 May 2021
	S\$'000	S\$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for FY2021: 0.40 Singapore cents	<b>3,100</b>	-

The Company has proposed a final tax exempt (one-tier) dividend of 0.20 Singapore cents per ordinary share (FY2021: 0.40 Singapore cents) as recommended by the Directors for the financial year ended 31 May 2022.

## 9 Earnings per share

	Group			
	2nd Half Year Ended		Twelve Months Ended	
	31 May 2022	31 May 2021	31 May 2022	31 May 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Earnings per share (in SGD cent)				
- Basic <sup>(1)</sup>	0.11	0.65	0.61	1.49
- Fully diluted <sup>(2)</sup>	0.11	0.65	0.61	1.49
<sup>(1)</sup> Calculated based on weighted average number of shares	775,124,090	775,124,090	775,124,090	776,339,919
<sup>(2)</sup> Calculated based on weighted average number of shares for diluted earnings	775,124,090	775,124,090	775,124,090	776,339,919

4,258,000 share options issued to employees under the existing employee share option plans have not been included in the calculation of diluted earnings per share as it is anti-dilutive.

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Condensed interim financial statements for the six months and full year ended 31 May 2022

## 10 Net Asset Value (“NAV”)

	Group		Company	
	31 May 2022	31 May 2021	31 May 2022	31 May 2021
Net assets (S\$'000)	91,011	88,375	56,219	56,552
NAV per share (in SGD cents)	11.74	11.40	7.25	7.30
Number of shares used in calculating NAV	775,124,090	775,124,090	775,124,090	775,124,090

## 11 Property, plant and equipment

During the twelve months ended 31 May 2022, the Group acquired property, plant and equipment with an aggregate cost of S\$9,116,000 (31 May 2021: S\$22,796,000) of which S\$1,986,000 (31 May 2021: S\$14,696,000) relates to the new leases of right-of-use assets which were not acquired by means of hire purchase and S\$1,360,000 (31 May 2021: S\$2,589,000) were acquired by means of hire purchase arrangement. Cash payment of S\$5,770,000 (31 May 2021: S\$5,511,000) were made to purchase property, plant and equipment.

## 12 Intangible assets

	Group			Total \$'000
	Goodwill \$'000	Customer relationships \$'000	Mining rights \$'000	
<b>Cost:</b>				
At 1 June 2020	5,655	4,019	1,032	10,706
Exchange Differences	–	–	18	18
At 31 May 2021 and 1 June 2021	5,655	4,019	1,050	10,724
Addition	–	1,207	–	1,207
Exchange Differences	–	–	(13)	(13)
<b>At 31 May 2022</b>	<b>5,655</b>	<b>5,226</b>	<b>1,037</b>	<b>11,918</b>
<b>Accumulated amortisation and impairment:</b>				
At 1 June 2020	1,912	3,231	–	5,143
Amortisation	–	305	–	305
Impairment loss	402	–	–	402
At 31 May 2021 and 1 June 2021	2,314	3,536	–	5,850
Amortisation	–	372	–	372
<b>At 31 May 2022</b>	<b>2,314</b>	<b>3,908</b>	<b>–</b>	<b>6,222</b>
<b>Net carrying amount</b>				
At 31 May 2021	3,341	483	1,050	4,874
<b>At 31 May 2022</b>	<b>3,341</b>	<b>1,318</b>	<b>1,037</b>	<b>5,696</b>

### Customer relationships

Customer relationships relates to the ability to make regular contact with recurring customers. The useful lives of the customer relationships are estimated to be 2 to 7 years.

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## 12 Intangible assets (cont'd)

### Mining rights

Mining rights relates to mining rights acquired by the Group's wholly owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd ("**Wuzhou Xing Jian**") in the PRC from the municipal land authority in the Cangwu County. The useful lives of the mining rights are approximately 8 years.

### Amortisation expense

The amortisation of customer relationships is included in "Administrative expenses" line item in the profit or loss.

## 13 Borrowings and Lease Liabilities

	Group		Company	
	31 May 2022 S\$'000	31 May 2021 S\$'000	31 May 2022 S\$'000	31 May 2021 S\$'000
<b><u>Non-current</u></b>				
Bank loans	50,480	52,907	6,117	2,455
Lease liabilities	21,544	24,604	57	–
	<b>72,024</b>	<b>77,511</b>	<b>6,174</b>	<b>2,455</b>
<b><u>Current</u></b>				
Bank loans	12,557	9,932	1,939	545
Lease liabilities	7,467	5,728	36	130
	<b>20,024</b>	<b>15,660</b>	<b>1,975</b>	<b>675</b>
<b>Total</b>	<b>92,048</b>	<b>93,171</b>	<b>8,149</b>	<b>3,130</b>

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

The Group has lease contracts for various items of property, vehicles and other equipment used in its operations. Leases of property generally have lease terms between 1 and 18 years, the vehicles and other equipment generally have lease terms between 1 and 4 years (2020: between 1 and 3 years), the plant and machinery generally have lease terms of 10 years, while the land use rights generally have lease term of 50 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios.

The Group also has certain leases of other equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

# GKE CORPORATION LIMITED

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## 14 Issued Share Capital

	Group and Company	
	31 May 2022	31 May 2021
<b>Total number of issued shares (excluding treasury shares):</b>		
At beginning and end of the financial year	<b>794,700,540</b>	794,700,540
<b>Treasury shares</b>		
At beginning of the year	<b>(19,576,450)</b>	(13,227,950)
Share buyback	-	(6,348,500)
At end of the year	<b>(19,576,450)</b>	(19,576,450)
<b>Total</b>	<b>775,124,090</b>	775,124,090

The Company had granted 4,258,000 options under the GKE Employees' Share Option Scheme 2021 ("the Scheme") on 28 February 2022. As at 31 May 2022, the number of outstanding options under the Scheme was 4,258,000 (31 May 2021: Nil). During the year, no options were exercised under the Scheme.

There was no change in the issued and paid-up capital of the Company since the previous year.

## 15 Acquisition of subsidiary

On 28 Jan 2022, the Group completed the acquisition of a 100% equity interest on Fair Chem Industries Pte Ltd ("Fair Chem"), a business of providing one-stop tolling services, chemical blending, decanting services, hot and cold liquid blend, powder blend, supply of raw and packaging materials, drum recycling and packaging, and wastewater treatment.

The Group incurred acquisition related cost of S\$94,000 on legal fees, due diligence costs, transaction advisory fees and other professional fees for the above acquisition. These costs have been included in "Administrative expenses" within the condensed consolidated statement of profit or loss.

	Fair value recognised on acquisition S\$'000
Customer Relationships	1,207
Property, plant and equipment	12,492
Right-of-use assets	1,517
Inventories	240
Trade receivables	803
Other receivables	146
Deposits and prepayment	102
Cash at Bank	383
	<hr/>
Trade payables and other payables	16,890
GST payables	(438)
Accruals and deposits received	(105)
Lease liabilities	(485)
Provision for taxation	(1,517)
Deferred tax liabilities	(343)
Deferred tax liabilities	(1,329)
Total identifiable net assets at fair value	<hr/>
	12,673

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## 15 Acquisition of subsidiary (Cont'd)

	S\$'000
Effect of the acquisition of Fair Chem on cash flows	
Total consideration for 100% equity interest acquired	12,438
Less: cash and cash equivalents of subsidiary acquired	(383)
Net cash outflow on acquisition	<u>12,055</u>
Total consideration for 100% equity interest acquired	12,438
Total identifiable net assets at fair value	12,673
Negative Goodwill arising on acquisition	<u>(235)</u>

The negative goodwill arising from the acquisition of Fair Chem has been recognised in "other income" in the Group's profit or loss. The negative goodwill was attributed to the competitive pricing negotiated with the sellers.

## 16 Disposal of subsidiaries

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

	31 May 2021 \$'000
Property, plant and equipment	14,739
Trade and other receivables	3
Prepaid operating expenses	5
Cash and cash equivalents	105
Trade and other payables	(5,680)
Net assets derecognised	<u>9,172</u>
Less: Non-controlling interests	(3,210)
Net assets disposed of	5,962
Receivables written off	3,227
Reclassification of foreign currency translation reserve	(477)
Provision of withholding tax	565
Sales proceeds from disposal	(11,826)
Gain on disposal	<u>(2,549)</u>
Total consideration	11,826
Sales proceeds receivable	(6,072)
Cash and cash equivalent of the subsidiaries	(105)
Net cash inflow on disposal of the subsidiaries	<u>5,649</u>

\* Total consideration is \$1.

## 17 Subsequent events

There are no known subsequent events which may lead to adjustments to this set of condensed financial statements.



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(Company Registration No: 200001941G)

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## F. Other information required by Catalyst Rule Appendix 7C

### 1. Review

The condensed consolidated statement of financial position of GKE Corporation Limited and its subsidiaries as at 31 May 2022 and the related condensed consolidated income statement and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year ended and certain explanatory notes have not been audited or reviewed by the auditors of the Company.

### 2. Review of performance of the Group

#### Sales

	The Group					
	2nd Half Year Ended			Twelve months Ended		
	31 May 2022 ("2HFY22") S\$'000	31 May 2021 ("2HFY21") S\$'000	Change %	31 May 2022 ("FY22") S\$'000	31 May 2021 ("FY21") S\$'000	Change %
Warehousing and logistics	38,537	35,067	9.9	74,655	66,149	12.9
Infrastructural materials and services	11,147	23,849	(53.3)	29,920	52,817	(43.4)
Agriculture	135	20	N.M.	228	20	N.M.
	<b>49,819</b>	<b>58,936</b>	<b>(15.5)</b>	<b>104,803</b>	<b>118,986</b>	<b>(11.9)</b>

#### FY22 vs FY21

##### Revenue

The Group recorded an 11.9% decrease in revenue from S\$119.0 million in FY21 to S\$104.8 million in FY22. The decrease was mainly due to a significant decrease in revenue from the ready-mixed concrete manufacturing plant under the infrastructural materials segment, as a result of lower sales volume, but offset with higher revenue contributed by the increase in warehousing storage and freight revenue from the warehousing and logistics segment.

##### Cost of sales

Cost of sales decreased by 13.0% from S\$90.3 million in FY21, compared with S\$78.5 million in FY22, mainly due to the decrease in cost of sales from the infrastructural materials and services segment in China, which is in tandem with the decrease in sales, and offset by the general increase in costs from the warehousing and logistics segment in Singapore.

##### Gross profit

The Group's gross profit decreased by 8.4% from S\$28.7 million, compared with S\$26.3 million in FY22. However, the Group's gross margin increased from 24.1% in FY21 to 25.1% in FY22, mainly due to higher gross margin from the warehousing and logistics segment and partially offset with lower gross margin from the infrastructural materials and services segment.

##### Other income

Other income decreased by 70.8% from S\$7.3 million in FY21, compared with S\$2.1 million in FY22. The decrease was mainly due to reduction of government support schemes and absence of gain on disposal of investment in subsidiaries amounting to S\$2.5 million in FY21.

##### Marketing and distribution costs

Marketing and distribution costs decreased from S\$337,000 in FY21 to S\$330,000 in FY22, this was mainly due to lower expenses incurred on marketing activities for infrastructural materials and services segment.

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## **2. Review of performance of the Group (cont'd)**

### **Administrative expenses**

Administrative expenses increased by 7.1% to S\$17.0 million in FY22 from S\$15.8 million in FY21. The increase in FY22 mainly due to increase in staff costs, legal and professional fee, increase in amortisation of intangible assets by S\$67,000 and increase in provision for impairment for financial assets at fair value through profit or loss by S\$178,000.

### **Finance costs**

Finance costs increased by 2.5% from S\$2.8 million in FY21 to S\$2.9 million in FY22, mainly due to the increase in bank borrowing for the acquisition of subsidiary, Fair Chem Industries Pte Ltd.

### **Other credit**

Other credit incurred in FY22 was mainly due to net foreign exchange gain.

### **Share of results of associate**

The share of results from associates improved from a loss position to a profitable position due to positive contribution from Cenxi Haoyi Recycling Co., Ltd in China.

### **Tax expenses**

The effective tax rate has increased from 30.8% in FY21 to 44.8% in FY22, mainly due to the loss-making position from certain subsidiaries.

### **Profit attributable to owner of the Company**

The decrease in profit before tax was mainly due to lower revenue contribution from the infrastructural materials segment as a result of lower sales, increase in administrative expenses and the decrease in government's support scheme as well as gain on disposal of subsidiaries amounting to S\$2.5 million in FY21.

### **Other comprehensive income**

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

## **2H FY22 vs 2H FY21**

### **Revenue**

The Group's recorded a 15.5% decrease in revenue from S\$58.9 million for the 2nd half year ended 31 May 2021 ("**2H FY21**"), compared with S\$49.8 million for the 2nd half year ended 31 May 2022 ("**2H FY22**"). This was mainly due to the lower revenue contribution from the infrastructural materials segment by S\$12.7 million, and partially offset with an increase in warehousing storage and freight revenue from the warehousing and logistics segment.

### **Cost of sales**

Cost of sales decreased by 16.8% in 2H FY21 from S\$44.8 to S\$37.3 in 2H FY22 in tandem with the decrease in revenue.

### **Gross profit**

The Group's gross profit decreased by 11.3% from S\$14.2 million, compared to S\$12.6 million in 2H FY21. However, the Group's gross margin increased from 24.0% in 2H FY21 to 25.2% in 2H FY22, mainly due to higher gross margin from the warehousing and logistics segment and partially offset with lower gross margin from the infrastructural materials and services segment.

### **Other income**

Other income decreased by 74.0% from S\$4.1 million in 2H FY21, compared to S\$1.1 million in 2H FY22. The decrease was mainly due to reduction of government's support schemes and absence of gain on disposal of investment in subsidiaries of S\$2.5 million.

### **Marketing and distribution costs**

Marketing and distribution costs increased slightly from S\$162,000 in 2H FY21 to S\$203,000 in 2H FY22, mainly due to corporate publicity.

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## **2. Review of performance of the Group (cont'd)**

### **Administrative expenses**

Administrative expenses decreased by S\$0.6 million from S\$9.3 million in 2H FY21 to S\$8.7 in 2H FY22. This was mainly due to the decrease in the allowance for expected credit loss and partially offset with the increase in amortisation of intangible assets.

### **Finance costs**

Finance costs increased by S\$111,000 in 2H FY22 mainly due to increase in bank borrowings for the acquisition of subsidiary, Fair Chem Industries Pte Ltd.

### **Other expenses**

Other expenses in 2H FY22 was mainly due to net foreign exchange loss.

### **Share of results of associate**

The share of results from associates improved from a loss position to a profitable position due to positive contribution from Cenxi Haoyi Recycling Co., Ltd in China.

### **Tax expenses**

The effective tax rate has increased from 31.4% in 2H FY21 to 69.0% in 2H FY22, mainly due to the loss-making position from certain subsidiaries.

### **Profit for the period attributable to owner of the Company**

As a result of the above, the Group recorded a lower profit attributable to amount of the Company of S\$889,000 in 2H FY22 as compared to S\$5.0 million in 2H FY21. The decrease in profit was mainly due to lower revenue contributed from infrastructural logistics segment and decrease in government's support schemes and absence of the gain on disposal of investment in subsidiaries in FY21.

### **Other comprehensive income**

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

## **Statement of Financial Position**

Non-current assets increased by S\$9.9 million from S\$130.4 million as at 31 May 2021 to S\$140.4 million as at 31 May 2022. The increase was mainly due to addition of property, plant and equipment due to the acquisition of subsidiary, Fair Chem Industries Pte Ltd and partially offset by the depreciation of property, plant and equipment, amortization of intangible assets.

Current assets decreased by S\$9.0 million from S\$81.7 million as at 31 May 2021 to S\$72.6 million as at 31 May 2022. This was mainly due to decrease in cash and cash equivalents from S\$30.9 million as at 31 May 2021 to S\$27.1 million as at 31 May 2022.

Non-current liabilities decreased by S\$3.7 million from S\$81.1 million as at 31 May 2021 to S\$77.4 million as at 31 May 2022. The decrease was mainly due to payment of principal portion of lease liabilities and repayment of borrowings.

Current liabilities increased by S\$1.9 million from S\$42.6 million as at 31 May 2021 to S\$44.6 million as at 31 May 2022. The increase was mainly due to increase in the borrowings, lease liabilities, tax payable offset with gain on derivative financial assets, and decrease in trade and other payables.

Shareholders' equity increased from S\$88.4 million as at 31 May 2021 to S\$91.0 million as at 31 May 2022 due to profit for the year under review.

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## **2. Review of performance of the Group (cont'd)**

### **Statement of Cash Flows**

#### **FY22 vs FY21**

During FY22, the net cash generated from operations amounted to approximately S\$25.9 million. This comprises positive operating cash flows before changes in working capital of S\$26.2 million, adjusted by net working capital inflow of S\$2.2 million, interest received and taxes paid of S\$16,000 and S\$2.5 million, respectively.

Net cash used in investing activities of S\$17.7 million was mainly due to cash outflow on acquisition of subsidiary and purchase of property, plant and equipment.

Net cash used in financing activities of S\$10.5 million was mainly due to proceeds from bank borrowings of S\$9.7 million and offset by the repayment of loans and borrowings, and the repayment of principal portion of lease liabilities.

#### **2H FY22 vs 2H FY21**

The Group's net cash generated from operating activities for 2H FY22 was S\$16.1 million. This comprised positive operating cash flows before changes in working capital of S\$11.0 million, adjusted by net working capital inflow of S\$6.0 million and income tax paid S\$1.0 million.

Net cash used in investing activities of S\$15.3 million in 2H FY22 was mainly due to net cash outflow on acquisition of subsidiary.

Net cash used in financing activities of S\$1.3 million in 2H FY22 was mainly due proceeds from bank borrowings and offset with repayment of loans and borrowings, repayment of principal portion of lease liabilities and interest paid.

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

Not applicable.

## **4. 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 prolonged and lingering impact of the Covid-19 pandemic, resulting in economic slowdown, is particularly prominent in China as the country persists with its "zero-Covid" policy.<sup>1</sup> Notwithstanding this, geopolitical uncertainties including the Russia-Ukraine crisis aggravate the situation and continue to take a toll on business and economic activities.

The unexpected turmoil in the real estate sector and the stringent cautionary measures to overcome the challenges of new Covid-19 sub-variants in China are likely to have an adverse impact on the Group's infrastructural materials and services segment in the short term. Nevertheless, the Group believes that China's urbanisation plans are intact, and the Group's strategic investment in its infrastructural materials and services in China is well placed to benefit in the long term.

In view of the macro environment, the Group is mindful of rising inflationary pressure on its operations and staff costs, while continues to focus on harnessing its capabilities in its warehousing and logistics segment in Singapore. The successful conversion of container yards into dangerous goods ("DG") storage at two of its premises in Singapore, as well as the full year contribution from the Group's acquisition of Fair Chem Industries Pte Ltd, an established specialty chemicals warehouse operator with tolling and specialty chemical manufacturing capabilities in Singapore, are likely to contribute positively to the Group. The Group continues to experience high occupancy rate for its warehousing storage.

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The Group will update shareholders on the progress of its business operations in both Singapore and China, as and when developments arise.

Source: 1 <https://www.ft.com/content/7dee81e2-9be1-430e-9b35-ae3651455996>

## 5. Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend:	<b>Ordinary (Final)</b>
Dividend Type:	<b>Cash</b>
Dividend per share:	<b>0.20 Singapore cents per ordinary share</b>
Tax rate:	<b>Tax exempt (one-Tier)</b>

The Directors are pleased to declare a tax exempt one-tier final cash dividend of 0.20 cents per share (2021: tax exempt one-tier cash dividend of 0.40 cents per share) in respect of the full year ended 31 May 2022.

### (b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediate preceding financial year?

Name of dividend:	<b>Ordinary (Final)</b>
Dividend Type:	<b>Cash</b>
Dividend per share:	<b>0.40 Singapore cents per ordinary share</b>
Tax rate:	<b>Tax exempt (one-Tier)</b>

### (c) Date payable

To be announced at a later date.

### (d) Books closure date

To be announced at a later date.

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

Not applicable.

## 7. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the operating segments.

### Investment Holdings

The investment holding comprises primarily corporate service and investment activities. The investment holding segment in FY22 recorded a profit of S\$2.8 million which consists of its corporate services expenses and dividend income. In FY21, the investment holding segment recorded a profit of S\$3.7 million mainly due to dividend income and gain on disposal of subsidiaries.

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## 7. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the operating segments. (Cont'd)

### Warehousing and Logistics

Revenue increased from S\$66.4 million in FY21 to S\$75.0 million in FY22 mainly due to increase in warehouse storage and freight revenue. As a result, the profit increased from S\$6.8 million in FY21 to S\$8.3 million in FY22.

### Infrastructure Materials and Services

Revenue decreased from S\$52.8 million in FY21 to S\$29.9 million in FY22 mainly due to reduction in sales volume. As a result, segment profit decreased from S\$9.5 million in FY21 to S\$2.7 million in FY22.

### Agriculture

Revenue increased from S\$20,000 in FY21 to S\$245,000 in FY22 mainly due to increase in sale. However, losses incurred from S\$0.1 million in FY21 to S\$0.4 million in FY22 mainly due to more development expenses for farming related activities.

## 8. A breakdown of sales

	Group		
	31 May 2022	31 May 2021	Change
	S\$'000	S\$'000	%
Sales reported for first half year	54,984	60,050	(8.4)
Operating profit after tax before non-controlling interest reported for first half year	3,813	6,710	(43.2)
Sales reported for second half year	49,819	58,936	(15.5)
Operating profit after tax before non-controlling interest reported for second half year	889	5,164	(82.8)

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

	Group	
	31 May 2022	31 May 2021
	S\$'000	S\$'000
Ordinary – Final	1,550*	3,100

The Company has proposed a final tax exempt (one-tier) dividend of 0.20 Singapore cents per ordinary share (FY2021: 0.40 Singapore cents) as recommended by the Directors for the financial year ended 31 May 2022.

## 10. 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 shareholders 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	53	Sister of Mr Neo Cheow Hui (Chief Executive Officer and Executive Director)	Managing Director of GKE Warehousing & Logistics Pte Ltd since 1 June 2011	Nil
Chen Jiangnan	31	Son of Mr Chen Yonghua (Executive Chairman and Executive Director)	Vice President of GKE Express Logistics Pte Ltd since 22 October 2018 and Director of Fair Chem Industries Pte Ltd since 28 Jan 2022	Nil

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11. If the Group has obtained a general mandate from shareholders for Interested Person Transaction (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). The Company has no obtained an IPT mandate, 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)
	S\$’000	S\$’000
Purchase of goods Cenxi Haoyi Recycling Co., Ltd <sup>(1)</sup>	Nil	2,966

<sup>(1)</sup>The Executive Chairman is deemed to have a controlling interest in Cenxi Haoyi Recycling Co., Ltd.

## 12. Confirmation by the Board pursuant to Rule 720(1) of the listing manual

The Board of Directors confirms that it has procured all the required undertakings to comply with the Exchange’s listing rules from all the Directors and Executive Officers of the Company.

## 13. Disclosures on Acquisition and Realisation of Shares pursuant to Catalyst Rule 706A.

The movement of the company’s shareholdings in subsidiaries up to date of this announcement are as follows:

S/N	Company Name	Place of Incorporation	Issued and Paid-up Capital	Principal Activities	Interest Held by the Group	Remark
1.	GKE Agritech Pte Ltd	Singapore	S\$1,500,000	Agricultural activities	100%	The Group has increased the share capital from S\$500,000 to S\$1,500,000
2.	Cenxi Xing Jian Readymix Co., Ltd	Republic of China	RMB20,580,000	Producing and manufacturing, building materials and cement products	100%	The Group has increased the share capital from RMB 15,710,000 to RMB 20,580,000
3.	Fair Chem Industries Pte Ltd	Singapore	S\$2,620,000	Blending and manufacturing of chemical and chemical products	100%	The Group has acquired the Company on 28 Jan 2022

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## **BY ORDER OF THE BOARD**

Neo Cheow Hui  
Executive Director and Chief Executive Officer  
27 July 2022

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

*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.*

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