



CORPORATION LIMITED

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

SGX Stock Code: **595**

Website: www.gke.com.sg

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

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A. Condensed interim consolidated income statement

	Note	Group		Change %
		6 months ended 30 November 2024 S\$'000	6 months ended 30 November 2023 S\$'000	
Revenue	5	63,158	55,523	13.8
Cost of sales		(43,696)	(39,044)	11.9
Gross profit		19,462	16,479	18.1
Other income	6.1	1,582	565	180.0
Expenses				
- Marketing and distribution costs		(245)	(188)	30.3
- Administrative expenses		(12,767)	(12,016)	6.3
- Finance costs		(1,192)	(1,426)	(16.4)
- Other expenses		(69)	(139)	(50.4)
Share of results of associates		(53)	19	N.M.
Profit before tax	6.1	6,718	3,294	103.9
Tax expense	7	(2,307)	(1,397)	65.1
Profit for the period		4,411	1,897	132.5
Profit attributable to:				
Owners of the Company		4,411	1,897	132.5
		4,411	1,897	132.5
Earnings per share (cents per share) attributable to owner of the company				
- Basic	9	0.57	0.25	128.0
- Diluted	9	0.57	0.25	128.0

N.M. denotes not meaningful.

B. Condensed interim consolidated statement of comprehensive income

	Group		
	6 months ended 30 November 2024 S\$'000	6 months ended 30 November 2023 S\$'000	Change %
Profit for the period	4,411	1,897	132.5
Other comprehensive income, net of tax:			
Foreign currency translation	(137)	(324)	(57.7)
Net change in fair value of cash flow hedges	(117)	(232)	(49.6)
Other comprehensive income, net of tax	(254)	(556)	(54.3)
Total comprehensive income for the period	4,157	1,341	210.0
Profit attributable to:			
Owners of the Company	4,157	1,341	210.0
Total comprehensive income for the period	4,157	1,341	210.0

C. Condensed interim balance sheet

	Note	Group		Company	
		30 November 2024	31 May 2024	30 November 2024	31 May 2024
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	107,211	110,474	141	190
Intangible assets	12	3,978	4,634	–	–
Investments in subsidiaries		–	–	59,126	59,396
Investments in associates		1,752	1,819	–	–
Financial assets at fair value through profit or loss		25	125	25	25
Deferred tax assets		1,524	1,167	–	–
Other receivables	4	–	–	3,515	–
Total non-current assets		114,490	118,219	62,807	59,611
Current assets					
Inventories		1,871	1,846	–	–
Trade and other receivables	4	40,220	37,308	1,039	5,504
Prepaid operating expenses		1,487	1,172	73	88
Derivative financial assets		–	117	–	–
Cash and short-term deposits		27,334	26,485	3,546	3,700
Total current assets		70,912	66,928	4,658	9,292
Total assets		185,402	185,147	67,465	68,903
EQUITY AND LIABILITIES					
Equity					
Share capital		85,145	85,145	85,145	85,145
Treasury shares		(1,865)	(1,778)	(1,865)	(1,778)
Retained earnings/(accumulated losses)		13,565	10,695	(21,125)	(23,055)
Other reserves		68	269	210	157
Total equity		96,913	94,331	62,365	60,469
Non-current liabilities					
Other liabilities		1,770	1,849	–	–
Borrowings	13	28,908	31,653	–	194
Lease liabilities	13	11,080	12,804	–	–
Deferred tax liabilities		3,122	3,173	172	172
Total non-current liabilities		44,880	49,479	172	366
Current liabilities					
Trade and other payables	4	16,944	15,352	3,402	6,153
Other liabilities		7,473	7,583	945	1,126
Borrowings	13	10,246	10,666	581	769
Lease liabilities	13	4,787	4,770	–	20
Tax payable		4,159	2,966	–	–
Total current liabilities		43,609	41,337	4,928	8,068
Total liabilities		88,489	90,816	5,100	8,434
Total equity and liabilities		185,402	185,147	67,465	68,903

D. Condensed interim statements of changes in equity

	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total equity S\$'000
The Group					
Balance as at 1 June 2024	85,145	(1,778)	10,695	269	94,331
Profit for the period	–	–	4,411	–	4,411
<u>Other comprehensive income:</u>					
Net change in fair value of cash flow hedges	–	–	–	(117)	(117)
Foreign currency translation	–	–	–	(137)	(137)
Other comprehensive income for the period, net of tax	–	–	–	(254)	(254)
<u>Contributions by and distributions to owners:</u>					
Dividend paid to ordinary shares	–	–	(1,541)	–	(1,541)
Purchase of treasury shares	–	(87)	–	–	(87)
Share based payments	–	–	–	53	53
Total contributions by and distributions to owners	–	(87)	(1,541)	53	(1,575)
Total transactions with owners in their capacity as owners	–	(87)	(1,541)	53	(1,575)
Balance as at 30 November 2024	85,145	(1,865)	13,565	68	96,913
Balance as at 1 June 2023	85,145	(1,531)	8,058	751	92,423
Profit for the period	–	–	1,897	–	1,897
<u>Other comprehensive income:</u>					
Net change in fair value of cash flow hedges	–	–	–	(232)	(232)
Foreign currency translation	–	–	–	(324)	(324)
Other comprehensive income for the period, net of tax	–	–	–	(556)	(556)
<u>Contributions by and distributions to owners:</u>					
Dividend paid to ordinary shares	–	–	(1,550)	–	(1,550)
Share based payments	–	–	–	50	50
Total contributions by and distributions to owners	–	–	(1,550)	50	(1,500)
Total transactions with owners in their capacity as owners	–	–	(1,550)	50	(1,500)
Balance as at 30 November 2023	85,145	(1,531)	8,405	245	92,264

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

	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total S\$'000
The Company					
Balance as at 1 June 2024	85,145	(1,778)	(23,055)	157	60,469
Profit for the period	–	–	3,471	–	3,471
Total comprehensive income for the period	–	–	3,471	–	3,471
<u>Contributions by and distributions to owners:</u>					
Dividend paid to ordinary shares	–	–	(1,541)	–	(1,541)
Purchase of treasury shares	–	(87)	–	–	(87)
Share based payments	–	–	–	53	53
Total contributions by and distributions to owners	–	(87)	(1,541)	53	(1,575)
Balance as at 30 November 2024	85,145	(1,865)	(21,125)	210	62,365
Balance as at 1 June 2023	85,145	(1,531)	(27,032)	55	56,637
Loss for the period	–	–	(1,890)	–	(1,890)
Total comprehensive income for the period	–	–	(1,890)	–	(1,890)
<u>Contributions by and distributions to owners:</u>					
Dividend paid to ordinary shares	–	–	(1,550)	–	(1,550)
Share based payments	–	–	–	50	50
Total contributions by and distributions to owners	–	–	(1,550)	50	(1,500)
Balance as at 30 November 2023	85,145	(1,531)	(30,472)	105	53,247

E. Condensed interim consolidated statement of cash flows

	Note	Group	
		6 months ended	
		30 Nov 2024	30 Nov 2023
		S\$'000	S\$'000
Cash flows from operating activities:			
Profit before tax		6,718	3,294
Adjustments for:			
Amortisation of intangible assets - customer relationship	12	101	101
Amortisation of intangible assets - mining rights	12	55	95
Depreciation of property, plant and equipment		7,603	7,657
Net gain on disposal of intangible assets		(1,112)	–
Gain on disposal of property, plant and equipment		(33)	(12)
Allowance of expected credit loss		1,476	1,239
Fair value gain on financial assets		(1)	(15)
Property, plant and equipment written off		19	–
Interest expense		1,192	1,426
Interest income		(176)	(94)
Share of results of associates		53	(19)
Share based payment expenses		53	50
Effect of exchange rate changes		12	19
Operating cash flows before changes in working capital		15,960	13,741
Changes in working capital:			
Inventories		(25)	(272)
Trade and other receivables		(5,285)	(2,689)
Prepaid operating expenses		(315)	(351)
Trade and other payables		1,529	1,069
Other liabilities		(189)	(588)
Cash flows generated from operations		11,675	10,910
Interest received		176	94
Net income tax paid		(1,529)	(1,652)
Net cash flows generated from operating activities		10,322	9,352
Cash flows from investing activities:			
Proceeds from disposal of property, plant and equipment		147	12
Proceed from disposal of intangible assets		2,563	–
Proceed from disposal of financial asset at fair value through profit or loss		100	–
Purchase of property, plant and equipment	11	(3,296)	(1,541)
Net cash flows used in investing activities		(486)	(1,529)
Cash flows from financing activities:			
Dividends paid		(1,541)	(1,550)
Interest paid		(1,192)	(1,438)
Proceeds from loans and borrowings		–	298
Repayment of loans and borrowings		(3,141)	(4,359)
Repayment of principal portion of lease liabilities		(2,964)	(3,561)
Purchase of treasury shares		(87)	–
Net cash flows used in financing activities		(8,925)	(10,610)
Net increase/(decrease) in cash and cash equivalents		911	(2,787)
Cash and cash equivalents at the beginning of financial period		26,485	29,760
Effect of exchange rate changes on cash and cash equivalents		(62)	(126)
Cash and cash equivalents at the end of financial period ⁽¹⁾		27,334	26,847

Explanatory notes:

⁽¹⁾ Cash and cash equivalents comprise cash and short-term deposits.

F. Notes to the condensed interim consolidated financial statements**1. Corporate information**

GKE Corporation Limited (the “**Company**”) is a limited liability company incorporated and in domiciled in Singapore and is listed on Catalist which is a market on 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
- Provision of blending and manufacturing of chemical and chemical products.

2. Significant accounting policies**2.1 Basis of preparation**

The condensed interim financial statements for the six months ended 30 November 2024 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 2024.

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, and all values are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

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.

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 2024.

2. Significant accounting policies (cont'd)**2.3 Use of judgements and estimates (cont'd)**

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.

3. Segment information

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

- (a) The investment holding segment is involved in Group level corporate services and investment activities;
- (b) The warehouse 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; and
- (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.

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 expenses are 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 period.

3. Segment information (cont'd)
3.1 Business segments

	Investment Holding S\$'000	Warehouse and Logistics S\$'000	Infrastructural Materials and Services S\$'000	Agriculture S\$'000	Consolidation adjustments S\$'000	Total S\$'000
30 Nov 2024						
Revenue						
- External customers	–	49,837	12,717	604	–	63,158
- Inter-segment ⁽¹⁾	–	221	–	2	(223)	–
Total revenue	–	50,058	12,717	606	(223)	63,158
Results:	(1,813)	15,471	2,414	(77)	(100)	15,895
Depreciation of property, plant and equipment	(66)	(6,616)	(556)	(169)	(196)	(7,603)
Amortisation of intangible assets	–	(101)	(55)	–	–	(156)
Allowance for expected credit loss	–	(17)	(1,459)	–	–	(1,476)
Impairment loss on investment in subsidiary	(270)	–	–	–	270	–
Fair value gain on financial assets	1	–	–	–	–	1
Property, plant and equipment written off	–	(19)	–	–	–	(19)
Gain on disposal of property, plant and equipment	–	33	–	–	–	33
Net gain on disposal of intangible assets	–	–	1,112	–	–	1,112
Share of results of associates	–	–	(53)	–	–	(53)
Dividend income	5,560	–	–	–	(5,560)	–
Interest income	123	100	52	–	(99)	176
Finance costs	(48)	(1,061)	(179)	(3)	99	(1,192)
Segment profit/(loss)	3,487	7,790	1,276	(249)	(5,586)	6,718
Tax expense						(2,307)
Profit for the period						4,411

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Condensed Interim Financial Statements for the Six Months Ended 30 November 2024

3. Segment information (cont'd)

3.1 Business segments (cont'd)

	Investment Holding S\$'000	Warehouse and Logistics S\$'000	Infrastructural Materials and Services S\$'000	Agriculture S\$'000	Consolidation adjustments S\$'000	Total S\$'000
30 Nov 2024 (cont'd)						
Assets:						
Investments in associates	–	14	1,738	–	–	1,752
Additions to non-current assets ⁽²⁾	17	4,481	54	–	–	4,552
Segment assets ⁽³⁾	69,695	132,370	37,117	3,708	(59,012)	183,878
Unallocated asset:						
Deferred tax assets						1,524
Total assets						185,402
Segment liabilities ⁽³⁾	4,928	64,439	20,503	456	(9,118)	81,208
Unallocated liabilities:						
Tax payable						4,159
Deferred tax liabilities						3,122
Total liabilities						88,489

⁽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.

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Condensed Interim Financial Statements for the Six Months Ended 30 November 2024

3 Segment information (cont'd)
3.1 Business segments (cont'd)

	Investment Holding S\$'000	Warehouse and Logistics S\$'000	Infrastructural Materials and Services S\$'000	Agriculture S\$'000	Consolidation adjustments S\$'000	Total S\$'000
30 Nov 2023						
Revenue						
- External customers	–	44,122	10,899	502	–	55,523
- Inter-segment ⁽¹⁾	–	178	–	16	(194)	–
Total revenue	–	44,300	10,899	518	(194)	55,523
Results:	(1,587)	13,181	2,181	56	(159)	13,672
Depreciation of property, plant and equipment	(60)	(6,565)	(730)	(106)	(196)	(7,657)
Amortisation of intangible assets	–	(101)	(95)	–	–	(196)
Allowance for expected credit loss	–	–	(1,239)	–	–	(1,239)
Fair value loss on financial assets	15	–	–	–	–	15
Gain on disposal of property, plant and equipment	–	12	–	–	–	12
Share of results of associates	–	–	19	–	–	19
Interest income	191	349	2	–	(448)	94
Finance costs	(452)	(1,247)	(170)	(5)	448	(1,426)
Segment (loss)/profit	(1,893)	5,629	(32)	(55)	(355)	3,294
Tax expense						(1,397)
Profit for the period						<u>1,897</u>

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Condensed Interim Financial Statements for the Six Months Ended 30 November 2024

3 Segment information (cont'd)

3.1 Business segments (cont'd)

	Investment Holding S\$'000	Warehouse and Logistics S\$'000	Infrastructural Materials and Services S\$'000	Agriculture S\$'000	Consolidation adjustments S\$'000	Total S\$'000
30 Nov 2023 (cont'd)						
Assets:						
Investments in associates	–	14	1,895	–	–	1,909
Additions to non-current assets ⁽²⁾	31	1,224	165	570	–	1,990
Segment assets ⁽³⁾	80,085	154,665	37,697	3,359	(82,717)	193,089
Unallocated asset:						
Deferred tax assets						754
Total assets						<u>193,843</u>
Segment liabilities ⁽³⁾	24,513	87,835	20,437	2,388	(39,803)	95,370
Unallocated liabilities:						
Tax payable						2,931
Deferred tax liabilities						3,278
Total liabilities						<u>101,579</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.

3 Segment 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, toll blending, specialty chemical manufacturing; and
2. People's Republic of China - the operations in this area are principally in producing and manufacturing of environmentally friendly lightweight brick, building materials and cement products.

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

	Revenue		Non-current assets*	
	6 months ended 30 Nov 2024 S\$'000	6 months ended 30 Nov 2023 S\$'000	30 Nov 2024 S\$'000	31 May 2024 S\$'000
Singapore	50,441	44,624	101,114	103,899
People's Republic of China	12,717	10,899	10,075	11,209
	63,158	55,523	111,189	115,108

Revenue from one major customer amounted to S\$8,211,000 (6 months ended 30 Nov 2023: S\$7,157,000) was arising from services provided by the warehouse and logistics segment.

* Non-current assets information presented above consists of property, plant and equipment and intangible assets as presented in the condensed balance sheets.

4 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 Nov 2024 and 31 May 2024:

	Group		Company	
	30 Nov 2024	31 May 2024	30 Nov 2024	31 May 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Trade and other receivables (current):				
Trade receivables	37,281	34,531	–	–
Loans to subsidiaries	–	–	–	4,100
Amounts due from subsidiaries	–	–	1,020	1,397
Staff advances	16	19	–	–
Refundable deposits	710	498	–	–
Other receivables	1,184	1,328	19	7
Contract asset	1,029	932	–	–
	40,220	37,308	1,039	5,504
Other receivables (non-current):				
Loan to subsidiary	–	–	3,515	–
Total trade and other receivables (current and non-current)	40,220	37,308	4,554	5,504
Add: Cash and short-term deposits	27,334	26,485	3,546	3,700
Less: Contract asset	(1,029)	(932)	–	–
Total financial assets carried at amortised cost	66,525	62,861	8,100	9,204

	Group		Company	
	30 Nov 2024	31 May 2024	30 Nov 2024	31 May 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Expected credit losses				
Movements in allowance account:				
At beginning of the year	6,809	4,154	–	4,197
Charge for the period/year, recorded in administrative expenses	1,476	2,760	–	–
Written back	–	–	–	(4,197)
Exchange differences	(47)	(105)	–	–
At end of the period/year	8,238	6,809	–	–

4 Financial assets and financial liabilities (cont'd)

	Group		Company	
	30 Nov 2024	31 May 2024	30 Nov 2024	31 May 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Trade and other payables (current):				
Trade payables	10,489	9,190	–	–
Other payables	6,455	6,162	31	63
Amounts due to subsidiaries	–	–	3,371	2,229
Loan from subsidiary	–	–	–	3,861
	<hr/>			
Total trade and other payables	16,944	15,352	3,402	6,153
Add: Borrowings	39,154	42,319	581	963
Add: Lease liabilities	15,867	17,574	–	20
Add: Other liabilities	6,572	6,693	885	1,047
	<hr/>			
Total financial liabilities carried at amortised cost	78,537	81,938	4,868	8,183
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5 Revenue

	Group	
	6 months ended 30 Nov 2024	6 months ended 30 Nov 2023
	S\$'000	S\$'000
Major product or service lines		
Sale of goods	17,677	16,075
Services rendered	23,886	18,268
Rental income	21,595	21,180
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	63,158	55,523
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Timing of transfer of goods or services		
At a point in time	17,677	16,075
Over time	45,481	39,448
	<hr/>	
	63,158	55,523
	<hr/>	

6 Profit before tax**6.1 Breakdown and explanatory notes to Consolidated Income Statement**

1. Other income comprises the following:

	6 months ended 30 Nov 2024 S\$'000	6 months ended 30 Nov 2023 S\$'000	Change %
Gain on disposal of property, plant and equipment	33	12	175.0
Net gain on disposal of intangible assets	1,112	–	N.M.
Grant income	51	153	(66.7)
Interest income	176	94	87.2
Others	210	306	(31.4)
	1,582	565	180.0

2. Profit before tax, includes the following items:

	6 months ended 30 Nov 2024 S\$'000	6 months ended 30 Nov 2023 S\$'000	Change %
Audit fees payable to auditors of the Company	133	125	6.4
Amortisation of intangible assets - customer relationship	101	101	N.M.
Amortisation of intangible assets - mining rights	55	95	(42.1)
Allowance for expected credit loss	1,476	1,239	19.1
Depreciation of property, plant and equipment	7,603	7,657	(0.7)
Fair value gain on financial assets	(1)	(15)	(93.3)
Gain on disposal of property, plant and equipment	(33)	(12)	175.0
Share based payment expenses	53	50	6.0
Legal and professional fees	208	212	(1.9)
Net foreign exchange loss	69	139	(50.4)

6 Profit before tax (cont'd)**6.2 Related party transaction**

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

	Group	
	6 months ended 30 Nov 2024 S\$'000	6 months ended 30 Nov 2023 S\$'000
Sale of goods to an associate	-	3
Purchase of goods from an associate	<u>(252)</u>	<u>(285)</u>

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	
	6 months ended 30 Nov 2024 S\$'000	6 months ended 30 Nov 2023 S\$'000
Current income tax	2,862	1,744
Deferred tax	<u>(415)</u>	<u>(347)</u>
	2,447	1,397
Overprovision in prior financial periods:		
- Current income tax	<u>(140)</u>	-
	<u>2,307</u>	<u>1,397</u>

8 Dividends

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 and Company	
	6 months ended 30 Nov 2024 S\$'000	6 months ended 30 Nov 2023 S\$'000
Declared and paid during the financial period:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for FY2024: 0.20 Singapore cent (2023: 0.20) per ordinary share	<u>1,541</u>	<u>1,550</u>

9 Earnings per share

	Group	
	6 months ended 30 Nov 2024	6 months ended 30 Nov 2023
Earnings per share (in SGD cent)		
- Basic ⁽¹⁾	0.57	0.25
- Fully diluted ⁽¹⁾	0.57	0.25
⁽¹⁾ Weighted average number of ordinary shares for basic earnings per share computation	770,952,156	775,124,090
⁽¹⁾ Weighted average number of ordinary shares for diluted earnings per share computation	775,932,156	775,124,090

For the period ended 30 November 2024, 4,980,000 share options have been considered in the calculation of diluted earnings per share as the average price of ordinary shares from beginning of the year or date of grant of share options, whichever is later, to period end was higher than the exercise price of the share options.

10 Net Asset Value (“NAV”)

	Group		Company	
	30 Nov 2024	31 May 2024	30 Nov 2024	31 May 2024
Net assets (S\$'000)	96,913	94,331	62,365	60,469
NAV per share (in SGD cent each)	12.58	12.22	8.09	7.84
Number of shares used in calculating NAV	770,476,490	771,701,090	770,476,490	771,701,090

11 Property, plant and equipment

During the six months ended 30 Nov 2024, the Group acquired property, plant and equipment with an aggregate cost of S\$4,552,000 (30 Nov 2023: S\$1,990,000) of which S\$1,256,000 (30 Nov 2023: S\$449,000) relates to the new leases of right-of-use assets which were not acquired by means of hire purchase. Cash payment of S\$3,296,000 (30 Nov 2023: S\$1,541,000) was made to purchase property, plant and equipment.

12 Intangible assets

	Group			Total \$'000
	Goodwill \$'000	Customer relationships \$'000	Mining rights \$'000	
Cost:				
At 1 June 2023	5,655	5,226	967	11,848
Exchange Differences	–	–	(24)	(24)
At 31 May 2024	5,655	5,226	943	11,824
Disposals	–	–	(935)	(935)
Exchange Differences	–	–	(8)	(8)
At 30 November 2024	5,655	5,226	–	10,881
Accumulated amortisation and impairment:				
At 1 June 2022	2,314	4,287	204	6,805
Amortisation	–	201	190	391
Exchange Differences	–	–	(6)	(6)
At 31 May 2024	2,314	4,488	388	7,190
Amortisation	–	101	55	156
Disposals	–	–	(445)	(445)
Exchange Differences	–	–	2	2
At 30 November 2024	2,314	4,589	–	6,903
Net carrying amount				
At 31 May 2024	3,341	738	555	4,634
At 30 November 2024	3,341	637	–	3,978

Customer relationships

Customer relationships relate 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.

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 based on the units of production method. The mining rights and the investment in Wuzhou Zi Wang Quarry Co., Ltd. were disposed together in 1H FY25.

Amortisation expense

The amortisation of customer relationships is included in "Administrative expenses" line item and the amortisation of mining rights is included in "Cost of sales" line item in the consolidated income statement.

13 Borrowings and Lease Liabilities

	Group		Company	
	30 Nov 2024	31 May 2024	30 Nov 2024	31 May 2024
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current</u>				
Bank loans	10,246	10,666	581	769
Lease liabilities	4,787	4,770	–	20
	15,033	15,436	581	789
<u>Non-current</u>				
Bank loans	28,908	31,653	–	194
Lease liabilities	11,080	12,804	–	–
	39,988	44,457	–	194
Total	55,021	59,893	581	983

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 (2024: between 1 and 4 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.

14 Issued Share Capital

	Group and Company	
	30 Nov 2024	31 May 2024
Total number of issued shares (excluding treasury shares):		
At beginning and end of the financial period	794,700,540	794,700,540
Treasury shares		
At beginning and end of the period	(22,999,450)	(19,576,450)
Share buyback	(1,224,600)	(3,423,000)
At end of the financial period	(24,224,050)	(22,999,450)
Total	770,476,490	771,701,090

During the financial period ended 30 November 2024, the Company acquired 1,224,600 (31 May 2024: 3,423,000) shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was \$87,000 (2024: \$247,000).

15 Subsequent Events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

G. Other information required by Appendix 7C of the Catalyst Rules**1. Review**

The condensed consolidated statement of financial position of GKE Corporation Limited and its subsidiaries as at 30 November 2024 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 six-month period then 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**

	Group		
	6 months ended 30 Nov 2024 ("1H FY25") S\$'000	6 months ended 31 Nov 20223 ("1H FY24") S\$'000	Change (%)
Warehouse and logistics	49,837	44,122	13.0
Infrastructural materials and services	12,717	10,899	16.7
Agriculture	604	502	20.3
	63,158	55,523	13.8

1HFY25 vs 1HFY24**Revenue**

The Group recorded a 13.8% increase in revenue from S\$55.5 million in 1H FY24 to S\$63.2 million in 1H FY25. The increase in revenue was primarily due to an increase in income from container trucking, freight forwarding services, and marine logistics in the warehouse and logistics segment, higher sales volume of ready-mix concrete in the infrastructure materials and services segment, as well as higher sales from the agriculture segment.

Cost of sales

Cost of sales increased by 11.9% from S\$39.0 million in 1H FY24 to S\$43.7 million in 1H FY25. This was mainly due to higher operating costs in the warehouse and logistics and infrastructural materials and services segment, which were in line with the increase in revenue.

Gross profit

The Group's gross profit increased by 18.1% from S\$16.5 million in 1H FY24 to S\$19.5 million in 1H FY25. Correspondingly, the Group's gross profit margin increased from 29.7% in 1H FY24 to 30.8% in 1H FY25.

Other income

Other income increased by 180.0% from S\$0.6 million in 1H FY24 to S\$1.6 million in 1H FY25. This was mainly due to a net gain on the disposal of intangible assets amounted to a pre-tax amount of S\$1.1 million in 1H FY25.

Marketing and distribution costs

Marketing and distribution costs increased marginally from S\$188,000 in 1H FY24 to S\$245,000 in 1H FY25, due to higher expenses incurred on marketing activities.

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

Administrative expenses increased by 6.3% to S\$12.8 million in 1H FY25 from S\$12.0 million in 1H FY24. The increase was mainly due to an increase in the allowance of expected credit loss for receivables in PRC by S\$0.2 million and an increase in staff cost by S\$0.3 million during the financial period.

Other expenses

Other expenses of S\$69,000 incurred in 1H FY25 were mainly due to net foreign exchange loss.

Finance costs

Finance costs decreased by 16.4% from S\$1.4 million in 1H FY24 to S\$1.2 million in 1H FY25. This was mainly due to lower outstanding bank loans and a decrease in interest expenses on lease liabilities.

Share of results of associates

The associate, Cenxi Haoyi Recycling Co., Ltd, contributed a loss of S\$53,000 in 1H FY25, which marked a reversal from a profit of S\$19,000 in 1H FY24. This was mainly due to a decrease in sales volume in 1H FY25.

Tax expenses

The effective tax rate has decreased from 42.4% in 1H FY24 to 34.3% in 1H FY25 mainly due to higher profit from the warehouse and logistics segment which has a lower average effective tax rate of the Group.

Profit before tax

Profit before tax increase by 103.9% from S\$3.3 million in 1H FY24 to S\$6.7 million in 1H FY25, mainly due to a S\$1.1 million net gain on disposal of intangible assets and an increase in profit from warehouse and logistics segment by S\$2.2 million on the back of higher revenue.

Other comprehensive income

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

Condensed interim statements of Financial Position

Non-current assets decreased by S\$3.7 million from S\$118.2 million as at 31 May 2024 to S\$114.5 million as at 30 November 2024. The decrease was mainly due to depreciation of property, plant and equipment, disposal of intangible assets and financial assets at fair value through profit or loss, as well as foreign currency devaluation on the investment in associate. The decrease was offset with the increase in deferred tax assets arising from increase in the allowance of expected credit loss for receivables in China.

Current assets increased by S\$4.0 million from S\$66.9 million as at 31 May 2024 to S\$70.9 million as at 30 November 2024. This was mainly due to increase in inventories, trade and other receivables, prepaid operating expenses and cash and cash equivalents. The increase was offset with the decrease in derivative financial assets.

Non-current liabilities decreased by S\$4.6 million from S\$49.5 million as at 31 May 2024 to S\$44.9 million as at 30 November 2024. The decrease was mainly due to reclassification of borrowings and lease liabilities to current liabilities due to repayment.

Current liabilities increased by S\$2.3 million from S\$41.3 million as at 31 May 2024 to S\$43.6 million as at 30 November 2024. This was mainly due to increase in trade and other payables, lease liabilities and tax payable. The increase was offset by the decrease in other liabilities and repayment of borrowings.

Shareholders' equity increased from S\$94.3 million as at 31 May 2024 to S\$96.9 million as at 30 November 2024. This was mainly due to profit for the period, partially offset by the decrease in other reserves due to foreign currency translation.

2. Review of performance of the Group (cont'd)**Condensed interim consolidated statement of cash flows**

During 1H FY25, the net cash generated from operations amounted to approximately S\$10.3 million. This comprises positive operating cash flows before changes in working capital of S\$16.0 million, adjusted by net working capital outflow of S\$4.2 million and taxes paid of S\$1.5 million.

Net cash used in investing activities of S\$0.5 million was mainly due to purchase of property, plant and equipment amounting to S\$3.3 million, partially offset with the proceed from disposal of intangible assets of S\$2.6 million.

Net cash used in financing activities of S\$8.9 million was mainly due to the repayment of loans and borrowings, repayment of principal portion of lease liabilities and dividends paid.

After taking into consideration of the above movements, cash and cash equivalents increased by S\$0.9 million from May 2024.

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

The Group's unaudited financial results for the financial period ended 30 November 2024 are in line with the Company's profit guidance announcement on 2 January 2025.

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.

In recent months, the Chinese government has stepped in to bolster the real estate industry with stimulus packages and measures⁽¹⁾. However, the Group will remain vigilant in its infrastructural materials and services businesses amid gradual economic recovery.

As a result of prior efforts and focus on improving storage and logistics capabilities for higher-value cargoes and enhancing assets to maximise usable areas, the Group's warehousing and logistics business segment continues to stabilise and grow moderately. The Group incorporated a wholly-owned subsidiary, GKE Logistics (Middle East) Pte. Ltd., on 29 October 2024, with the goal of exploring and growing its warehousing and logistics businesses outside of Singapore, leveraging its established market position and competitiveness in Singapore as well as the Singapore government's commitment to advancing the logistics sector⁽²⁾.

The Group announced its plan on 9 January 2025 to diversify into the sales and distribution of telecommunications mobile handsets and accessories in wholesale and retail businesses in Singapore (the "**Proposed Business Diversification**"). The Proposed Business Diversification would require the approval of shareholders at the extraordinary general meeting to be held on 27 January 2025. Further information can be found in the circular dated 10 January 2025.

The Group believes that these business initiatives, which have strong long-term growth potential, aim to generate sustainable growth by diversifying revenue streams and would thereby enhance shareholders' value and returns.

The Group will update shareholders on material developments as and when they arise.

Sources:

- (1) <https://debtexplorer.whitecase.com/leveraged-finance-commentary/chinas-real-estate-sector-shows-the-beginning-signs-of-recovery#!>
- (2) <https://opengovasia.com/2024/10/04/singapores-future-ready-logistics-innovation-and-infrastructure/#:-:text=Singapore's%20logistics%20sector%20is%20set,%2C%20asset%20rejuvenation%2C%20and%20sustainability.>

5. Dividend Information**(a) Current Financial Period Reported On***Any dividend declared for the current financial period reported on?*

Name of dividend:	Special (Interim)
Dividend Type:	Cash
Dividend per share:	0.05 Singapore cents per ordinary share
Tax rate:	Tax exempt (one-Tier)

The Directors are pleased to propose a tax exempt one-tier cash dividend of 0.05 Singapore cents per ordinary share (30 November 2023: Nil) in respect of the six months ended 30 November 2024.

(b) Corresponding Period of the Immediately Preceding Financial Year**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

(c) Date payable

The interim dividend will be paid on Friday, 21 February 2025.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on Friday, 7 February 2025 for the purpose of determining shareholders' entitlements to the proposed interim dividend. Duly completed registrable transfers in respect of the Shares received by the Company's principal share registrar, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877 up to 5:00 p.m. on Friday, 7 February 2025 will be registered to determine shareholders' entitlements to the proposed interim dividend.

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

Not applicable.

7. 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) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$'000
Purchase of goods Cenxi Haoyi Recycling Co., Ltd ⁽¹⁾	Nil	252

Note:-

⁽¹⁾ The Executive Chairman is deemed to have a controlling interest in Cenxi Haoyi Recycling Co., Ltd.**8. Negative confirmation by the Board pursuant to Rule 705(5)**

The Board of Directors confirms that, to the best of its knowledge, nothing has come to its attention which may render the half year financial results of the Company and of the Group for the period ended 30 November 2024 to be false or misleading in any material aspect.

9. Confirmation by the Board pursuant to Rule 720(1)

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.

10. Disclosures on Acquisition and Realisation of Shares pursuant to 706A

The movement of the company's shareholdings in subsidiary from 1 June 2024 up to date of this announcement are as follows:

Company Name	Place of Incorporation	Issued and Paid-up Capital	Principal Activities	Interest Held by the Group	Remark
GKE Logistics (Middle East) Pte. Ltd.	Singapore	\$10,000	Investment holdings and provision of logistics services in warehousing, transport and freight	100%	Newly incorporated subsidiary with initial issued and paid-up share capital of \$10,000 comprising 10,000 ordinary shares, as announced on 29 October 2024

By Order of The Board

Neo Cheow Hui

Executive Director and Chief Executive Officer

13 January 2025