

GKE CORPORATION LIMITED

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

SGX Stock Code: 595

Website: www.gke.com.sg

GKE posts S\$4.4 million record net profit for 1H FY25

- Significant improvement in financial performance was primarily driven by organic growth of the core warehousing and logistics segment and lifted by a one-time pre-tax gain of S\$1.1 million from the divestment of its mining rights and 18% stake in the joint venture related to limestone mining and production
- Board declared a special interim cash dividend of 0.05 Singapore cents per ordinary share – a first interim dividend – to reward shareholders
- GKE Group intends to build on its stable and sustainable foundation to diversify into the telecommunications sector and broaden its earnings base

Key Financial Highlights:

FYE 31 May (S\$' Million)	1H FY25	1H FY24	YoY Change	FY24
Revenue	63.16	55.52	+ 13.8%	110.56
Gross profit	19.46	16.48	+ 18.1%	32.45
Gross profit margin	30.8%	29.7%	+ 1.1 pp	29.4%
Profit before tax	6.72	3.29	+ 103.9%	6.76
Net profit ⁽¹⁾	4.41	1.90	+ 132.5%	4.30
EPS ⁽²⁾ (cents)	0.57	0.25	+ 128.0%	0.56

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

(1) Net profit attributable to owners of the Company

(2) Earnings per share are based on weighted average number of shares of 770.95 million for 1H FY25, 775.12 million for 1H FY24, and 774.73 million for FY24.

For Immediate Release

SINGAPORE, 13 January 2025 – GKE Corporation Limited 锦佳集团 (“GKE” and together with its subsidiaries, the “**Group**”), a leading integrated warehousing and logistics solutions provider with strategic investments in infrastructural materials and services business in China and agriculture business in Singapore, registered a record net profit of S\$4.4 million on the back of 13.8% growth in revenue to S\$63.2 million for the six months ended 30 November 2024 (“**1H FY25**”). The Group attributed the significant increase in net profit to (i) commendable organic growth in the warehousing and logistics segment in Singapore; (ii) the gradual recovery of the infrastructural materials and services segment in China; and (iii) a one-time pre-tax gain of approximately S\$1.1 million from the divestment of the mining rights to a limestone mine and the 18% stake in the mining joint venture.

Mr. Neo Cheow Hui (梁鹏飞), CEO and Executive Director of **GKE**, commented on the financial performance for 1H FY25, said, “**The set of commendable results demonstrated the returns of prior investments for both our core warehousing and logistics businesses in Singapore and strategic investment in China.**”

Our efforts to enhance our assets and continuously improve the knowledge and skills of our people in the Singapore operations with the goal of maximising our capabilities to provide value-added solutions and services to our customers are yielding promising results. Through our infrastructural materials and services operations in China, we strategically invested in the mining rights of a limestone mine in Cangwu County, resulting in an 18% stake in the consortium in May 2019. This has provided the Group with consistent recurring income from the mining product in recent years, as well as pre-tax gain of S\$1.1 million from the divestment.

Without the one-time disposal gain, the Group would have had a pre-tax profit of about S\$5.6 million in 1H FY25, a 70.2% increase year-on-year. As a result, we are delighted to share the fruits of our focused efforts with our key stakeholders, who have placed their trust and support in us.”

The Board has declared a special interim cash dividend of 0.05 Singapore cents per ordinary share – a first interim dividend – to reward shareholders. Book closure date for determining shareholders’ entitlements will be closed at 5:00 p.m. on 7 February 2025 and the interim dividend will be paid on 21 February 2025.

The divestment will not impact any of the Group’s established infrastructural materials and services operations that focus on ready-mix concrete (“**RMC**”) manufacturing facilities based in Wuzhou City and Cenxi City, as well as the construction material waste recycling plant in Cenxi City, China.

Recent Developments

On 9 January 2025, the Group announced its intention to diversify into the sales and distribution of telecommunications mobile handsets and accessories business in Singapore (the “**Proposed Business Diversification**”) as a strategic move to pave the way for the Group’s long-term growth. However, the Proposed Business Diversification requires shareholders’ approval at the extraordinary general meeting on 27 January 2025. Please refer to the circular for more information on the Proposed Business Diversification.

While the Chinese government has stepped in to support the real estate industry with stimulus packages and measures in recent months⁽¹⁾, the Group remains vigilant in conducting its infrastructural materials and services business in China, focusing on cost efficiency as the economy gradually recovers.

(reference: (1) <https://debtexplorer.whitecase.com/leveraged-finance-commentary/chinas-real-estate-sector-shows-the-beginning-signs-of-recovery#>)

The warehousing and logistics business segment of the Group has maintained a moderate level of growth and stability as a result of prior endeavours, with a focus on enhancing storage and logistics capabilities for higher-value cargoes and maximising usable areas. In late October 2024, the Group has established a wholly-owned subsidiary, GKE Logistics (Middle East) Pte. Ltd., to pursue its overseas opportunities. This decision was made in light of the Singapore government’s dedication to the development of the logistics sector in both domestic and international markets⁽²⁾, as well as the Group’s

well-established market position and competitiveness.

(reference: (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>)

Mr. Neo adds, **“We believe that it is timely for us to embark on new business opportunities to diversify our business and broaden our earnings base, leveraging the sound foundation of our core operations and strategic investments.**

While these initiatives offer attractive long-term growth potential that could in turn enhance shareholders’ value and returns, we maintain our prudence in pursuing these viable business opportunities to safeguard the interest of our key stakeholders.”

Financial Review

The Group's revenue increased by 13.8% year-over-year from S\$55.5 million in 1H FY24 to S\$63.2 million in 1H FY25, primarily due to the stronger contributions of the core warehousing and logistics and strategic investments segments.

Revenue analysis by business segments

FYE 31 May (S\$'000)	1H FY25	1H FY24	YoY Change	FY24
Warehousing & logistics	49,837	44,122	+ 13.0%	89,360
Strategic Investments:				
Infrastructural materials & services	12,717	10,899	+ 16.7%	20,089
Agriculture	604	502	+ 20.3%	1,106
Total	63,158	55,523	+ 13.8%	110,555

Gross profit increased by 18.1% from S\$16.5 million in 1H FY24 to S\$19.5 million in 1H FY25 in tandem with the higher revenue contributions, as well as better utilisation of assets and improved performance across the Group’s operations. Correspondingly, gross margin increased from 29.7% in 1H FY24 to 30.8% in 1H FY25.

Other income increased by 180.0%, from S\$0.6 million in 1H FY24 to S\$1.6 million in 1H FY25, due primarily to a one-time gain from the divestment of the mining rights to the limestone mine and an 18% stake in Wuzhou Zi Wang Quarry Co., Ltd., which resulted in a pre-tax amount of S\$1.1 million in 1H FY25.

Total operating expenses, comprising marketing and distribution expenses and administrative expenses, increased by 6.6% from S\$12.2 million in 1H FY24 to S\$13.0 million in 1H FY25. The increase was mainly due to (i) higher marketing and distribution expenses incurred on marketing activities; (ii) an increase in the allowance of expected credit loss relating to receivables by S\$0.2 million for the operations in China; and (iii) an increase in staff costs by S\$0.3 million.

Other expenses of S\$69,000 in 1H FY25 were mainly due to net foreign exchange loss, a decrease from S\$139,000 in 1H FY24.

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

The associate, Cenxi Haoyi Recycling Co., Ltd, contributed a loss of S\$53,000 in 1H FY25, a reversal from a profit of S\$19,000 in 1H FY24 on the back of lower sales volume.

After taking into account tax expenses, the Group's net profit attributable to shareholders increased by 132.5% year-on-year from S\$1.9 million in 1H FY24 to S\$4.4 million in 1H FY25.

Financial Position

FYE 31 May (S\$'000)	As at 30 November 2024	As at 31 May 2024
Net asset value	96,913	94,331
Cash and short-term deposit	27,334	26,485
Long-term bank borrowings	28,908	31,653
Short-term bank borrowings	10,246	10,666
Net asset value per share	S\$0.1258	S\$0.1222

Note: Net asset value per share was computed based on the share capital of 770.5 million shares as at 30 November 2024 and 771.7 million shares as at 31 May 2023.

The Group's net asset value increased from S\$94.3 million as at 31 May 2024 to S\$96.9 million as at 30 November 2024, primarily due to higher profit generated in 1H FY25 and partially offset by dividend paid and decrease in other reserves.

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This media release is to be read in conjunction with the Company's announcement posted on the SGX website on 13 January 2025.

About GKE Corporation Limited

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

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

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

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

The Group’s strategic investments comprise infrastructural materials and services business in China and agriculture business in Singapore. Through its wholly-owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd. 梧州市星建混凝土 (“**Wuzhou Xing Jian**”), which is primarily engaged in the manufacturing and supplying of ready-mix concrete (“**RMC**”) products to the infrastructural development and construction sector in Wuzhou City. Since June 2016, the infrastructural materials and services business has been broadened to include (i) an automated RMC manufacturing business in Cenxi City, and (ii) a construction material waste recycling facility in Cenxi City. The agricultural business specialises in indoor cultivation of vegetables and development of agri-tech solutions, where an automated controlled-environment approach is adopted to provide protection and maintain optimal growth conditions for the vegetables crop.

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

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



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*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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