

# GKE CORPORATION LIMITED

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

SGX Stock Code: 595

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

## GKE maintains growth momentum, records S\$4.3 million net profit in FY24

- Core warehousing and logistics segment, comprising specialty chemicals, dangerous goods, pharmaceuticals, and electronics supply chain management in Singapore, bolsters the Group's financial performance
- Board proposes a final tax-exempt dividend of 0.20 Singapore cents per share
- The Group maintains prudence for its business operations in core warehousing and logistics, as well as its strategic investments of infrastructural materials and services, and leverage on its market position and competitiveness to drive sustainable growth

### Key Financial Highlights:

FYE 31 May (S\$' Million)	2H FY24	2H FY23	YoY Change	FY24	FY23	YoY Change
Revenue	55.03	54.56	0.9%	110.56	108.93	1.5%
Gross profit	15.97	16.01	(0.2) %	32.45	31.61	2.7%
Gross profit margin	29.0%	29.3%	(0.3) ppt	29.4%	29.0%	0.4 ppt
Profit before tax	3.47	5.00	(30.7) %	6.76	6.88	(1.8) %
Net profit <sup>(1)</sup>	2.41	2.91	(17.3) %	4.30	3.91	10.1%
EPS <sup>(2)</sup> (cents)	0.31	0.38	(18.4) %	0.56	0.50	12.0%

\* 2H denotes six months and FY denotes 12 months ended 31 May

(1) Net profit attributable to owners of the Company

(2) Earnings per share are based on the average weighted number of shares of 774,430,160 for 2H FY24, 775,124,090 for 2H FY23 and FY23, and 774,724,625 for FY24.

**For Immediate Release**

**SINGAPORE, 26 July 2024** – **GKE Corporation Limited** 锦佳集团 (“GKE” and, together with its subsidiaries, the “Group”), a leading integrated warehousing and logistics solutions provider with strategic investments in infrastructural materials and services business in China and agriculture business in Singapore, registered a 10.1% year-on-year increase in net profit to S\$4.3 million on the back of a 1.5% year-on-year increase in revenue to S\$110.6 million for the financial year ended 31 May 2024 (“FY24”). Despite the Group's freight and infrastructural materials and services businesses faced headwinds in FY24, the warehousing and logistics segment in Singapore, comprising the relatively higher-margin specialty chemicals, dangerous goods, pharmaceuticals,

electronics supply chain management solutions and services, bolstered earnings and maintained its growth momentum.

Commenting on the financial performance, Mr. Neo Cheow Hui (梁鹏飞), CEO and Executive Director of GKE, said, **“We have been prudent and conscientious in the management of our resources amid the challenging economic and business environment in FY24. This set of results reflected the payoff of our prior investments and efforts to improve our assets and broaden our value-adding solutions and services in our core integrated warehousing and logistics segment. We have now achieved a stable and sustainable foundation for the Group.**

**We believe that our ability to maintain our growth momentum, even if only modestly, is commendable. While our strategic infrastructural materials and services business in China experienced a downturn, our Group has managed to stay on course and remain profitable with small improvements.**

**We will maintain tight reins over our operations in Singapore and China and be ready to seize growth-enhancing opportunities, as we wait for the macroeconomic situation to improve.”**

In April 2024, the International Monetary Fund (“IMF”) maintained Singapore’s 2024 growth forecast of 2.1% while lowering its 2025 GDP growth forecast to 2.3%. The IMF has also raised China’s 2024 growth forecast to 4.6%, up from 4.2%. However, it was also noted that one of the significant hazards to Asia’s economy is a prolonged property sector correction in China. <sup>(1)</sup>

(Reference: (1) IMF – Global recovery is steady but slow and differs by region  
<https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

Nonetheless, the Group will continue to maintain efficient cost management and regular credit assessments of its customers in the infrastructural materials and services segment based in Guangxi, China, while China’s rural revitalization strategy is progressing in a gradual manner.

The Group will also leverage its market position and competitiveness, particularly its expertise in storage and logistics for higher-value cargoes such as specialty chemicals, dangerous goods, and electronics, to drive sustainable growth.

## **Financial Review**

For the financial period under review, the Group recorded a modest growth of 1.5% year-on-year in revenue, from S\$108.9 million in FY23 to S\$110.6 million in FY24. The Singapore operations,

comprising the core warehousing and logistics segment and the agriculture segment, maintained the growth momentum, which buffered the performance of the Group's infrastructural materials and services segment in China. The ongoing correction in the property sector in China as well as the prudent management of the Group resulted in a 8.9% year-on-year decline in revenue from S\$22.1 million in FY23 to S\$20.1 million in FY24.

#### Revenue analysis by business segments

<b>FYE 31 May (S\$'000)</b>	<b>FY24</b>	<b>FY23</b>	<b>YoY Change</b>
Warehousing & logistics	89,360	86,268	+ 3.6%
Strategic Investments:			
Infrastructural materials & services	20,089	22,050	- 8.9%
Agriculture (indoor vegetables farm)	1,106	612	+ 80.7%
<b>Total</b>	<b>110,555</b>	<b>108,930</b>	<b>+ 1.5%</b>

The Group's gross profit rose by 2.7% year-on-year, from S\$31.6 million in FY23 to S\$32.5 million in FY24. The growth coincided with effective cost management for the respective operations in Singapore and China. With a focus on higher-value cargoes and higher-margin value-add solutions and services for its core warehousing and logistics segment, gross margin increased modestly from 29.0% in FY23 to 29.4% in FY24.

Other income decreased by 9.7% year-on-year, from S\$2.0 million in FY23 to S\$1.8 million in FY24. This was mainly due to the reversal of overprovision for withholding tax in the prior year, which was partially offset by an increase in interest income.

Total operating expenses comprising marketing and distribution expenses and administrative expenses, increased by 5.1% year-on-year from S\$23.5 million in FY23 to S\$24.7 million in FY24. The increase was mainly due to (i) higher expenses incurred on marketing activities; (ii) an increase in the allowance of expected credit loss for receivables in China of S\$0.6 million; and (iii) an increase in staff costs of S\$0.7 million.

Finance costs decreased by 4.8% year-on-year, from S\$2.8 million in FY23 to S\$2.7 million in FY24 due to a decrease in interest expense on lease liabilities.

Other expenses of S\$0.2 million in FY24 was mainly due to net foreign exchange losses.

Share of results from associate, Cenxi Haoyi Recycling Co., Ltd, decreased from S\$134,000 in FY23 to

S\$45,000 in FY24 on the back of lower sales volume.

After taking into account tax expenses, the Group's net profit attributable to shareholders increased by 10.1% year-on-year, from S\$3.9 million in FY23 to S\$4.3 million in FY24.

**Financial Position**

<b>FYE 31 May (S\$'000)</b>	<b>As at 31 May 2024</b>	<b>As at 31 May 2023</b>
Net asset value	94,331	92,423
Cash and short-term deposit	26,485	29,760
Long-term bank borrowings	31,653	41,340
Short-term bank borrowings	10,666	13,043
Net asset value per share	S\$ 0.1222	S\$ 0.1192

Note: Net asset value per share was computed based on the share capital of 771,701,090 shares as at 31 May 2024 and 775,124,090 as at 31 May 2023.

The Group's net asset value increased from S\$92.4 million as at 31 May 2023 to S\$94.3 million as at 31 May 2024, mainly due to the profit generated in FY24, which was partially offset by dividend payment of S\$1.6 million, share buyback and a decrease in other reserves due to foreign currency translation.

As at 31 May 2024, the Group's net asset value per share was 12.22 Singapore cents, an increase from 11.92 Singapore cents as at 31 May 2023 as a result of the net profit of S\$4.3 million in FY24.

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*This media release is to be read in conjunction with the Company's financial results announcement posted on the SGX website on 26 July 2024.*

**About GKE Corporation Limited**

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

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**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, (ii) a construction material waste recycling facility in Cenxi City, and (iii) the mining and production of limestone products in Cangwu County, where Wuzhou Xing Jian holds the mining rights to a limestone mine. The agricultural business specialises in indoor cultivation of vegetables and development of agri-tech solutions, where an automated controlled-environment approach is adopted to provide protection and maintain optimal growth conditions for the vegetables crop.

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

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

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*This 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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