



Condensed Interim Financial Statements
For the six months ended 30 November 2021

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements For The 6 Months Ended 30 November 2021

| Index | Page |
|--|-------------|
| Condensed consolidated income statement | 3 |
| Condensed consolidated statement of comprehensive income | 4 |
| Condensed balance sheets | 5 |
| Condensed statement of changes in equity | 6 |
| Condensed consolidated statement of cash flows | 8 |
| Notes to the condensed interim consolidated financial statements | 10 |
| Other information required by Listing Rule Appendix 7.2 | 25 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

A. Condensed consolidated income statement

| | Note | Group | | |
|---|------|--|--|-------------|
| | | 6 months ended 30 Nov 2021 S\$'000 | 6 months ended 30 Nov 2020 S\$'000 | Change % |
| Revenue | 5 | 54,984 | 60,050 | (8.4) |
| Cost of sales | | (41,268) | (45,510) | (9.3) |
| Gross profit | | 13,716 | 14,540 | (5.7) |
| Other income | 6.1 | 1,076 | 3,230 | (66.7) |
| Expenses | | | | |
| - Marketing and distribution costs | | (100) | (175) | (42.9) |
| - Administrative expenses | | (8,276) | (6,532) | 26.7 |
| - Finance costs | | (1,456) | (1,496) | (2.7) |
| - Other credit | | 580 | 131 | 342.7 |
| Share of results of associates | | 118 | (73) | N.M. |
| Profit before tax | 6.1 | 5,658 | 9,625 | (41.2) |
| Tax expense | 7 | (1,845) | (2,915) | (36.7) |
| Profit for the period | | 3,813 | 6,710 | (43.2) |
| Profit attributable to: | | | | |
| Owners of the Company | | 3,813 | 6,522 | (41.5) |
| Non-controlling interests | | - | 188 | N.M. |
| | | 3,813 | 6,710 | (43.2) |
| Earning per share (cents per share) attributable to owner of the company | | | | |
| - Basic | 9 | 0.49 | 0.84 | (41.7) |
| - Diluted | 9 | 0.49 | 0.84 | (41.7) |

N.M. denotes not meaningful.

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

B. Condensed consolidated statement of comprehensive income

| | Group | | Change % |
|--|---|---|-------------|
| | 6 months ended 30 Nov 2021 S\$'000 | 6 months ended 30 Nov 2020 S\$'000 | |
| Profit for the period | 3,813 | 6,710 | (43.2) |
| Other comprehensive income, net of tax: | | | |
| Foreign currency translation | 744 | 821 | (9.4) |
| Net change in fair value of cash flow hedges | 450 | 434 | 3.7 |
| Other comprehensive income, net of tax | 1,194 | 1,255 | (4.9) |
| Total comprehensive income for the period | 5,007 | 7,965 | (37.1) |
| Profit attributable to: | | | |
| Owners of the Company | 5,007 | 7,698 | (35.0) |
| Non-controlling interests | - | 267 | N.M. |
| Total comprehensive income for the period | 5,007 | 7,965 | (37.1) |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

C. Condensed Balance Sheets

| | Note | Group | | Company | |
|---|------|----------------|----------------|---------------|---------------|
| | | 30 Nov 2021 | 31 May 2021 | 30 Nov 2021 | 31 May 2021 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 11 | 121,588 | 123,394 | 222 | 245 |
| Intangible assets | 12 | 4,756 | 4,874 | – | – |
| Investments in subsidiaries | | – | – | 43,792 | 43,792 |
| Investments in associates | | 2,066 | 1,884 | – | – |
| Financial assets at fair value through profit or loss | | 275 | 267 | 158 | 155 |
| Other receivables | 4 | – | – | 9,795 | 9,737 |
| Total non-current assets | | 128,685 | 130,419 | 53,967 | 53,929 |
| Current assets | | | | | |
| Inventories | | 726 | 687 | – | – |
| Trade and other receivables | 4 | 50,819 | 48,414 | 13,186 | 11,618 |
| Prepaid operating expenses | | 1,788 | 1,663 | 40 | 33 |
| Cash and short-term deposit | | 27,566 | 30,889 | 7,280 | 13,489 |
| Total current assets | | 80,899 | 81,653 | 20,506 | 25,140 |
| Total assets | | 209,584 | 212,072 | 74,473 | 79,069 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | | 85,145 | 85,145 | 85,145 | 85,145 |
| Treasury shares | | (1,531) | (1,531) | (1,531) | (1,531) |
| Retained earnings/ (accumulated losses) | | 5,215 | 4,502 | (30,700) | (26,965) |
| Other reserves | | 1,453 | 259 | (97) | (97) |
| Total equity | | 90,282 | 88,375 | 52,817 | 56,552 |
| Non-current liabilities | | | | | |
| Other liabilities | | 2,243 | 2,322 | – | – |
| Borrowings | 13 | 49,188 | 52,907 | 2,088 | 2,455 |
| Lease liabilities | 13 | 23,274 | 24,604 | 76 | – |
| Deferred tax liabilities | | 1,199 | 1,218 | 14 | 14 |
| Total non-current liabilities | | 75,904 | 81,051 | 2,178 | 2,469 |
| Current liabilities | | | | | |
| Trade and other payables | 4 | 16,382 | 16,709 | 17,565 | 17,512 |
| Other liabilities | | 7,924 | 7,813 | 1,092 | 1,767 |
| Derivative financial liabilities | | 914 | 1,364 | – | – |
| Borrowings | 13 | 10,789 | 9,932 | 731 | 545 |
| Lease liabilities | 13 | 5,940 | 5,728 | 35 | 130 |
| Tax payable | | 1,449 | 1,100 | 55 | 94 |
| Total current liabilities | | 43,398 | 42,646 | 19,478 | 20,048 |
| Total liabilities | | 119,302 | 123,697 | 21,656 | 22,517 |
| Total equity and liabilities | | 209,584 | 212,072 | 74,473 | 79,069 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

D. Condensed 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 |
| The Group | | | | | | | |
| Balance as at 1 June 2021 | 85,145 | (1,531) | 4,502 | 259 | 88,375 | – | 88,375 |
| Profit for the period | – | – | 3,813 | – | 3,813 | – | 3,813 |
| <u>Other comprehensive income:</u> | | | | | | | |
| Net change in fair value of cash flow hedges | – | – | – | 450 | 450 | – | 450 |
| Foreign currency translation | – | – | – | 744 | 744 | – | 744 |
| Other comprehensive income for the period, net of tax | – | – | – | 1,194 | 1,194 | – | 1,194 |
| <u>Contributions by and distributions to owners:</u> | | | | | | | |
| Dividend paid to ordinary shares | – | – | (3,100) | – | (3,100) | – | (3,100) |
| Total contributions by and distributions to owners | – | – | (3,100) | – | (3,100) | – | (3,100) |
| Total transactions with owners in their capacity as owners | – | – | (3,100) | – | (3,100) | – | (3,100) |
| Balance as at 30 November 2021 | 85,145 | (1,531) | 5,215 | 1,453 | 90,282 | – | 90,282 |
| Balance as at 1 June 2020 | 85,145 | (1,062) | (6,251) | (1,072) | 76,760 | 4,818 | 81,578 |
| Profit for the period | – | – | 6,522 | – | 6,522 | 188 | 6,710 |
| <u>Other comprehensive income:</u> | | | | | | | |
| Net change in fair value of cash flow hedges | – | – | – | 434 | 434 | – | 434 |
| Foreign currency translation | – | – | – | 742 | 742 | 79 | 821 |
| Other comprehensive income for the period, net of tax | – | – | – | 1,176 | 1,176 | 79 | 1,255 |
| <u>Contributions by and distributions to owners:</u> | | | | | | | |
| Purchase of treasury shares | – | (469) | – | – | (469) | – | (469) |
| Total contributions by and distributions to owners | – | (469) | – | – | (469) | – | (469) |
| Total transactions with owners in their capacity as owners | – | (469) | – | – | (469) | – | (469) |
| Balance as at 30 November 2020 | 85,145 | (1,531) | 271 | 104 | 83,989 | 5,085 | 89,074 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

D. Condensed 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 2021 | 85,145 | (1,531) | (26,965) | (97) | 56,552 |
| Loss for the period | – | – | (635) | – | (635) |
| Total comprehensive income for the period | – | – | (635) | – | (635) |
| <u>Contributions by and distributions to owners:</u> | | | | | |
| Dividend paid to ordinary shares | – | – | (3,100) | – | (3,100) |
| Total contributions by and distributions to owners | – | – | (3,100) | – | (3,100) |
| Balance as at 30 November 2021 | 85,145 | (1,531) | (30,700) | (97) | 52,817 |
| | | | | | |
| Balance as at 1 June 2020 | 85,145 | (1,062) | (30,696) | (97) | 53,290 |
| Loss for the period | – | – | (245) | – | (245) |
| Total comprehensive income for the period | – | – | (245) | – | (245) |
| <u>Contributions by and distributions to owners:</u> | | | | | |
| Purchase of treasury shares | – | (469) | – | – | (469) |
| Total contributions by and distributions to owners | – | (469) | – | – | (469) |
| Balance as at 30 November 2020 | 85,145 | (1,531) | (30,941) | (97) | 52,576 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

E. Condensed consolidated statement of cash flows

| Note | Group | |
|---|------------------------|------------------------|
| | 30 Nov 2021 S\$'000 | 30 Nov 2020 S\$'000 |
| Cash flows from operating activities: | | |
| | 5,658 | 9,625 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 11 6,822 | 7,822 |
| Gain on disposal of financial assets at fair value through profit or loss | – | (111) |
| Amortisation of intangible assets – customer relationships | 153 | 153 |
| Gain on disposal of property, plant and equipment | (32) | (24) |
| Allowance/(written back) of expected credit loss | 908 | (13) |
| Bad debts charged | – | 17 |
| Fair value gain on financial assets | (3) | (12) |
| Property, plant and equipment written off | 11 – | 7 |
| Interest income | (8) | (14) |
| Interest expense | 1,456 | 1,496 |
| Share of results of associates | (118) | 73 |
| Effect of exchange rate changes | 318 | 56 |
| Operating cash flows before changes in working capital | 15,154 | 19,075 |
| Changes in working capital: | | |
| Inventories | (39) | 27 |
| Trade and other receivables | (3,306) | (3,785) |
| Prepaid operating expenses | (133) | 184 |
| Trade and other payables | 7,292 | 795 |
| Other liabilities | (7,587) | (2,831) |
| Cash flows from operations | 11,381 | 13,465 |
| Interest received | 8 | 14 |
| Net income tax paid | (1,533) | (2,416) |
| Net cash flows from operating activities | 9,856 | 11,063 |
| Cash flows from investing activities: | | |
| Capital contribution into investment in associate | – | (911) |
| Proceeds from disposal of financial assets at fair value through profit or loss | – | 251 |
| Proceeds from disposal of property, plant and equipment | 38 | 100 |
| Purchase of property, plant and equipment | 11 (2,674) | (2,879) |
| Net cash flows used in investing activities | (2,636) | (3,439) |
| Cash flows from financing activities: | | |
| Loan from non-controlling interest | – | 1,322 |
| Interest expense paid | (1,456) | (1,178) |
| Dividends paid | (3,100) | – |
| Proceeds from bank borrowings | 624 | 6,627 |
| Payment of principal portion of lease liabilities | (3,045) | (4,695) |
| Purchase of treasury shares | – | (469) |
| Repayment of bank borrowings | (3,608) | (5,808) |
| Decrease in short-term deposit – pledged | 1,410 | 982 |
| Net cash flows used in financing activities | (9,175) | (3,219) |
| Net (decrease)/increase in cash and cash equivalents | (1,955) | 4,405 |
| Cash and cash equivalents at the beginning of financial period | 29,479 | 20,708 |
| Effect of exchange rate changes on cash and cash equivalents | 42 | (97) |
| Cash and cash equivalents at the end of financial period ⁽¹⁾ | 27,566 | 25,016 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

E. Condensed consolidated statement of cash flows (cont'd)

Explanatory notes:

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

| | Group | |
|--|-----------------------|--------------------|
| | 6 months ended | |
| | 30 Nov 2021 | 30 Nov 2020 |
| | S\$'000 | S\$'000 |
| Cash and short-term deposit | 27,566 | 24,783 |
| Fixed deposits (restricted) | - | 1,410 |
| Cash and short-term deposit attributable to assets held for sale | - | 233 |
| | 27,566 | 26,426 |
| Less: Fixed deposits – pledged | - | (1,410) |
| Cash and cash equivalents | 27,566 | 25,016 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

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 register 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 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 interim financial statements for the six months ended 30 November 2021 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.

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.

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

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 third party logistics segment provides integrated and comprehensive logistics services which can be classified into non-ferrous metal storage; general warehousing; containers trucking; conventional transportation; projects logistics and international multimodal freight forwarding services.
- (c) The infrastructural logistics segment is involved in the business of producing and manufacturing of environmentally friendly lightweight brick, building materials and cement products.
- (d) The agriculture segment is involved in the business of developing indoor farming for 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 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 business are not affected significantly by seasonal or cyclical factors during the financial period.

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

3. Segment information (cont'd)

3.1 Business segments

| | Investment holding S\$'000 | Third party logistics S\$'000 | Infrastructural logistics S\$'000 | Agriculture S\$'000 | Consolidation adjustments S\$'000 | Total S\$'000 |
|---|-------------------------------|----------------------------------|--------------------------------------|------------------------|--------------------------------------|------------------|
| 30 Nov 2021 | | | | | | |
| Revenue | | | | | | |
| - External customers | – | 36,118 | 18,773 | 93 | – | 54,984 |
| - Inter-segment ⁽¹⁾ | – | 147 | – | 11 | (158) | – |
| Total revenue | – | 36,265 | 18,773 | 104 | (158) | 54,984 |
| Results: | (447) | 11,396 | 4,152 | (136) | (282) | 14,683 |
| Depreciation of property, plant and equipment | (49) | (5,982) | (744) | (47) | – | (6,822) |
| Allowance for expected credit loss | – | – | (908) | – | – | (908) |
| Fair value gain on financial assets | 3 | – | – | – | – | 3 |
| Gain on disposal of property, plant and equipment | – | 32 | – | – | – | 32 |
| Share of results of associates | – | – | 118 | – | – | 118 |
| Interest income | 204 | 290 | 3 | – | (489) | 8 |
| Finance costs | (321) | (1,343) | (281) | – | 489 | (1,456) |
| Segment profit/(loss) | (610) | 4,393 | 2,340 | (183) | (282) | 5,658 |
| Tax expense | | | | | | (1,845) |
| Profit for the period | | | | | | 3,813 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

3. Segment information (cont'd)

3.1 Business segments (cont'd)

| | Investment holding S\$'000 | Third party logistics S\$'000 | Infrastructural logistics S\$'000 | Agriculture S\$'000 | Consolidation adjustments S\$'000 | Total S\$'000 |
|--|----------------------------------|-------------------------------------|---|------------------------|---|------------------|
| 30 Nov 2021 (cont'd) | | | | | | |
| Assets: | | | | | | |
| Investments in associates | – | 14 | 2,052 | – | – | 2,066 |
| Additions to non-current assets ⁽²⁾ | 24 | 3,489 | 824 | 192 | – | 4,529 |
| Segment assets ⁽³⁾ | 76,680 | 157,446 | 48,716 | 806 | (74,064) | 209,584 |
| Segment liabilities ⁽³⁾ | 21,589 | 105,839 | 26,792 | 600 | (38,166) | 116,654 |
| Unallocated liabilities: | | | | | | |
| Tax payable | | | | | | 1,449 |
| Deferred tax liabilities | | | | | | 1,199 |
| Total Liabilities | | | | | | 119,302 |

⁽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

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

3 Segment information (cont'd)

3.1 Business segments (cont'd)

| | Investment holding S\$'000 | Third party logistics S\$'000 | Infrastructural logistics S\$'000 | Consolidation adjustments S\$'000 | Total S\$'000 |
|---|----------------------------------|-------------------------------------|---|---|------------------|
| 30 Nov 2020 | | | | | |
| Revenue | | | | | |
| - External customers | – | 31,082 | 28,968 | – | 60,050 |
| - Inter-segment ⁽¹⁾ | – | 108 | – | (108) | – |
| Total revenue | – | 31,190 | 28,968 | (108) | 60,050 |
| Results: | (209) | 11,947 | 7,533 | (294) | 18,977 |
| Depreciation of property, plant and equipment | (46) | (7,064) | (712) | – | (7,822) |
| Written back for expected credit loss | – | 13 | – | – | 13 |
| Bad debts charged | – | (17) | – | – | (17) |
| Property, plant and equipment written off | – | (7) | – | – | (7) |
| Fair value gain on financial assets | 12 | – | – | – | 12 |
| Gain on disposal of property, plant and equipment | – | 24 | – | – | 24 |
| Share of results of associates | – | – | (73) | – | (73) |
| Interest income | 288 | 320 | 4 | (598) | 14 |
| Finance costs | (336) | (1,512) | (246) | 598 | (1,496) |
| Segment (loss)/profit | (291) | 3,704 | 6,506 | (294) | 9,625 |
| Tax expense | | | | | (2,915) |
| Profit for the period | | | | | 6,710 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

3 Segment information (cont'd)

3.1 Business segments (cont'd)

| | Investment holding S\$'000 | Third party logistics S\$'000 | Infrastructural logistics S\$'000 | Consolidation adjustments S\$'000 | Total S\$'000 |
|--|-------------------------------|----------------------------------|--------------------------------------|--------------------------------------|---------------------|
| 30 Nov 2020 (cont'd) | | | | | |
| Assets: | | | | | |
| Investments in associates | – | 14 | 1,848 | – | 1,862 |
| Additions to non-current assets ⁽²⁾ | 11 | 1,627 | 2,669 | – | 4,307 |
| Assets held for sale | 6,743 | – | – | 8,111 | 14,854 |
| Segment assets ⁽³⁾ | 69,171 | 161,173 | 45,779 | (89,667) | 186,456 |
| <hr/> | | | | | |
| Segment liabilities ⁽³⁾ | 21,204 | 106,230 | 24,767 | (42,022) | 110,179 |
| Unallocated liabilities: | | | | | |
| Tax payable | | | | | 1,278 |
| Deferred tax liabilities | | | | | 779 |
| Total liabilities | | | | | <hr/> 112,236 <hr/> |

⁽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

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

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;
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 2021 S\$'000 | 6 months ended 30 Nov 2020 S\$'000 | 30 Nov 2021 S\$'000 | 30 Nov 2020 S\$'000 |
| Singapore | 36,211 | 31,082 | 111,834 | 90,653 |
| People's Republic of China | 18,773 | 28,968 | 14,510 | 27,073 |
| | 54,984 | 60,050 | 126,344 | 117,726 |

Revenue from one major customer amount to S\$6,953,000 (6 months ended 30 Nov 2020: S\$6,704,000) was arising from sales by the third party logistics segment.

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

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

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 2021 and 31 May 2021:

| | Group | | Company | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | 30 Nov 2021 S\$'000 | 31 May 2021 S\$'000 | 30 Nov 2021 S\$'000 | 31 May 2021 S\$'000 |
| Trade and other receivables (current): | | | | |
| Trade receivables | 42,631 | 40,973 | – | – |
| SGD loans to subsidiaries | – | – | – | 696 |
| Amounts due from subsidiaries | – | – | 6,286 | 4,563 |
| Staff advances | 9 | 15 | – | – |
| Refundable deposits | 1,402 | 825 | 625 | – |
| Capitalised contract cost | 41 | 91 | – | – |
| Deferred receivables | 6,200 | 6,072 | 6,199 | 6,072 |
| Other receivables | 536 | 438 | 76 | 287 |
| | 50,819 | 48,414 | 13,186 | 11,618 |
| Other receivables (non-current): | | | | |
| SGD loan to subsidiaries | – | – | 9,795 | 9,737 |
| Total trade and other receivables (current and non-current) | 50,819 | 48,414 | 22,981 | 21,355 |
| Less: Capitalised contract cost | (41) | (91) | – | – |
| Add: Cash and short-term deposit | 27,566 | 30,889 | 7,280 | 13,489 |
| Total financial assets carried at amortised cost | 78,344 | 79,212 | 30,261 | 34,844 |

| | Group | | Company | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 30 Nov 2021 S\$'000 | 31 May 2021 S\$'000 | 30 Nov 2021 S\$'000 | 31 May 2021 S\$'000 |
| Expected Credit Loss | | | | |
| Movements in allowance account: | | | | |
| At beginning of the year | 1,295 | 471 | 4,197 | 4,321 |
| Charge for the year, recorded in administrative expenses | 908 | 1,098 | – | – |
| Written back | – | (309) | – | (124) |
| Exchange differences | 60 | 35 | – | – |
| At end of the period/year | 2,263 | 1,295 | 4,197 | 4,197 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

4 Financial assets and financial liabilities (cont'd)

| | Group | | Company | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | 30 Nov 2021 S\$'000 | 31 May 2021 S\$'000 | 30 Nov 2021 S\$'000 | 31 May 2021 S\$'000 |
| Trade and other payables (current): | | | | |
| Trade payables | 13,235 | 12,863 | – | – |
| Other payables | 3,147 | 3,846 | 100 | 32 |
| Amounts due to subsidiaries | – | – | 2,287 | 2,302 |
| Loan from subsidiary | – | – | 15,178 | 15,178 |
| Total trade and other payables | 16,382 | 16,709 | 17,565 | 17,512 |
| Add: Borrowings | 59,977 | 62,839 | 2,819 | 3,000 |
| Add: Lease liabilities | 29,214 | 30,332 | 111 | 130 |
| Add: Other liabilities | 7,198 | 7,277 | 1,092 | 1,735 |
| Total financial liabilities carried at amortised cost | 112,771 | 117,157 | 21,587 | 22,377 |

5 Revenue

| | Group | |
|--|---|---|
| | 6 months ended 30 Nov 2021 S\$'000 | 6 months ended 30 Nov 2020 S\$'000 |
| Major product or service lines | | |
| Sale of goods | 19,068 | 29,145 |
| Services rendered | 18,403 | 15,853 |
| Rental income | 17,513 | 15,052 |
| | 54,984 | 60,050 |
| Timing of transfer of goods or services | | |
| At a point in time | 19,068 | 29,145 |
| Over time | 35,916 | 30,905 |
| | 54,984 | 60,050 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

6 Profit before taxation

6.1 Breakdown and explanatory notes to Consolidated Income Statement

1. Other income comprises the following:

| | 6 months ended 30 Nov 2021 S\$'000 | 6 months ended 30 Nov 2020 S\$'000 | Change % |
|---|---|---|---------------|
| Gain on disposal of financial assets at fair value through profit or loss | – | 111 | N.M. |
| Gain on disposal of property, plant and equipment | 32 | 24 | 33.3 |
| Grant income from government | 791 | 2,857 | (72.3) |
| Interest income | 8 | 14 | (42.9) |
| Services charges | 1 | 21 | (95.2) |
| Others | 244 | 203 | 20.2 |
| | 1,076 | 3,230 | (66.7) |

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:

| | 6 months ended 30 Nov 2021 S\$'000 | 6 months ended 30 Nov 2020 S\$'000 | Change % |
|---|---|---|-------------|
| Audit fees payable to auditors of the Company | (108) | (111) | (2.7) |
| Amortisation of customer relationship | (153) | (153) | N.M. |
| Bad debts charged | – | (17) | N.M. |
| Depreciation of property, plant and equipment | (6,822) | (7,822) | (12.8) |
| Property, plant and equipment written off | – | (7) | N.M. |
| Gain on disposal of financial assets at fair value through profit or loss | – | 111 | N.M. |
| Interest expenses | (1,456) | (1,496) | (2.7) |
| Share of results of associates | 118 | (73) | N.M. |
| Gain on disposal of property, plant and equipment | 32 | 24 | 33.3 |
| (Allowance)/written back of expected credit loss | (908) | 13 | N.M. |
| Net foreign exchange gain | 580 | 131 | 342.7 |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

6 Profit before taxation (cont'd)

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 | |
|-------------------------------------|--|--|
| | 6 months ended 30 Nov 2021 S\$'000 | 6 months ended 30 Nov 2020 S\$'000 |
| Sale of goods to an associate | 97 | – |
| Purchase of goods from an associate | (1,708) | – |

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 2021 | 6 months ended 30 Nov 2020 |
| Current income tax | 1,871 | 2,370 |
| Deferred tax | (26) | 710 |
| | 1,845 | 3,080 |
| Overprovision in prior financial years: | | |
| - Deferred income tax | – | (165) |
| | 1,845 | 2,915 |

8 Dividend

| | Group and Company | |
|--|------------------------|------------------------|
| | 30 Nov 2021 S\$'000 | 31 May 2021 S\$'000 |
| Declared and paid during the financial year: | | |
| Dividends on ordinary shares: | | |
| - Final exempt (one-tier) dividend for 2021: 0.40 Singapore cent (2020: Nil) per ordinary share | 3,100 | – |
| | 3,100 | – |

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

9 Earnings per share

| | Group | |
|--|--|--|
| | 6 months ended 30 Nov 2021 S\$'000 | 6 months ended 30 Nov 2020 S\$'000 |
| Earnings per share (in SGD cent) | | |
| - Basic ⁽¹⁾ | 0.49 | 0.84 |
| - Fully diluted ⁽²⁾ | 0.49 | 0.84 |
| ⁽¹⁾ Calculated based on weighted average number of shares | 775,124,090 | 777,549,104 |
| ⁽²⁾ Calculated based on weighted average number of shares for diluted earnings | 775,124,090 | 777,549,104 |

10 Net Asset Value (“NAV”)

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 30 Nov 2021 | 30 Nov 2020 | 30 Nov 2021 | 30 Nov 2020 |
| Net assets (S\$'000) | 90,282 | 83,989 | 52,817 | 52,576 |
| NAV per share (in SGD each) | 11.65 | 10.84 | 6.81 | 6.78 |
| 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 six months ended 30 Nov 2021, the Group acquired property, plant and equipment with an aggregate cost of S\$4,529,000 (30 Nov 2020: S\$4,307,000) of which S\$1,855,000 (30 Nov 2020: S\$Nil) relates to the new leases of right-of-use assets which were not acquired by means of hire purchase and S\$Nil (30 Nov 2020: S\$1,428,000) were acquired by means of hire purchase arrangement. Cash payment of S\$2,674,000 (30 Nov 2020: S\$2,879,000) were made to purchase property, plant and equipment.

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

12 Intangible assets

| | Group | | | Total \$'000 |
|---|--------------------|-------------------------------------|----------------------------|-----------------|
| | Goodwill \$'000 | Customer relationships \$'000 | Mining rights \$'000 | |
| Cost: | | | | |
| 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 |
| Exchange Differences | – | – | 35 | 35 |
| At 30 Nov 2021 | 5,655 | 4,019 | 1,085 | 10,759 |
| Accumulated amortisation and impairment: | | | | |
| 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 | – | 153 | – | 153 |
| At 30 Nov 2021 | 2,314 | 3,689 | – | 6,003 |
| Net carrying amount | | | | |
| At 31 May 2021 | 3,341 | 483 | 1,050 | 4,874 |
| At 30 Nov 2021 | 3,341 | 330 | 1,085 | 4,756 |

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.

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 9 years.

Amortisation expense

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

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

13 Borrowings and Lease Liabilities

| | Group | | Company | |
|--------------------|------------------------|------------------------|------------------------|------------------------|
| | 30 Nov 2021 S\$'000 | 31 May 2021 S\$'000 | 30 Nov 2021 S\$'000 | 31 May 2021 S\$'000 |
| Current | | | | |
| Bank loans | 10,789 | 9,932 | 731 | 545 |
| Lease liabilities | 5,940 | 5,728 | 35 | 130 |
| | <u>16,729</u> | <u>15,660</u> | <u>766</u> | <u>675</u> |
| Non-current | | | | |
| Bank loans | 49,188 | 52,907 | 2,088 | 2,455 |
| Lease liabilities | 23,274 | 24,604 | 76 | – |
| | <u>72,462</u> | <u>77,511</u> | <u>2,164</u> | <u>2,455</u> |
| Total | <u>89,191</u> | <u>93,171</u> | <u>2,930</u> | <u>3,130</u> |

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.

14 Issued Share Capital

| | Group and Company | |
|---|---------------------|---------------------|
| | 30 Nov 2021 | 31 May 2021 |
| Total number of issued shares (excluding treasury shares): | | |
| At beginning and end of the financial period | <u>794,700,540</u> | <u>794,700,540</u> |
| Treasury shares | | |
| At beginning of the period | (19,576,450) | (13,227,950) |
| Share buyback | – | (6,348,500) |
| At end of the period | <u>(19,576,450)</u> | <u>(19,576,450)</u> |
| Total | <u>775,124,090</u> | <u>775,124,090</u> |

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

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

15 Subsequent Events

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

On 21 December 2021, the Company has entered into a sale and purchase agreement with the shareholders of Fair Chem Industries Pte Ltd ("**Fair Chem**") for the acquisition of 2,620,000 ordinary shares of Fair Chem. The financial effects of this transaction have not been included in this interim financial statements for the 6 months ended 30 November 2021.

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

G. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of GKE Corporation Limited and its subsidiaries as at 30 November 2021 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 2021 ("1H FY22") S\$'000 | 6 months ended 30 Nov 2020 ("1H FY21") S\$'000 | Change % |
| Third party logistics | 36,118 | 31,082 | 16.2 |
| Infrastructural logistics | 18,773 | 28,968 | (35.2) |
| Agriculture | 93 | – | N.M |
| | 54,984 | 60,050 | (8.4) |

The Group recorded an 8.4% decrease in revenue from S\$60.1 million in 1H FY21 to S\$55.0 million in 1H FY22. The decrease was mainly due to a drop in infrastructural logistics revenue and offset with higher revenue contributed by the increase in storage revenue from the third party logistics segment.

Cost of sales decreased by 9.3% from S\$45.5 million in 1H FY21, compared with S\$41.3 million in 1H FY22, mainly due to the decrease of cost of sales in the ready-mix concrete manufacturing plant, under the infrastructural logistics segment, which is in tandem with the decrease in sales and offset by the increase in cost of logistics segment in Singapore.

The Group's gross profit decreased by 5.7% from S\$14.5 million, compared with S\$13.7 million in 1H FY22. The group's gross margin increased from 24.2% in 1H FY21 to 24.9% in 1H FY22, mainly due to higher utilisation of warehousing space and increase in transportation and handling service.

Other income decreased by 66.7% from S\$3.2 million in 1H FY21, compared with S\$1.1 million in 1H FY22. The decrease was mainly due to reduction of government support schemes.

Marketing and distribution costs decreased from S\$175,000 in 1H FY21 to S\$100,000 in 1H FY22, this was mainly due to lower expenses incurred on marketing for Wuzhou Xing Jian.

Administrative expenses increased by 26.7% to S\$8.3 million in 1H FY22 from S\$6.5 million in 1H FY22. The increase in 1H FY22 mainly due to increase in staff costs and allowance of expected credit loss of S\$908,000 for receivables in China.

Other credit incurred in 1H FY22 was mainly due to net foreign exchange gain.

Finance costs decreased slightly by 2.7% from S\$1.5 million in 1H FY21 to S\$1.4 million in 1H FY22, mainly due to the absence of finance costs from Van Der Horst Logistics (Shanghai) Co., Ltd. as it was divested in May 2021.

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.

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

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

The effective tax rate has increased from 30.3% in 1H FY21 to 32.6% in 1H FY22, mainly due to reversal of overprovision of deferred tax expenses in 1H FY21.

The decrease in profit before tax was mainly due to lower contribution from infrastructural logistics revenue because of decrease in its revenue, allowance of expected credit loss of S\$908,000, and decrease in government support scheme by S\$2.2 million and absence of property tax rebate and rental relief in 1H FY22.

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

Statement of Financial Position

Non-current assets decreased by S\$1.7 million from S\$130.4 million as at 31 May 2021 to S\$128.7 million as at 30 Nov 2021. The decrease was mainly due to depreciation of property, plant and equipment and amortisation of intangible assets. This was offset by the gain on foreign currency fluctuation in the investment in associate and gain on financial assets at fair value through profit or loss.

Current assets decreased by S\$0.8 million from S\$81.7 as at 31 May 2021 to S\$80.9 as at 30 Nov 2021. This was mainly due to decrease in cash and cash equivalents from S\$30.9 million as at 31 May 2021 to S\$27.6 million as at 30 Nov 2021. The decrease was offset with the increase in trade and other receivables.

Non-current liabilities decreased by S\$5.1 million from S\$81.0 million as at 31 May 2021 to S\$75.9 million as at 30 Nov 2021. The decrease was mainly due to payment of principal portion of lease liabilities, repayment of borrowings and other liabilities.

Current liabilities increased by S\$0.8 million from S\$42.6 million as at 31 May 2021 to S\$43.4 million as at 30 Nov 2021. The increase was mainly due to increase in the borrowing, lease liabilities and tax payable and offset with the decrease in fair value of derivative liabilities.

Shareholders' equity increased from S\$88.4 million as at 31 May 2021 to S\$90.3 million as at 30 Nov 2021 due to profit for the period under review and partially offset by dividend paid.

Statement of Cash Flows

During 1H FY22, the net cash generated from operations amounted to approximately S\$9.9 million. This comprises positive operating cash flows before changes in working capital of S\$15.2 million, adjusted by net working capital outflow of S\$3.8 million, interest received and taxes paid of S\$8,000 and S\$1.5 million, respectively.

Net cash used in investing activities of S\$2.6 million was mainly due to purchase of property, plant and equipment amounting to S\$2.7 million.

Net cash used in financing activities of S\$9.2 million was mainly due to the repayment of loans and borrowings, payment of principal portion of lease liabilities which was offset with the proceeds from bank borrowing of S\$0.6 million and the decrease in short-term deposits pledged of S\$1.4 million.

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

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 emergence of new coronavirus variants has slowed down the reopening plans of economies, and the impact of the pandemic, resulting in slower business activities and affecting the survivability of businesses continues to take its toll.

The Group is mindful of the evolving changes in the business environment and continues to take proactive initiatives to further enhance its capabilities, particularly in the warehousing and logistics sector in Singapore. These initiatives include implementing digitised systems and processes to improve operational efficiency, and at the same time, seeking viable opportunities to develop core warehousing and logistics capabilities to broaden its earnings base.

On 21 December 2021, the Group announced its acquisition of Fair Chem Industries Pte Ltd, an established specialty chemicals warehouse operator with tolling and specialty chemical manufacturing capabilities in Singapore. This proposed acquisition could potentially increase the Group's warehousing storage space, broaden its business capabilities in the chemical sector, and further improve its financial performance.

The Group's strategic investment in infrastructural materials and services in the People's Republic of China ("China") faced with unexpected turmoil in the property sector in China during the first half of the financial year ("1H FY22"), has seen the situation stabilising. While there is continuing demand for ready-mixed concrete ("RMC") in its Wuzhou RMC manufacturing plant, the management adopted a prudent approach on its receivables and supply of RMC. The RMC manufacturing facility in Cenxi City ("Cenxi Xing Jian") has submitted their application and RMC product samples to the relevant authorities for product quality grading and certification. Upon obtaining the Construction Enterprise Qualification certificate from the Ministry of Housing and Urban-Rural Development of China, Cenxi Xing Jian will be able to sell their RMC products commercially. Meanwhile, the associated company, Cenxi Haoyi Recycling Co., Ltd, which focuses on construction waste materials recycling and is located beside Cenxi Xing Jian, is expected to grow progressively with Cenxi Xing Jian as it supplies part of the recycled raw materials as feedstock to the RMC plant.

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

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

5. Dividend (Cont'd)

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

After deliberation, the Board has adopted a prudent approach to conserve cash amidst the current challenging and uncertain business environment. As such, no interim dividend has been proposed for 1H FY2022.

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⁾ | 1,708 | Nil |

The Company has not obtained an IPT mandate.

⁽¹⁾The Executive Chairman and Director 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 it's knowledge, nothing has come to it's attention which may render the half year financial results of the Company and of the Group for the period ended 30 November 2021 to be false or misleading in any material aspect.

9. 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.

GKE CORPORATION LIMITED

(Company Registration No: 200001941G)

Condensed Interim Financial Statements for the 6 months ended 30 November 2021

10. 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 | RMB20,280,000 | Producing and manufacturing, building materials and cement products | 100% | The Group has increased the share capital from RMB 15,710,000 to RMB 20,280,000 |

BY ORDER OF THE BOARD

Neo Cheow Hui
Executive Director and Chief Executive Officer
14 January 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"). The Sponsor has not independently verified the contents of this announcement.

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.

*The details of the contact person for the Sponsor are:-
Name: Lay Shi Wei (Registered Professional, RHT Capital Pte. Ltd.)
Address: 6 Raffles Quay, #24-02 Singapore 048580
Email: sponsor@rhtgoc.com*