



## **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)

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# **CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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**A. Condensed interim consolidated income statement**

	Note	Group		Change %
		6 months ended 30 November 2022 S\$'000	6 months ended 30 November 2021 S\$'000	
<b>Revenue</b>	5	<b>54,701</b>	54,984	(0.5)
Cost of sales		<b>(39,011)</b>	(41,268)	(5.5)
<b>Gross profit</b>		<b>15,690</b>	13,716	14.4
<b>Other income</b>	6.1	<b>542</b>	1,076	(49.6)
<b>Expenses</b>				
- Marketing and distribution costs		(237)	(100)	137.0
- Administrative expenses		(11,843)	(8,276)	43.1
- Finance costs		(1,497)	(1,456)	2.8
- Other (expenses)/credit		(511)	580	N.M.
Share of results of associates		63	118	(46.6)
<b>Profit before tax</b>	6.1	<b>2,207</b>	5,658	(61.0)
Tax expense	7	<b>(1,209)</b>	(1,845)	(34.5)
<b>Profit for the period</b>		<b>998</b>	3,813	(73.8)
<b>Profit attributable to:</b>				
Owners of the Company		<b>998</b>	3,813	(73.8)
		<b>998</b>	3,813	(73.8)
<b>Earnings per share (cents per share) attributable to owner of the company</b>				
- Basic	9	<b>0.13</b>	0.49	(73.5)
- Diluted	9	<b>0.13</b>	0.49	(73.5)

N.M. denotes not meaningful.

**B. Condensed interim consolidated statement of comprehensive income**

	<b>Group</b>		<b>Change %</b>
	<b>6 months ended 30 November 2022 S\$'000</b>	<b>6 months ended 30 November 2021 S\$'000</b>	
<b>Profit for the period</b>	<b>998</b>	3,813	(73.8)
<b>Other comprehensive income, net of tax:</b>			
Foreign currency translation	(1,297)	744	N.M.
Net change in fair value of cash flow hedges	711	450	58.0
Other comprehensive income, net of tax	(586)	1,194	N.M.
<b>Total comprehensive income for the period</b>	<b>412</b>	5,007	(91.8)
<b>Profit attributable to:</b>			
Owners of the Company	412	5,007	(91.8)
<b>Total comprehensive income for the period</b>	<b>412</b>	5,007	(91.8)

**C. Condensed interim balance sheet**

	Note	Group		Company	
		30 November 2022	31 May 2022	30 November 2022	31 May 2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	127,446	132,436	310	252
Intangible assets	12	5,376	5,696	–	–
Investments in subsidiaries		–	–	57,157	57,157
Investments in associates		1,983	2,054	–	–
Financial assets at fair value through profit or loss		142	178	39	67
Other receivables	4	–	–	8,580	9,346
<b>Total non-current assets</b>		<b>134,947</b>	<b>140,364</b>	<b>66,086</b>	<b>66,822</b>
<b>Current assets</b>					
Inventories		2,823	1,065	–	–
Trade and other receivables	4	38,756	42,526	8,343	11,060
Prepaid operating expenses		2,237	1,846	52	73
Derivative financial assets		752	67	–	–
Cash and short-term deposit		24,588	27,106	4,303	5,783
<b>Total current assets</b>		<b>69,156</b>	<b>72,610</b>	<b>12,698</b>	<b>16,916</b>
<b>Total assets</b>		<b>204,103</b>	<b>212,974</b>	<b>78,784</b>	<b>83,738</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		85,145	85,145	85,145	85,145
Treasury shares		(1,531)	(1,531)	(1,531)	(1,531)
Retained earnings/ (accumulated losses)		5,283	5,835	(30,803)	(27,330)
Other reserves		1,038	1,562	(3)	(65)
<b>Total equity</b>		<b>89,935</b>	<b>91,011</b>	<b>52,808</b>	<b>56,219</b>
<b>Non-current liabilities</b>					
Other liabilities		2,086	2,164	–	–
Borrowings	13	46,330	50,480	5,142	6,117
Lease liabilities	13	20,250	22,905	39	57
Deferred tax liabilities		2,637	3,182	34	34
<b>Total non-current liabilities</b>		<b>71,303</b>	<b>78,731</b>	<b>5,215</b>	<b>6,208</b>
<b>Current liabilities</b>					
Trade and other payables	4	14,128	14,049	17,711	17,790
Other liabilities		7,740	8,173	1,045	1,518
Borrowings	13	12,300	12,557	1,946	1,939
Lease liabilities	13	6,071	6,106	37	36
Tax payable		2,626	2,347	22	28
<b>Total current liabilities</b>		<b>42,865</b>	<b>43,232</b>	<b>20,761</b>	<b>21,311</b>
<b>Total liabilities</b>		<b>114,168</b>	<b>121,963</b>	<b>25,976</b>	<b>27,519</b>
<b>Total equity and liabilities</b>		<b>204,103</b>	<b>212,974</b>	<b>78,784</b>	<b>83,738</b>

**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
<b>The Group</b>					
<b>Balance as at 1 June 2022</b>	85,145	(1,531)	5,835	1,562	91,011
Profit for the period	–	–	998	–	998
<u>Other comprehensive income:</u>					
Net change in fair value of cash flow hedges	–	–	–	711	711
Foreign currency translation	–	–	–	(1,297)	(1,297)
<b>Other comprehensive income for the period, net of tax</b>	–	–	–	(586)	(586)
<u>Contributions by and distributions to owners:</u>					
Dividend paid to ordinary shares	–	–	(1,550)	–	(1,550)
Share based payments	–	–	–	62	62
<b>Total contributions by and distributions to owners</b>	–	–	(1,550)	62	(1,488)
<b>Total transactions with owners in their capacity as owners</b>	–	–	(1,550)	62	(1,488)
<b>Balance as at 30 November 2022</b>	<b>85,145</b>	<b>(1,531)</b>	<b>5,283</b>	<b>1,038</b>	<b>89,935</b>
<b>Balance as at 1 June 2021</b>	85,145	(1,531)	4,502	259	88,375
Profit for the period	–	–	3,813	–	3,813
<u>Other comprehensive income:</u>					
Net change in fair value of cash flow hedges	–	–	–	450	450
Foreign currency translation	–	–	–	744	744
<b>Other comprehensive income for the period, net of tax</b>	–	–	–	1,194	1,194
<u>Contributions by and distributions to owners:</u>					
Dividend paid to ordinary shares	–	–	(3,100)	–	(3,100)
<b>Total contributions by and distributions to owners</b>	–	–	(3,100)	–	(3,100)
<b>Total transactions with owners in their capacity as owners</b>	–	–	(3,100)	–	(3,100)
<b>Balance as at 30 November 2021</b>	85,145	(1,531)	5,215	1,453	90,282

**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
<b>The Company</b>					
<b>Balance as at 1 June 2022</b>	85,145	(1,531)	(27,330)	(65)	56,219
Loss for the period	–	–	(1,923)	–	(1,923)
<b>Total comprehensive income for the period</b>	–	–	(1,923)	–	(1,923)
<u>Contributions by and distributions to owners:</u>					
Dividend paid to ordinary shares	–	–	(1,550)	–	(1,550)
Share based payments	–	–	–	62	62
<b>Total contributions by and distributions to owners</b>	–	–	(1,550)	62	(1,488)
<b>Balance as at 30 November 2022</b>	<b>85,145</b>	<b>(1,531)</b>	<b>(30,803)</b>	<b>(3)</b>	<b>52,808</b>
<b>Balance as at 1 June 2021</b>	85,145	(1,531)	(26,965)	(97)	56,552
Loss for the period	–	–	(635)	–	(635)
<b>Total comprehensive income for the period</b>	–	–	(635)	–	(635)
<u>Contributions by and distributions to owners:</u>					
Dividend paid to ordinary shares	–	–	(3,100)	–	(3,100)
<b>Total contributions by and distributions to owners</b>	–	–	(3,100)	–	(3,100)
<b>Balance as at 30 November 2021</b>	85,145	(1,531)	(30,700)	(97)	52,817

**E. Condensed interim consolidated statement of cash flows**

	Note	Group	
		6 months ended	
		30 Nov 2022	30 Nov 2021
		S\$'000	S\$'000
<b>Cash flows from operating activities:</b>			
Profit before tax		2,207	5,658
<b>Adjustments for:</b>			
Amortisation of intangible assets - customer relationship		253	153
Depreciation of property, plant and equipment	11	7,537	6,822
Gain on disposal of property, plant and equipment		(75)	(32)
Allowance of expected credit loss		1,950	908
Fair value loss/(gain) on financial assets		28	(3)
Interest expense		1,497	1,456
Interest income		(24)	(8)
Share of results of associates		(63)	(118)
Share based payment expenses		62	-
Effect of exchange rate changes		761	318
<b>Operating cash flows before changes in working capital</b>		<b>14,133</b>	<b>15,154</b>
<b>Changes in working capital:</b>			
Inventories		(1,758)	(39)
Trade and other receivables		1,820	(3,306)
Prepaid operating expenses		(391)	(133)
Trade and other payables		79	7,292
Other and lease liabilities		(1,808)	(7,587)
<b>Cash flows generated from operations</b>		<b>12,075</b>	<b>11,381</b>
Interest received		24	8
Net income tax paid		(1,458)	(1,533)
<b>Net cash flows generated from operating activities</b>		<b>10,641</b>	<b>9,856</b>
<b>Cash flows from investing activities:</b>			
Proceeds from disposal of property, plant and equipment		86	38
Purchase of property, plant and equipment	11	(2,616)	(2,674)
<b>Net cash flows used in investing activities</b>		<b>(2,530)</b>	<b>(2,636)</b>
<b>Cash flows from financing activities:</b>			
Interest paid		(1,472)	(1,456)
Dividends paid		(1,550)	(3,100)
Proceeds from borrowings		-	624
Repayment of loans and borrowings		(4,129)	(3,608)
Repayment of principal portion of lease liabilities		(3,344)	(3,045)
Decrease in short-term deposit - pledged		-	1,410
<b>Net cash flows used in financing activities</b>		<b>(10,495)</b>	<b>(9,175)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,384)</b>	<b>(1,955)</b>
Cash and cash equivalents at the beginning of financial period		27,106	29,479
Effect of exchange rate changes on cash and cash equivalents		(134)	42
<b>Cash and cash equivalents at the end of financial period <sup>(1)</sup></b>		<b>24,588</b>	<b>27,566</b>

**Explanatory notes:**

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



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

GKE Corporation Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on 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 & 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 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 May 2022.

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 2022.

**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 and revenue 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 expense is managed on a group basis and is not allocated to operating segments.

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

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial 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
<b>30 Nov 2022</b>						
Revenue						
- External customers	–	43,286	11,189	226	–	54,701
- Inter-segment <sup>(1)</sup>	–	167	–	11	(178)	–
<b>Total revenue</b>	–	43,453	11,189	237	(178)	54,701
Results:	(1,595)	13,232	1,884	(116)	(348)	13,057
Depreciation of property, plant and equipment	(63)	(6,510)	(720)	(48)	(196)	(7,537)
Allowance for expected credit loss	–	–	(1,950)	–	–	(1,950)
Fair value loss on financial assets	(28)	–	–	–	–	(28)
Gain on disposal of property, plant and equipment	–	75	–	–	–	75
Share of results of associates	–	–	63	–	–	63
Interest income	226	298	4	–	(504)	24
Finance costs	(440)	(1,332)	(229)	–	504	(1,497)
<b>Segment (loss)/profit</b>	(1,900)	5,763	(948)	(164)	(544)	2,207
Tax expense						(1,209)
<b>Profit for the period</b>						<b>998</b>

# GKE CORPORATION LIMITED

Condensed Interim Financial Statements for the Six Months Ended 30 November 2022

## 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
<b>30 Nov 2022 (cont'd)</b>						
Assets:						
Investments in associates	–	14	1,969	–	–	1,983
Additions to non-current assets <sup>(2)</sup>	121	2,350	107	777		3,355
<b>Segment assets</b> <sup>(3)</sup>	81,017	162,431	39,984	1,804	(81,133)	204,103
<b>Segment liabilities</b> <sup>(3)</sup>	25,920	99,094	21,977	898	(38,984)	108,905
Unallocated liabilities:						
Tax payable						2,626
Deferred tax liabilities						2,637
<b>Total Liabilities</b>						<b>114,168</b>

(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)**
**3.1 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
<b>30 Nov 2021</b>						
Revenue						
- External customers	–	36,118	18,773	93	–	54,984
- Inter-segment <sup>(1)</sup>	–	147	–	11	(158)	–
<b>Total revenue</b>	<b>–</b>	<b>36,265</b>	<b>18,773</b>	<b>104</b>	<b>(158)</b>	<b>54,984</b>
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)
<b>Segment (loss)/profit</b>	<b>(610)</b>	<b>4,393</b>	<b>2,340</b>	<b>(183)</b>	<b>(282)</b>	<b>5,658</b>
Tax expense						(1,845)
Profit for the period						<b>3,813</b>

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

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

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

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

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

**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;
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 2022 S\$'000	6 months ended 30 Nov 2021 S\$'000	30 Nov 2022 S\$'000	31 May 2022 S\$'000
Singapore	43,512	36,211	120,730	124,562
People's Republic of China	11,189	18,773	12,092	13,570
	<b>54,701</b>	54,984	<b>132,822</b>	138,132

Revenue from one major customer amount to S\$7,546,000 (6 months ended 30 Nov 2021: S\$6,953,000) was arising from services provided by the warehouse and logistics segment.

\* Non-current assets information presented above consist 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 2022 and 31 May 2022:

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2022</b>	31 May 2022	<b>30 Nov 2022</b>	31 May 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Trade and other receivables (current):</b>				
Trade receivables	36,737	37,142	–	–
SGD loans to subsidiaries	–	–	250	500
Amounts due from subsidiaries	–	–	7,830	6,928
Staff advances	8	12	–	–
Refundable deposits	503	565	–	–
Capitalised contract cost	41	43	–	–
Deferred receivables	–	3,359	–	3,359
Other receivables	1,467	1,405	263	273
	<b>38,756</b>	<b>42,526</b>	<b>8,343</b>	<b>11,060</b>
<b>Other receivables (non-current):</b>				
SGD loan to subsidiaries	–	–	8,580	9,346
Total trade and other receivables (current and non-current)	38,756	42,526	16,923	20,406
Less: Capitalised contract cost	(41)	(43)	–	–
Add: Cash and short-term deposit	24,588	27,106	4,303	5,783
Total financial assets carried at amortised cost	<b>63,303</b>	<b>69,589</b>	<b>21,226</b>	<b>26,189</b>

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2022</b>	31 May 2022	<b>30 Nov 2022</b>	31 May 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Expected Credit Loss</b>				
Movements in allowance account:				
At beginning of the year	2,164	1,295	4,197	4,197
Charge for the year, recorded in administrative expenses	1,950	910	–	–
Written off	(12)	–	–	–
Exchange differences	(223)	(41)	–	–
At end of the period/year	<b>3,879</b>	<b>2,164</b>	<b>4,197</b>	<b>4,197</b>



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

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2022</b>	<b>31 May 2022</b>	<b>30 Nov 2022</b>	<b>31 May 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Trade and other payables (current):</b>				
Trade payables	11,110	10,626	–	–
Other payables	3,018	3,423	177	189
Amounts due to subsidiaries	–	–	2,356	2,423
Loan from subsidiary	–	–	15,178	15,178
<b>Total trade and other payables</b>	<b>14,128</b>	<b>14,049</b>	<b>17,711</b>	<b>17,790</b>
Add: Borrowings	58,630	63,037	7,088	8,056
Add: Lease liabilities	26,321	29,011	76	93
Add: Other liabilities	7,146	7,675	1,001	1,495
<b>Total financial liabilities carried at amortised cost</b>	<b>106,225</b>	<b>113,772</b>	<b>25,876</b>	<b>27,434</b>

**5 Revenue**

	<b>Group</b>	
	<b>6 months ended 30 Nov 2022</b>	<b>6 months ended 30 Nov 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Major product or service lines</b>		
Sale of goods	15,657	19,068
Services rendered	20,354	18,403
Rental income	18,690	17,513
	<b>54,701</b>	<b>54,984</b>
<b>Timing of transfer of goods or services</b>		
At a point in time	15,657	19,068
Over time	39,044	35,916
	<b>54,701</b>	<b>54,984</b>

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

1. Other income comprises the following:

	<b>6 months ended 30 Nov 2022 S\$'000</b>	6 months ended 30 Nov 2021 S\$'000	Change %
Gain on disposal of property, plant and equipment	75	32	134.4
Grant income from government	282	791	(61.3)
Interest income	24	8	200.0
Others	161	245	(34.3)
	<b>542</b>	<b>1,076</b>	<b>(49.6)</b>

Government grants mainly comprised Job growth incentive under the various support measures granted by the Singapore Government to help local employers.

2. Profit before tax, includes the following items:

	<b>6 months ended 30 Nov 2022 S\$'000</b>	6 months ended 30 Nov 2021 S\$'000	Change %
Audit fees payable to auditors of the Company	159	108	27.8
Amortisation of intangible assets - customer relationship	253	153	65.4
Allowance for expected credit loss	1,950	908	114.8
Depreciation of property, plant and equipment	7,537	6,822	10.5
Fair value loss on financial assets	28	-	N.M.
Gain on disposal of property, plant and equipment	(75)	(32)	134.4
Interest income	(24)	(8)	200.0
Interest expenses	1,497	1,456	2.8
Share of results of associates	(63)	(118)	(46.6)
Share based payment expenses	62	-	N.M.
Legal and professional fees	181	129	40.3
Net foreign exchange loss/(gain)	511	(580)	N.M.

**6 Profit before taxation (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:

	<b>Group</b>	
	<b>6 months ended 30 Nov 2022 S\$'000</b>	<b>6 months ended 30 Nov 2021 S\$'000</b>
Sale of goods to an associate	4	97
Purchase of goods from an associate	<u>(1,123)</u>	<u>(1,708)</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:

	<b>Group</b>	
	<b>6 months ended 30 Nov 2022 S\$'000</b>	<b>6 months ended 30 Nov 2021 S\$'000</b>
Current income tax	1,752	1,871
Deferred tax	<u>(543)</u>	<u>(26)</u>
	<u>1,209</u>	<u>1,845</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:

	<b>Group and Company</b>	
	<b>6 months ended 30 Nov 2022 S\$'000</b>	<b>6 months ended 30 Nov 2021 S\$'000</b>
<b>Declared and paid during the financial period:</b>		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2022: 0.20 Singapore cent (2021: 0.40) per ordinary share	<u>1,550</u>	<u>3,100</u>

**9 Earnings per share**

	<b>Group</b>	
	<b>6 months ended 30 Nov 2022</b>	6 months ended 30 Nov 2021
Earnings per share (in SGD cent)		
- Basic <sup>(1)</sup>	<b>0.13</b>	0.49
- Fully diluted <sup>(2)</sup>	<b>0.13</b>	0.49
<sup>(1)</sup> Calculated based on weighted average number of shares	<b>775,124,090</b>	775,124,090
<sup>(2)</sup> Calculated based on weighted average number of shares for diluted earnings	<b>775,124,090</b>	775,124,090

**10 Net Asset Value (“NAV”)**

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2022</b>	31 May 2022	<b>30 Nov 2022</b>	31 May 2022
Net assets (S\$'000)	<b>89,935</b>	91,011	<b>52,808</b>	56,219
NAV per share (in SGD each)	<b>11.60</b>	11.74	<b>6.81</b>	7.25
Number of shares used in calculating NAV	<b>775,124,090</b>	775,124,090	<b>775,124,090</b>	775,124,090

**11 Property, plant and equipment**

During the six months ended 30 Nov 2022, the Group acquired property, plant and equipment with an aggregate cost of S\$3,355,000 (30 Nov 2021: S\$4,529,000) of which S\$690,000 (30 Nov 2021: S\$1,855,000) relates to the new leases of right-of-use assets which were not acquired by means of hire purchase and S\$49,000 (30 Nov 2021: S\$ Nil) were acquired by means of hire purchase arrangement. Cash payment of S\$2,616,000 (30 Nov 2021: S\$2,674,000) were made to purchase property, plant and equipment.

**12 Intangible assets**

	<b>Group</b>			<b>Total</b> \$'000
	<b>Goodwill</b> \$'000	<b>Customer relationships</b> \$'000	<b>Mining rights</b> \$'000	
<b>Cost:</b>				
At 1 June 2021	5,655	4,019	1,050	10,724
Addition	–	1,207	–	1,207
Exchange Differences	–	–	(13)	(13)
At 31 May 2022	5,655	5,226	1,037	11,918
Exchange Differences	–	–	(67)	(67)
<b>At 30 November 2022</b>	<b>5,655</b>	<b>5,226</b>	<b>970</b>	<b>11,851</b>
<b>Accumulated amortisation and impairment:</b>				
At 1 June 2021	2,314	3,536	–	5,850
Amortisation	–	372	–	372
At 31 May 2022	2,314	3,908	–	6,222
Amortisation	–	253	–	253
<b>At 30 November 2022</b>	<b>2,314</b>	<b>4,161</b>	<b>–</b>	<b>6,475</b>
<b>Net carrying amount</b>				
At 31 May 2022	3,341	1,318	1,037	5,696
<b>At 30 November 2022</b>	<b>3,341</b>	<b>1,065</b>	<b>970</b>	<b>5,376</b>

Customer relationships

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

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.

**13 Borrowings and Lease Liabilities**

	Group		Company	
	30 Nov 2022 S\$'000	31 May 2022 S\$'000	30 Nov 2022 S\$'000	31 May 2022 S\$'000
<b>Current</b>				
Bank loans	12,300	12,557	1,946	1,939
Lease liabilities	6,071	6,106	37	36
	<b>18,371</b>	<b>18,663</b>	<b>1,983</b>	<b>1,975</b>
<b>Non-current</b>				
Bank loans	46,330	50,480	5,142	6,117
Lease liabilities	20,250	22,905	39	57
	<b>66,580</b>	<b>73,385</b>	<b>5,181</b>	<b>6,174</b>
<b>Total</b>	<b>84,951</b>	<b>92,048</b>	<b>7,164</b>	<b>8,149</b>

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

The Group has lease contracts for various items of property, vehicles and other equipment used in its operations. Leases of property generally have lease terms between 1 and 18 years, the vehicles and other equipment generally have lease terms between 1 and 4 years (2021: 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 2022	31 May 2022
<b>Total number of issued shares (excluding treasury shares):</b>		
At beginning and end of the financial period	<b>794,700,540</b>	794,700,540
<b>Treasury shares</b>		
At beginning and end of the period	<b>(19,576,450)</b>	(19,576,450)
<b>Total</b>	<b>775,124,090</b>	775,124,090

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

**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 Catalyst Rule Appendix 7C****1. Review**

The condensed consolidated statement of financial position of GKE Corporation Limited and its subsidiaries as at 30 November 2022 and the related condensed consolidated income statement and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 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**

	6 months ended 30 Nov 2022 ("1H FY23") S\$'000	6 months ended 30 Nov 2021 ("1H FY22") S\$'000	Change (%)
Warehousing & logistics	<b>43,286</b>	36,118	19.8
Strategic Investments:			
Infrastructural materials & services	<b>11,189</b>	18,773	(40.4)
Agriculture (indoor vegetable farm)	<b>226</b>	93	143.0
	<b>54,701</b>	<b>54,984</b>	<b>(0.5)</b>

**1HFY23 vs 1HFY22****Revenue**

The Group recorded a 0.5% decrease in revenue from S\$55.0 million in 1H FY22 to S\$54.7 million in 1H FY23. The decrease was mainly due to lower revenue from the infrastructural materials and services segment on the back of lower volume and average selling price of ready-mix concrete ("**RMC**") in China in 1H FY23, and buffered by higher revenue from the warehouse and logistics segment contributed by the increase in warehousing storage, project logistics, port operations, and newly acquired subsidiary, Fair Chem Industries Pte Ltd ("**Fair Chem**").

**Cost of sales**

Cost of sales decreased by 5.5% from S\$41.3 million in 1H FY22, compared with S\$39.0 million in 1H FY23, mainly due to the decrease of cost of sales from the infrastructural materials and services segment in China, which was in tandem with the decrease of sales, and partially offset by the increase in operating costs from the warehouse and logistics segment in Singapore.

**Gross profit**

The Group's gross profit increased by 14.4% from S\$13.7 million in 1H FY22, compared with S\$15.7 million in 1H FY23. The Group's gross profit margin increased from 24.9% in 1H FY22 to 28.7% in 1H FY23, mainly due to higher utilisation of warehousing space, higher contribution from port operations, as well as new contribution from Fair Chem.

**Other income**

Other income decreased by 49.6% from S\$1.1 million in 1H FY22, compared with S\$0.5 million in 1H FY23. This was mainly due to reduction of government support schemes.

**Marketing and distribution costs**

Marketing and distribution costs increased marginally from S\$0.1m in 1H FY22 to S\$0.2m in 1H FY23, due to higher expenses incurred on marketing activities.

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

Administrative expenses increased by 43.1% to S\$11.8 million in 1H FY23 from S\$8.3 million in 1H FY22. The increase in 1H FY23 was mainly due to the increase in the allowance of expected credit loss for receivables in China by more than S\$1.0 million, the inclusion of administrative expenses from Fair Chem by S\$1.3 million, increase in staff cost by S\$0.3 million, utilities expenses by S\$0.2 million, and the increase in amortisation of intangible assets of S\$0.1 million (customer relationship).

**Other expenses**

Other expenses incurred in 1H FY23 was mainly due to net foreign exchange loss.

**Finance costs**

Finance costs slightly increased by 2.8% from S\$1.46 million in 1H FY22 to S\$1.50 million in 1H FY23. The increase was mainly due to increase in borrowing interest.

**Share of results of associates**

Share of result from associate saw construction material waste recycling plant, Cenxi Haoyi Recycling Co., Ltd, contributed a gain of S\$63,000 in 1H FY23, a decrease from S\$118,000 in 1H FY22, on the back of the slowdown in activities amid the lockdowns in China during 1H FY23.

**Tax expenses**

The effective tax rate has increased from 32.6% in 1H FY22 to 54.8% in 1H FY23 mainly due to certain loss making subsidiaries.

**Profit before tax**

The decrease in profit before tax was mainly due to decrease in profit from infrastructural materials and services by S\$3.29 million because of (a) the decrease in its revenue volume and average selling price, and (b) the increase in the provision for allowance of expected credit loss by S\$1.04 million and the absence of job support scheme of S\$0.33 million in 1H FY22 and increase in foreign exchange loss, share option expenses, amortisation of intangible assets – customer relationship offset by the increase in profit from warehouse and logistics segment.

**Other comprehensive income**

Other comprehensive income mainly comprises change 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\$5.5 million from S\$140.4 million as at 31 May 2022 to S\$134.9 million as at 30 November 2022. The decrease was mainly due to depreciation of property, plant and equipment, amortisation of intangible assets, foreign currency devaluation on the investment in associate and fall in value of the financial assets at fair value through profit or loss.

Current assets decreased by S\$3.4 million from S\$72.6 million as at 31 May 2022 to S\$69.2 million as at 30 November 2022. This was mainly due to decrease in trade and other receivables and cash and cash equivalents. The decrease was offset with increase in inventories, prepaid operating expenses and derivative financial assets.

Non-current liabilities decreased by S\$7.4 million from S\$78.7 million as at 31 May 2022 to S\$71.3 million as at 30 November 2022. The decrease was mainly due to payment of principal portion of lease liabilities, repayment of borrowings and other liabilities.

Current liabilities decreased by S\$0.4 million from S\$43.2 million as at 31 May 2022 to S\$42.9 million as at 30 November 2022. The decrease was mainly due to decrease in lease liabilities, borrowings and other liabilities. The decrease was offset with the increase in trade and other payables and tax payable.

Shareholders' equity decreased from S\$91.0 million as at 31 May 2022 to S\$89.9 million as at 31 November 2022. This was mainly due to dividend payment of S\$1.6 million and decrease in other reserves due to foreign currency translation, partially offset by profit for the period.



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

During 1H FY23, the net cash generated from operations amounted to approximately S\$10.6 million. This comprises positive operating cash flows before changes in working capital of S\$14.1 million, adjusted by net working capital outflow of S\$2.0 million and taxes paid of S\$1.5 million.

Net cash used in investing activities of S\$2.5 million was mainly due to purchase of property, plant and equipment amounting to S\$2.6 million.

Net cash used in financing activities of S\$10.5 million was mainly due to the repayment of loans and borrowings, payment of principal portion of lease liabilities and dividends paid.

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

Not applicable.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Chinese government eased zero-Covid measures in December 2022 and reopened its borders in January 2023. The Group believes recovery of the real estate sector would be gradual in the near term, however, it remains cautiously optimistic about the performance of its infrastructural materials and services segment in China as economic activities resume.

The warehousing and logistics segment in Singapore, while experiencing higher operating costs resulting from inflationary pressure, continues to maintain a high occupancy rate for its warehousing storage as well as contributions from the better margin chemical related business including dangerous good storage at the newly converted container yards and tolling and specialty chemical manufacturing from the newly acquired Fair Chem Industries Pte Ltd.

With the ongoing geopolitical uncertainties and global economic slowdown, the Group will continue to exercise prudence in its business operations in both Singapore and China.

**5. Dividend Information****(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.

**(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 challenging and uncertain business environment. As such, no interim dividend has been proposed for 1H FY23.

**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 <sup>(1)</sup>	Nil	1,123

Note:-

<sup>(1)</sup> 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 2022 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.

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

The movement of the company’s shareholdings in subsidiaries 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
Cenxi Xing Jian Readymix Co., Ltd	Republic of China	RMB25,430,000	Producing and manufacturing, building materials and cement products	100%	The Group has increased the share capital from RMB 22,580,000 to RMB 25,430,000

By Order of The Board

**Neo Cheow Hui**

Executive Director and Chief Executive Officer

12 January 2023