



# PAVING THE WAY FOR NEW GROWTH AVENUES

ANNUAL REPORT 2025

## CORE VALUES 核心价值观

We are committed to providing excellent solutions and services to our customers while delivering greater value to our stakeholders.

我们致力于为客户提供卓越的解决方案和服务，同时为我们的利益相关者创造更大的价值。

### CUSTOMER FOCUSED 以客户为中心

We strive to customise effective and efficient solutions and services to meet the evolving needs of our customers.

我们致力于为客户提供量身定制的、高效且切实可行的解决方案和服务，以满足客户不断变化的需求。

### PEOPLE 人员

We value and develop personnel who are passionate and committed to growing our businesses with us.

我们重视并培养那些对与我们共同发展事业充满热情并全身心投入的员工。

### INTEGRITY 诚信

We value honesty and trustworthiness and deliver on our promises.

我们重视诚实和可靠性，并信守承诺。

### TEAMWORK 团队合作

We practice open communication with respect and trust, and we work as a team to achieve our corporate goals.

我们秉承尊重与信任的原则，保持开放的沟通方式，并以团队合作的精神共同实现公司目标。

### SAFETY MATTERS 安全至上

We take priority and responsibility to ensure workplace safety.

我们始终将保障工作场所安全视为首要任务并承担相应责任。

## OUR VISION 我们的愿景

We strive to become one of the largest integrated warehousing and logistics solution providers in Singapore.

我们致力于成为新加坡最大的综合仓储与物流解决方案提供商之一。

## OUR MISSION 我们的使命

We are committed to delivering effective solutions for our customers and generating value for our shareholders.

我们致力于为客户提供有效的解决方案，并为股东创造价值。

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**GKE** Corporation Limited 锦佳集团 (“**GKE**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is a prominent integrated provider of warehousing and logistics solutions. The Group offers comprehensive, end-to-end multi-modal supply chain management solutions and services. **GKE** has made strategic investments including infrastructural materials and services business in China, as well as agriculture and retail and distribution in Singapore. The Group’s business activities are categorised into two broad areas: (i) warehousing & logistics and (ii) strategic investments.

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

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

support services at Singapore’s port operations to further enhance the logistics value chain.

The Group’s strategic investments encompass businesses in infrastructural materials and services in China, along with agriculture and retail and distribution in Singapore. Its wholly-owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd, primarily focuses on the manufacturing and supplying of ready-mix concrete (“**RMC**”) products for the infrastructural development and construction sector in Wuzhou City. This business is further expanded to include a wholly-owned RMC manufacturing facility and a 24% stake in a recycling facility for construction material waste, both located in Cenxi City. The agricultural business is dedicated to indoor cultivation of vegetables and the development of agritech solutions, employing an automated controlled-environment approach to ensure food safety and maintain optimal growth conditions for the vegetable crops. The retail and distribution business, through a joint venture partnership, manages retail outlets that offer lifestyle products, along with a comprehensive range of Singtel-related products and services, which include mobile handsets and accessories, broadband solutions, Singtel TV, and smart home solutions.

**GKE** is listed on the Catalist Board of Singapore Exchange Securities Trading Limited under stock code 595 since 2003.

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

The contact person for the Sponsor is Mr. Josh Tan at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: [sponsor@rhtgoc.com](mailto:sponsor@rhtgoc.com)



# BUSINESS OPERATIONS

The **GKE** Group of companies are categorised into two broad areas: (i) warehousing and logistics and (ii) strategic investments. Strategic investments are focused on (i) infrastructural materials and services, (ii) agriculture and (iii) retail and distribution.

## WAREHOUSING & LOGISTICS

The Group operates its warehousing and logistics business under the brand name “**GKE**”, providing fully integrated and comprehensive warehousing and logistics supply chain solutions and services, as well as port management & stevedoring services through its subsidiaries. These solutions and services aim to enhance operational efficiency and cater to the diverse needs of customers across various industries. The Group uses advanced technology and a skilled workforce to optimise supply chain processes, ensuring timely support to its customers.

The **GKE** Group of companies under the warehousing and logistics segment comprises the following subsidiaries:

**GKE Warehousing & Logistics** offers end-to-end warehousing and logistics solutions and services to its customers in the consumer products, manufacturing, electronics, pharmaceuticals, chemicals (including dangerous goods), and retail industries. Logistics services include receiving cargoes at destinations, storing and managing inventory at the Group’s warehouses, and coordinating delivery to designated recipients in Singapore and around the world.

**GKE Express Logistics** offers heavy haulage and handling services, out-of-gauge transportation services, and specialises in managing project logistics. It manages and operates a fleet of vehicles, including prime movers and trailers.

**GKE Freight** has a committed and responsive team that leverages its multi-modal transportation capabilities via sea, air, and land, as well as its network of overseas agents, to coordinate and satisfy the freight forwarding requirements of its customers.

**GKE Marquis** has expertise in chemical storage and management, with experience handling and storing hazardous items such as chemical products and flammable materials. It also provides industrial coating blending services and maritime supply support services.

**GKE Services** provides port management and stevedoring services, as well as cleaning services at Singapore’s seaport and at the airport, respectively.

**GKE Fair Chem** is a specialty chemicals warehouse operator with toll blending and specialty chemical manufacturing capabilities in Singapore.



## STRATEGIC INVESTMENTS

As the Group strengthens its foundation in the warehousing and logistics sector, it aims to explore and incubate viable businesses across various sectors to counterbalance risk. This strategic diversification bolsters the Group's resilience and positions it for sustainable growth in a rapidly evolving market.

These strategic investments consist of:

### (i) Infrastructural Materials and Services

Wuzhou Xing Jian Readymix Co., Ltd 梧州市星建混凝土有限公司 ("Wuzhou Xing Jian") was established in 2013 and is primarily engaged in the manufacturing and supply of environmentally friendly ready-mix concrete ("RMC"). The automated RMC manufacturing plant commenced commercial production since June 2016.

Through Wuzhou Xing Jian, the Group expanded its investments to encompass another wholly-owned automated RMC manufacturing plant, Cenxi Xing Jian Readymix Co., Ltd 岑溪市星建混凝土有限公司, as well as a 24% stake in a construction material waste recycling plant, Cenxi Haoyi Recycling Co., Ltd 岑溪市好易再生资源有限公司, located in Cenxi City, China.

### (ii) Agriculture


The Group established **GKE** Agritech to enter the agriculture sector, focusing specifically on indoor farming for vegetables and the development of agritech solutions. The company employs a controlled-environment farming approach, utilising automation and sensors to ensure food safety and maintain optimal growing conditions for the vegetable crops.

### (iii) Retail and Distribution


The Group has established a joint venture partnership, **GKE** Retails, which operates as a distributor, wholesaler, and retailer of mobile communication services and accessories in Singapore. This retail and distribution business manages retail outlets that offer lifestyle products, in addition to a comprehensive range of Singtel-related products and services, including mobile handsets and accessories, broadband solutions, Singtel TV, and smart home solutions.



# LETTER TO SHAREHOLDERS



**MR. CHEN YONG HUA**  
Executive Chairman  
and Executive Director



**MR. NEO CHEOW HUI**  
Chief Executive Officer  
and Executive Director

## DEAR SHAREHOLDERS,

The financial year ended 31 May 2025 ("FY25") was a major turning point for **GKE** Group, reflected in a breakthrough in our revenue and a notable improvement in our net earnings. This achievement is a testament to the hard work and dedication of **GKE** Group members over recent years, as well as the trust, loyalty, and support of our customers and business partners.

Our commitment to enhancing our assets and continuously upskilling our people in our Singapore operations aims to maximise our capabilities by providing value-added solutions and services to our customers. Coupled with stringent and conscientious resource management, these efforts have been yielding promising results despite the challenging global economic and business landscape.

We achieved a record revenue of S\$126.5 million in FY25, an increase of 14.4% year-on-year across all reportable business segments, improving from S\$110.6 million in FY24. This improvement was primarily attributed to organic growth in our core warehousing and logistics operations, as well as enhanced performance from our strategic investments, which include infrastructural materials and services segment in China, agriculture (indoor vegetable cultivation), and the newly established retail and distribution business in the telecommunications sector.

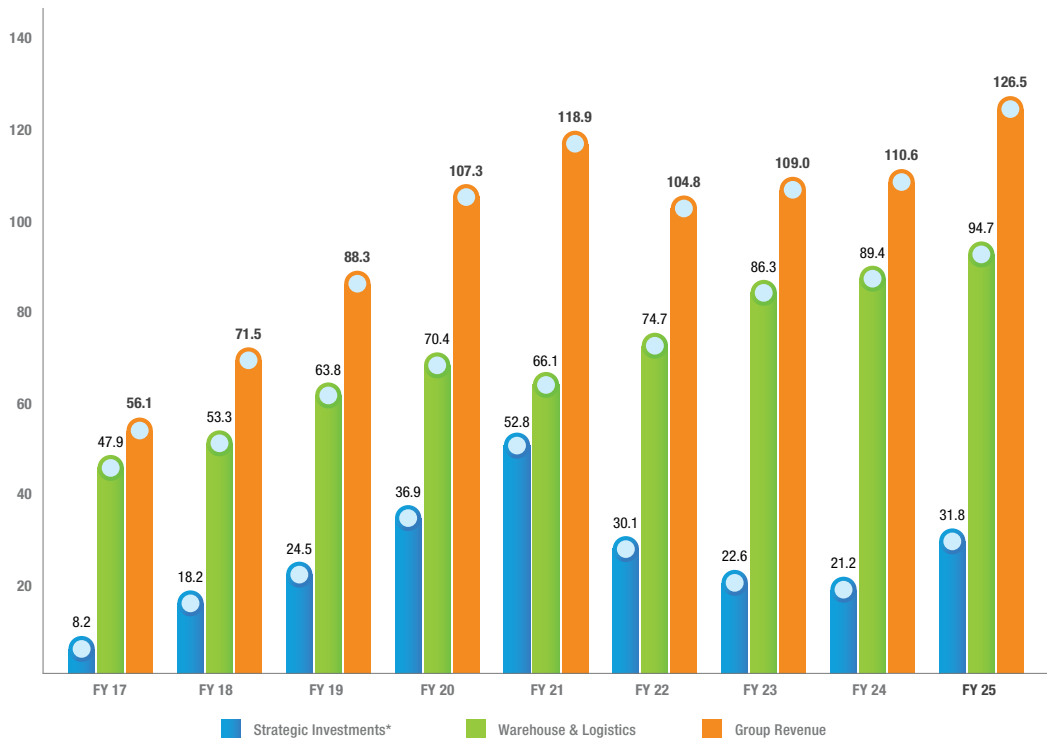
In tandem, our gross profit increased from S\$32.5 million in FY24 to S\$36.4 million in FY25. However, our composite gross margin saw a slight decline, decreasing from 29.4% in FY24 to 28.8% in FY25. This decline can be attributed to the nature of the retail and distribution business, which was counterbalanced by the improvements in the gross margins of both the warehousing and logistics segment in Singapore and the infrastructural materials and services segment in China.

The growth driven by enhanced performance has enabled us to achieve a profit before tax of S\$12.4 million in FY25, representing an 83.7% year-on-year increase from S\$6.8 million in FY24. Notably, we recorded a net disposal gain of S\$1.1 million from the divestment of mining rights for a limestone mine in Cangwu County, along with our 18% stake in the mining consortium arising from our earlier investment. Additionally, there was an improvement of S\$3.2 million in the allowance for expected credit losses on receivables in China.

This positive trend reflects our strategic focus on optimising operational efficiency and capitalising on growth opportunities. For FY25, we registered a net profit after tax of S\$8.8 million, which represents an increase of 105.6% year-on-year from S\$4.3 million in FY24. As we continue to refine our business processes and invest in key areas, we anticipate further enhancements in our financial performance over the long term.

## GROUP REVENUE ANALYSIS

Financial year ended 31 May (\$\$million)



### Note:

\* Revenue of Strategic Investments include (i) infrastructural materials and services; (ii) agriculture (indoor vegetable cultivation); and (iii) retail and distribution businesses.

## PROPOSED DIVIDENDS

As a gesture of appreciation to our shareholders, we declared and paid our first special interim cash dividend of 0.05 Singapore cents per ordinary share on 21 February 2025, on the back of a record net profit in the first half of FY25.

With our commendable earnings performance in the second half of FY25, the Board is pleased to propose a final (tax-exempt) dividend of 0.35 Singapore cents per ordinary share. This proposal increases the total dividend for FY25 to 0.40 Singapore cents per ordinary share,

which includes the special interim dividend. The dividend payout represents 34.8% of the Group's earnings per share for FY25.

The payment for the final dividend is subject to shareholders' approval at our forthcoming annual general meeting, which will be held on 25 September 2025.

## PAVING THE WAY FOR NEW GROWTH AVENUES

At **GKE** we are committed to seizing and nurturing multiple viable opportunities to pave the way for new growth avenues.

# LETTER TO SHAREHOLDERS

Our newly established joint venture business focuses on managing and operating the retail and distribution of lifestyle products. These products include a wide range of Singtel-related products and services, such as mobile handsets and accessories, broadband solutions, Singtel TV, and smart home solutions. We anticipate that this venture will continue to strengthen our portfolio of strategic investments.

The divestment of the mining rights to the limestone mine, which frees up cash resources, will not impact any of the Group's infrastructural materials and services segment, which focuses on ready-mix concrete manufacturing located in Wuzhou City and Cenxi City, as well as construction material waste recycling in Cenxi City, China. The recently announced regulations by the State Council of the People's Republic of China aim to enhance rural transportation infrastructure networks and improve connectivity to national and provincial highways, thereby facilitating the integration of urban and rural transportation<sup>(1)</sup>. This initiative could potentially benefit our infrastructural materials and services segment, and it aligns with China's national directive for rural urbanisation.

Amid ongoing global trade tensions and economic slowdown, we anticipate that our core warehousing and logistics operations may encounter dynamic and evolving challenges. Nonetheless, we remain dedicated to enhancing our solutions and services, ensuring that we continue to meet the changing needs of our customers in competitive markets. We are actively pursuing growth opportunities to support our clients through carefully planned expansions into specialised warehouses. This includes handling hazardous materials and providing temperature-controlled storage, along with our complementary value-added inventory management and logistics solutions. As our overseas expansion in Dubai, United Arab Emirates, established in January 2025,

is still in its early stages, we are concurrently focusing on maximising usable space by enhancing some of the existing assets within our operational premises portfolio, thereby paving the way for long-term growth.

## ACKNOWLEDGMENTS AND APPRECIATION

We would like to acknowledge and appreciate the invaluable contributions made by our fellow directors for their guidance and support over the past year.

On behalf of the Board, we wish to express our heartfelt gratitude to all members of **GKE** Group, including our management and employees, for their dedicated efforts. We also extend our thanks to our customers, business partners, and bankers for their trust and support as we navigate challenges and strive for better performance together.

We are also appreciative of our shareholders for their unwavering support. As we look forward to the coming year, we remain committed to nurturing strong relationships and achieving new milestones. Together, with the continued support of all stakeholders, we are confident in our ability to overcome challenges and maintain profitability sustainably.

**CHEN YONG HUA 陈永华**  
Executive Chairman  
and Executive Director

**NEO CHEOW HUI 梁昭辉 (鹏飞)**  
Chief Executive Officer  
and Executive Director

### Note:

(reference: (1) <https://global.chinadaily.com.cn/a/202507/22/WS687f777ea310ad07b5d914ff.html>)



## 致诸位股东

截至2025年5月31日的财政年（「25财年」）是锦佳集团的重要转折点，体现在收入的突破性增长和净利润的显著提升。这一成就充分证明了锦佳集团成员近年来付出的辛勤努力与奉献精神，以及客户和商业伙伴对我们的信任、忠诚与支持。

我们致力于提升新加坡业务运营中的资产价值并持续提升员工技能，旨在通过提供增值解决方案和服务来最大化我们的能力。结合严格且尽责的资源管理，这些努力在充满挑战的全球经济和商业环境中仍取得了令人鼓舞的成果。

我们在25财年实现了创纪录的收入，达到1.265亿新元，较24财年的1.106亿新元增长了14.4%，所有可报告业务板块均实现增长。这一增长主要得益于核心仓储及物流业务的增长，以及战略投资板块的业绩提升。这些投资包括中国基础设施材料与服务板块、农业（室内蔬菜种植）板块，以及新设立的电信行业零售与分销业务板块。

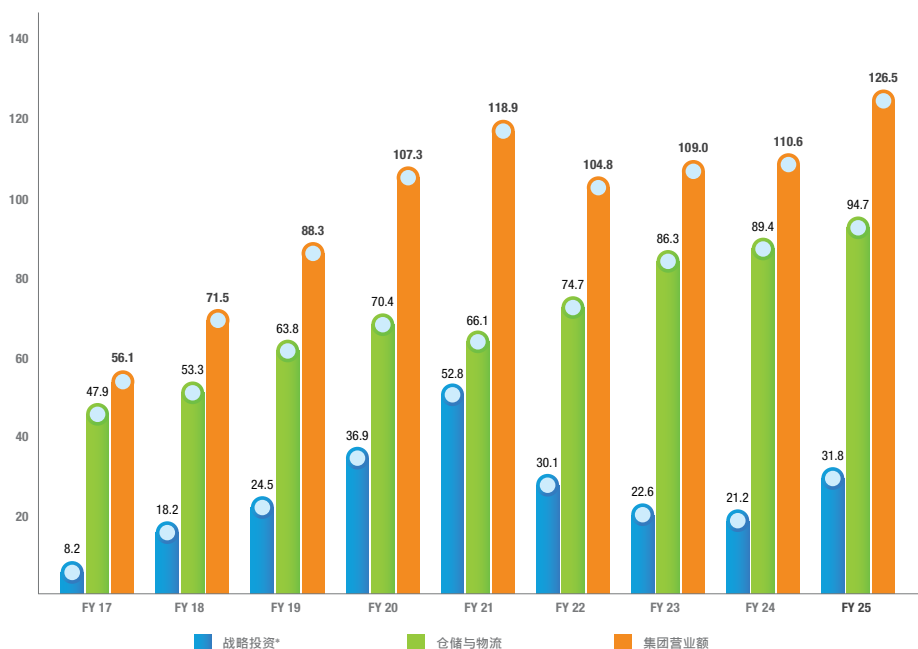
与此同时，我们的毛利润从24财年的3250万新元增至25财年的3640万新元。然而，我们的综合毛利率略有下降，从24财年的29.4%降至25财年的28.8%。此下降可归因于零售与分销业务的特性，但得益于新加坡仓储和物流板块及中国基础设施材料与服务板块的毛利率提升抵消了部分影响。

得益于业绩提升带来的增长，我们在25财年实现了税前利润1240万新元，较24财年的680万新元同比增长83.7%。值得注意的是，我们从出售苍梧县石灰石矿的采矿权以及我们先前投资的矿业联盟18%股份而录得110万新元的净处置收益。此外，中国应收账款的预期信用损失准备金也改善了320万新元。

这一积极趋势反映了我们对优化运营效率和把握增长机遇的战略重点。在25财年，我们实现税后净利润880万新元，较24财年的430万新元同比增长105.6%。随着我们持续优化业务流程并加大对关键领域的投资，我们预期未来长期财务表现将进一步提升。

## 集团收入分析

截至5月31日的财年（百万新元）



注：\*战略投资收入包括：（i）基础设施材料和服务；（ii）农业（室内蔬菜种植）；以及（iii）零售和分销业务。

# 致股东的信

## 拟议股息

为感谢股东的支持，我们于2025年2月21日宣布并支付了每股普通股0.05新加坡分的首次特别中期现金股息，此举得益于25财年上半年创纪录的净利润。

鉴于25财年下半年令人瞩目的盈利表现，董事会拟议派发每股0.35新加坡分的最终（免税）股息。该提案将25财政年度总股息提升至每股0.40新加坡分，其中包含特别中期股息。本次股息派发金额相当于25财政年度集团每股盈利的34.8%。

最终股息的支付需经股东在即将举行的年度股东大会上批准，该会议将于2025年9月25日举行。

## 为新增长领域铺平道路

在锦佳集团，我们致力于把握并培育多个可行机遇，为新增长领域铺平道路。

我们新成立的合资企业专注于管理和运营生活方式产品的零售与分销业务。这些产品涵盖了广泛的Singtel相关产品和服务，包括移动终端及配件、宽带解决方案、Singtel电视以及智能家居解决方案。我们预计，这一合资企业将进一步强化我们的战略投资组合。

石灰石矿开采权的剥离虽释放现金资源，但不会对集团的基础设施材料与服务板块产生任何影响。该业务板块专注于位于梧州市和岑溪市的预拌混凝土生产，以及中国岑溪市的建筑材料废弃物回收业务。中国国务院近期发布的法规旨在提升农村交通基础设施网络，改善与国家及省级公路的连接，促进城乡交通一体化<sup>(1)</sup>。该举措有望惠及本集团基础设施材料与服务板块，并与中国农村城镇化的国家战略方向相契合。

在全球贸易紧张局势持续和经济放缓的背景下，我们预计核心仓储与物流运营可能面临不断变化的挑战。尽管如此，我们仍致力于提升解决方案和服务质量，确保在竞争激烈的市场中持续满足客户不断变化的需求。我们正积极寻求增长机遇，通过精心规划的专项仓库扩建计划来为客户提供支持。这包括处理危险品、提供温控仓储，以及提供我们配套的增值库存管理和物流解决方案。由于我们在阿联酋迪拜的海外扩张项目（于2025年1月启动）尚处于初期阶段，我们同时专注于通过优化现有运营场所资产的利用率，以最大化可用空间，从而为长期增长奠定基础。

## 致谢与赞赏

我们衷心感谢各位董事在过去一年的指导和支持，并为此做出了宝贵贡献。

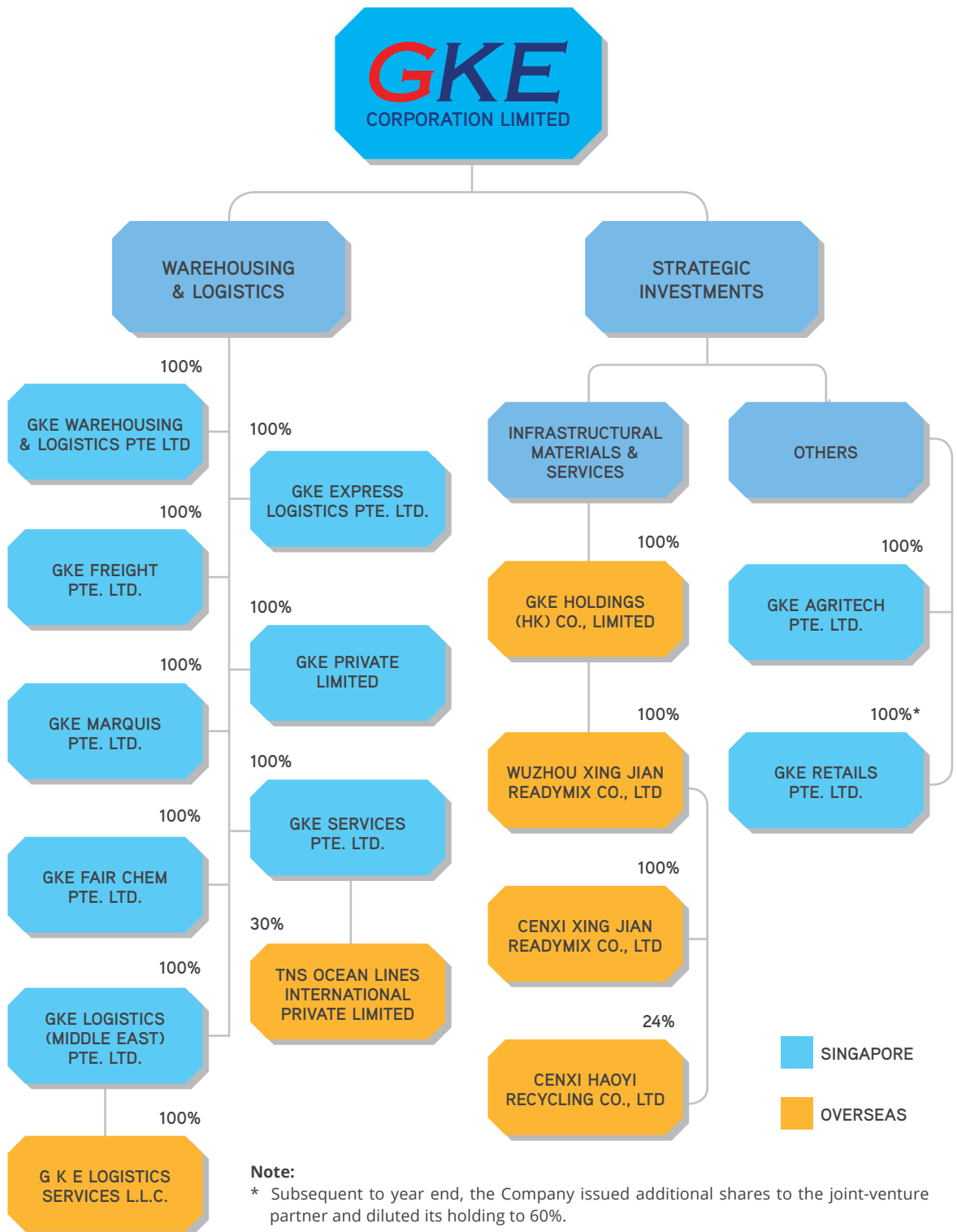
我们谨代表董事会，向锦佳集团全体成员，包括管理层和全体员工，致以最诚挚的谢意，感谢他们的辛勤付出。我们也衷心感谢客户、业务合作伙伴和银行家们的信任与支持，感谢他们与我们携手共进，共克时艰，共同追求更佳业绩。

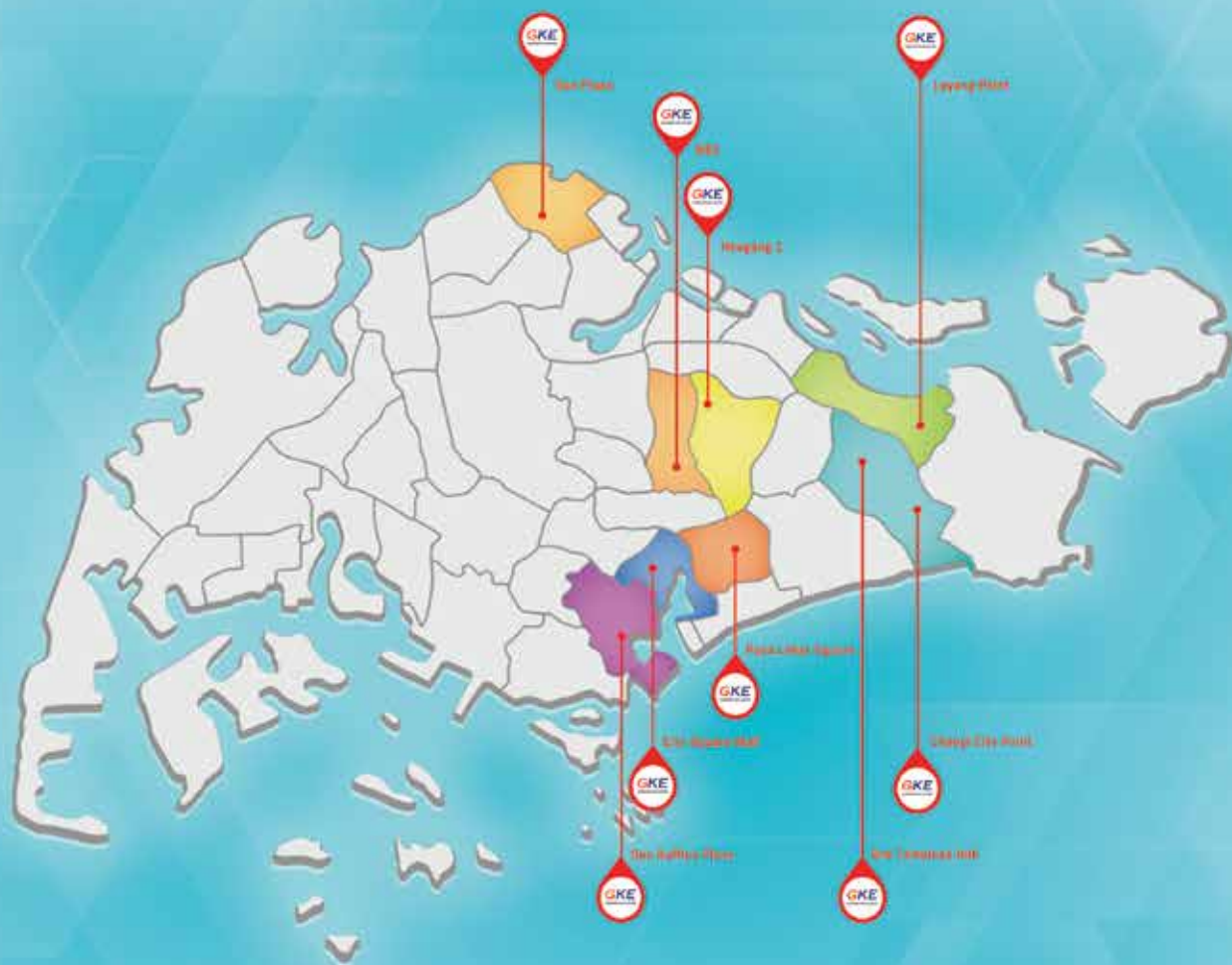
我们亦对股东们一如既往的支持深表感激。展望新的一年，我们仍将致力于巩固良好合作关系并实现新的里程碑。在所有利益相关方的持续支持下，我们对克服挑战并实现可持续盈利充满信心。

**CHEN YONG HUA 陈永华**  
执行主席兼执行董事

**NEO CHEOW HUI 梁昭辉（鹏飞）**  
首席执行官兼执行董事

注：参考：<sup>(1)</sup> <https://global.chinadaily.com.cn/a/202507/22/WS687f777ea310ad07b5d914ff.html>



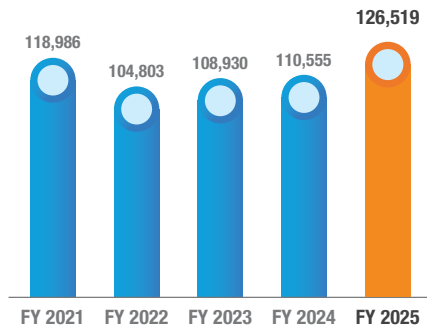


- CHANGI CITY POINT
- CITY SQUARE MALL
- HOUGANG 1
- LOYANG POINT
- NEX
- ONE RAFFLES PLACE
- ONE TAMPINES HUB
- PAYA LEBAR SQUARE
- SUN PLAZA

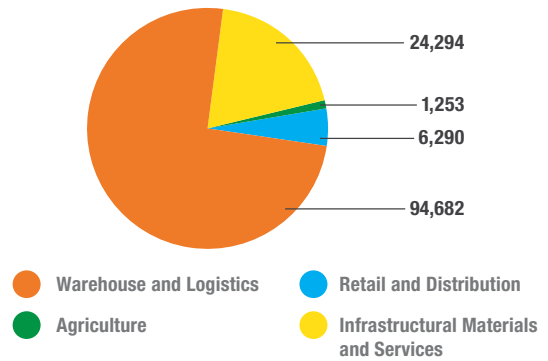


# GROUP FINANCIAL HIGHLIGHTS

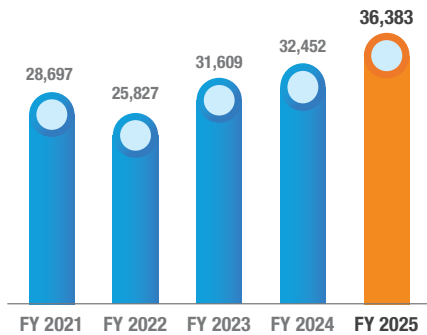
## REVENUE (S\$'000)



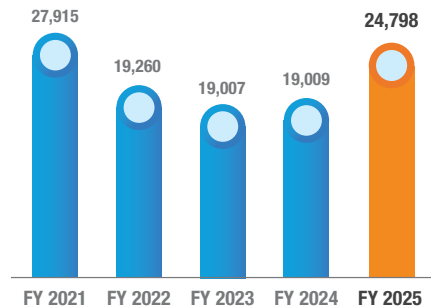
## REVENUE BY BUSINESS SEGMENT FY2025 (S\$'000)



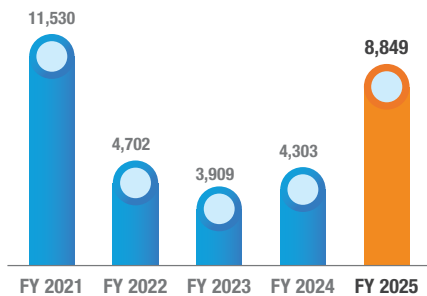
## GROSS PROFIT (S\$'000)



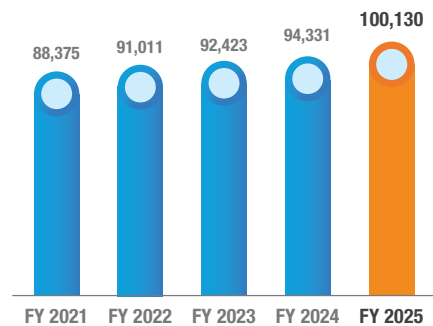
## EBITDA (S\$'000)



## PATMI (S\$'000)



## NET ASSETS VALUE (S\$'000)



# GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 MAY	2023	2024	2025
<b>For the Financial Year (S\$'000)</b>			
<b>Revenue</b>	108,930	110,555	<b>126,519</b>
<b>Profit</b>			
EBITDA	19,077	19,009	<b>24,798</b>
Before tax	6,882	6,760	<b>12,418</b>
After tax	3,909	4,303	<b>8,849</b>
<b>At Year-End (S\$'000)</b>			
Net assets	92,423	94,331	<b>100,130</b>
Net tangible assets	85,457	87,864	<b>94,530</b>
Shareholders' funds	92,423	94,331	<b>100,130</b>
Capital employed	156,860	143,810	<b>141,455</b>
Bank borrowings	54,383	42,319	<b>38,475</b>
Debt-to-equity ratio	58.8%	44.9%	<b>38.4%</b>
<b>Return on Shareholders' Funds</b>			
Profit before tax	7.4%	7.2%	<b>12.4%</b>
Profit after tax and minority interest	4.2%	4.6%	<b>8.8%</b>
<b>Per Share (SGD Cent)</b>			
Earnings (Basic)	0.50	0.56	<b>1.15</b>
Earnings (Diluted)	0.50	0.55	<b>1.14</b>
Net assets	11.92	12.22	<b>13.00</b>
Net tangible assets	11.02	11.39	<b>12.27</b>
<b>Shareholders' Value</b>			
Share price as at last trading day in May (S\$)	0.072	0.073	<b>0.082</b>
Dividend per share (SGD cent)	0.20	0.20	<b>0.40</b>

## Notes:

EBITDA – Earnings Before Interest, Taxes, Depreciation (exclude right-of-use assets) and Amortisation

Capital employed – Total Assets Less Current Liabilities

The Group reported a commendable set of earnings results for the financial year ended 31 May 2025 ("FY25"), attributed to its previous years of asset enhancement and prudent expansion efforts. Despite the ongoing challenges posed by global trade tensions and economic slowdown, the Group exhibited remarkable resilience.

During FY25, the Group's strategic investments, which encompass (i) infrastructural materials and services in China and (ii) agriculture, introduced a new business segment in the retail and distribution of lifestyle products in January 2025. This new business segment is established through a joint venture, **GKE** Retails, offering a wide range of Singtel-related products

and services such as mobile handsets and accessories, broadband solutions, Singtel TV, and smart home solutions in Singapore.

At the end of May 2025, the Group has successfully converted 30,000 square feet of general cargo storage into dangerous goods ("DG") cargo storage on the first level of the 39 Benoi Road warehouse. This conversion not only enhances revenue contributions from the higher-margin chemical warehousing but also offers added convenience for both new and existing customers who entrust the Group with their inventory management and logistics. This new DG cargo storage space commences operations in the financial year ending 31 May 2026 ("FY26").

## REVENUE ANALYSIS BY REPORTABLE BUSINESS SEGMENTS

FYE 31 May (S\$'000)	1H FY25	2H FY25	FY25	FY24	Variance
Warehousing and logistics	49,837	44,845	94,682	89,360	↑ 6.0%
Infrastructural materials and services	12,717	11,577	24,294	20,089	↑ 20.9%
Retail and distribution	-	6,290	6,290	-	N.M.
Agriculture	604	649	1,253	1,106	↑ 13.3%
<b>TOTAL</b>	<b>63,158</b>	<b>63,361</b>	<b>126,519</b>	<b>110,555</b>	<b>↑ 14.4%</b>

**Note:** N.M. denotes not meaningful.

The Group registered a record revenue of S\$126.5 million in FY25, an increase of 14.4% from S\$110.6 million in FY24. The increase was attributed to increased revenue across all reportable business segments, which was primarily driven by (i) higher income from container trucking, freight forwarding services, marine logistics, and high occupancy rates in the warehousing and logistics segment; (ii) an increase in sales volume of ready-mix concrete ("RMC") in the infrastructural materials and services segment; (iii) the initial contribution from the newly established retail and distribution business in the telecommunications sector; and (iv) improved sales of vegetable crops from the agriculture business.

In line with the revenue increase, gross profit rose by 12.1% year-on-year, from S\$32.5 million in FY24 to S\$36.4 million in FY25. The composite gross margin saw a slight decline from 29.4% in FY24 to 28.8% in FY25, attributed to the nature of the retail and distribution business. This decrease was partially offset by improvements in the gross margins of the warehousing and logistics, as well as the infrastructural materials and services segments.

Other income increased by 43.5% year-on-year, from S\$1.8 million in FY24 to S\$2.6 million in FY25. This was mainly due a one-off net gain from the divestment of the mining rights to the

# PERFORMANCE REVIEW

limestone mine and an 18% stake in Wuzhou Zi Wang Quarry Co., Ltd, which resulted in a pre-tax amount of S\$1.1 million in FY25.

Total operating expenses, comprising marketing and distribution expenses and administrative expenses, decreased slightly by 1.3% year-on-year from S\$24.7 million in FY24 to S\$24.3 million in FY25. The decline was mainly due to (i) higher expenses incurred on marketing activities; and (ii) an improvement in the allowance of expected credit loss for receivables in China of S\$3.2 million and professional fee of S\$0.1 million, which was partially offset by (iii) an increase in staff costs of S\$2.2 million; and (iv) start-up costs of S\$0.5 million for the retail and distribution business.

Finance costs decreased by 19.4% year-on-year, from S\$2.7 million in FY24 to S\$2.2 million in FY25, due to lower bank borrowings and a decrease in interest expense on lease liabilities.

Other expenses decreased from S\$0.2 million in FY24 to S\$55,000 in FY25, was mainly due to net foreign exchange losses.

Share of results from associate, Cenxi Haoyi Recycling Co., Ltd, decreased from a profit of S\$45,000 in FY24 to a loss of S\$23,000 in FY25, which stemmed from lower sales volume in FY25.

The effective tax rate fell from 36.3% in FY24 to 28.7% in FY25. This decline was primarily due to a reduction in losses incurred by certain subsidiary companies, as well as the reversal of an overprovision of tax expenses in FY25 compared to FY24.

The Group recorded a net profit attributable to shareholders of S\$8.8 million in FY25, a 105.6% increase from S\$4.3 million in FY24.

## FINANCIAL POSITION ANALYSIS

The Group's balance sheet remained robust, with shareholders' equity increasing from S\$94.3 million as at 31 May 2024 to S\$100.1 million as at 31 May 2025. This increase was primarily

attributed to the net profit generated during the financial year, although it was partially offset by a dividend payment of S\$1.9 million, a share buyback, and a reduction in other reserves resulting from foreign currency translation. The net asset value per share improved from 12.22 Singapore cents as at 31 May 2024 to 13.00 Singapore cents as at 31 May 2025, based on total outstanding shares of 771.7 million and 770.5 million, respectively.

Non-current assets decreased by approximately S\$6.5 million, declining from S\$118.2 million as at 31 May 2024 to S\$111.7 million as at 31 May 2025. This decline was primarily attributed to a reduction in the value of property, plant and equipment ("**PPE**"); the disposal of intangible assets and financial asset at fair value; a decrease in the value of investments in associates resulting from foreign currency fluctuations; and a reduction in deferred tax assets due to a lower allowance for expected credit losses on receivables in China.

Current assets rose by approximately S\$5.6 million, increasing from S\$66.9 million as at 31 May 2024 to S\$72.5 million as at 31 May 2025. The increase was primarily driven by an increase in inventories from the retail and distribution segment, along with an increase in cash and cash equivalents. However, the increase was partially offset by a decline in trade and other receivables, prepaid operating expenses, and derivative financial assets.

Non-current liabilities decreased by approximately S\$8.2 million, from S\$49.5 million as at 31 May 2024 to S\$41.3 million as at 31 May 2025. The decrease was mainly due to the reclassification of borrowings and lease liabilities to current liabilities.

Current liabilities increased by approximately S\$1.5 million, from S\$41.3 million as at 31 May 2024 to S\$42.8 million as at 31 May 2025. The increase was mainly due to the increase in other liabilities, borrowings and lease liabilities, which was partially offset by the decrease in trade and other payables and tax payable.



## CASH FLOW ANALYSIS

As at 31 May (S\$'000)	FY25	FY24	Variance
Net Cash generated from Operating Activities	22,478	21,758	↑ 3.3%
Net Cash (used in) Investing Activities	(4,875)	(2,227)	↑ 118.9%
Net Cash (used in) Financing Activities	(13,323)	(22,729)	↓ 41.4%
<b>Net Cash and Cash Equivalents</b>	<b>30,446</b>	<b>26,485</b>	<b>↑ 15.0%</b>

The Group generated approximately S\$22.5 million in net cash from operating activities in FY25, compared to S\$21.8 million in FY24. This amount includes positive operating cash flows before changes in working capital of S\$28.0 million, adjusted by net working capital outflow of S\$2.1 million and income taxes payments totalling S\$3.7 million.

Net cash used in investing activities amounted to S\$4.9 million in FY25, an increase from S\$2.2 million in FY24. This cash outflow was primarily attributable to the purchase of property, plant and equipment totalling S\$7.7 million, which was partially offset by the proceeds of S\$2.7 million

arising from the divestment of the mining rights to the limestone mine and the 18% stake in Wuzhou Zi Wang Quarry Co., Ltd.

Net cash used in financing activities amounted to S\$13.3 million in FY25, a decrease from S\$22.7 million in FY24. This was mainly due to the repayment of borrowings, repayment of principal portion of lease liabilities, and payment of dividends.

Taking into account on the above cash movements and exchange rate movement, cash and cash equivalents increased by S\$4.0 million to S\$30.4 million as at 31 May 2025.



# BOARD OF DIRECTORS



## **MR. CHEN YONG HUA**

### ***Executive Chairman and Executive Director***

Mr. Chen Yong Hua was appointed as Executive Chairman and Executive Director on 12 January 2012. He is responsible for leading the Board and ensuring the overall effectiveness of the Board and its Board Committees, as well as working alongside the Chief Executive Officer on strategies. He is also responsible for the oversight of the Group's infrastructural materials and services businesses in China.

Mr. Chen brings with him a wealth of experience in corporate leadership and management from his involvement in the operations of companies across various industries in China. These businesses include primary land development, quarrying, ready-mix concrete manufacturing, real estate development, logistics, and newspaper printing. Mr. Chen holds several directorships in a few private Chinese companies.



## **MR. NEO CHEOW HUI**

### ***Chief Executive Officer and Executive Director***

Mr. Neo Cheow Hui is the Chief Executive Officer and Executive Director of the Group. He is responsible for the oversight of the Group's businesses in Singapore, as well as the overall management of the Group, setting corporate direction, and leading the senior management in strengthening the Group's businesses and competitiveness for sustainable success. His extensive experience in the warehousing and logistics industry played a pivotal role in developing high-level strategies and making major corporate investments over the last 20 years.

Mr. Neo joined the Group in 1995, rose through the ranks to become the Chief Operating Officer in 2005, and was subsequently promoted to Chief Executive Officer and Executive Director on 3 January 2012.

# BOARD OF DIRECTORS



## **MR. LOY SOO CHEW**

### ***Lead Independent Director***

Mr. Loy Soo Chew was appointed as a Lead Independent Director of the Company on 15 April 2019. He is the Chairman of the Audit Committee and a member of both the Remuneration and Nominating Committees.

Mr. Loy has been the Group Managing Director of Kian Ann Group since 2014. He is primarily responsible for exploring and evaluating new business opportunities, as well as overseeing the day-to-day operations of the Group. Mr. Loy joined Kian Ann Group in 1996 as the Finance Manager, rose through the ranks to become the Executive Director, and was subsequently, promoted to Group Managing Director.

Mr. Loy obtained his Master of Business Administration from the University of Leeds in 2000 and graduated with a Bachelor of Business (major in Professional Accounting) from the University of Southern Queensland in 1996. He is an Associate of CPA Australia.



## **MR. WONG QUEE QUEE, JEFFREY**

### ***Independent Director***

Mr. Jeffrey Wong was appointed as an Independent Director of the Company on 15 April 2019. He is the Chairman of the Remuneration Committee and a member of both the Audit and Nominating Committees.

Mr. Wong has been a partner with Solitaire LLP since January 2023. Prior to joining Solitaire LLP, Mr. Wong was the Chief Executive Officer of Soochow CSSD Capital Markets (Asia) Pte. Ltd. and subsequently, its Senior Adviser. His preceding work experience with Religare Capital Markets ("RCM") group includes being Head of Investment Banking and Chief Operating Officer for RCM's international business. His career with UBS AG, Singapore branch, initially started as a member of the Transactions Legal team and, subsequently as an investment banker in the Equity Capital Markets team. Before joining UBS AG, Mr. Wong practised law at Allen & Gledhill LLP.

Mr. Wong graduated with a Bachelor of Laws (Honours) from the National University of Singapore in 2000. He completed the Chartered Valuer and Appraiser programme from Nanyang Technological University and obtained a Diploma in Regulatory Compliance from International Compliance Association. Mr. Wong is an advocate and solicitor of the Supreme Court of Singapore.

# BOARD OF DIRECTORS



**MS. GUO XIAOFEI**  
*Independent Director*

Ms. Guo Xiaofei was appointed as an Independent Director of the Company on 1 October 2024. She is the Chairwoman of the Nominating Committee and a member of both the Audit and Remuneration Committees.

Ms. Guo has been a partner with Shook Lin & Bok LLP (“**Shook Lin**”) since 2014 and heads Shook Lin’s China Practice. She specialises in Capital Market, M&A and foreign direct investment (FDI) in China. She advises Chinese private equity firms and financial institutions, as well as emerging companies and listed and state-owned companies. She has extensive experience in China-related IPOs, private and public takeovers in Singapore, FDIs in the PRC, and cross-border investment in Asia. She also advises high-net-worth PRC individuals on their family office and wealth planning. Ms. Guo joined Shook Lin in 2009. Prior to joining Shook Lin, she worked on China-related M&A and IPO transactions in another Singapore law firm.

Ms. Guo obtained her LLM degree from the National University of Singapore in 2007. She graduated with an LLB degree from the East China University of Politics and Law, PRC, in 2006.



## **MR. CHUA WEI CHYE LAWRENCE**

### ***Chief Financial Officer***

Mr. Lawrence Chua joined the Group in March 2016. Mr. Chua is responsible for Group's overall accounting and finance function including treasury, risk management and investor relations.

Prior to joining the Group, Mr. Chua held several head of finance positions with companies listed on the Singapore Exchange. He has accumulated experience in handling audit and initial public offering projects with one of the Big Four accounting firms.

Mr. Chua holds a Master in Business Administration from Manchester Business School. He is a fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom and a non-practising member of the Institute of Singapore Chartered Accountants.

## **MS. DOREEN CHAI HWEE HOON**

### ***Vice President***

Ms. Doreen Chai started the freight division for the Group since October 2004. She has been instrumental for the development and expansion of the freight and project logistics business units for the Group. Ms. Chai is responsible of the oversight of the sales and customer services of the Group's warehousing and logistics businesses.

Ms. Chai brings with her more than 20 years of experience in the freight forwarding industry and holds a Diploma in Business Studies.

## **MS. MARINA NEO HWEE LEE**

### ***Vice President***

Ms. Marina Neo joined the Group since its inception in 1995 and rose through the ranks to manage the Group's warehousing businesses. She is responsible for the day-to-day operations of the Group's warehousing and logistics businesses, which includes developing and managing of key customers accounts and overseeing the maintenance of the warehouse premises of the Group.

Ms. Neo graduated with a Bachelor Degree in Business Administration and Economics from Charles Sturt University.

# KEY MANAGEMENT

## **MR. CHEN JIANG NAN**

### ***Vice President***

Mr. Chen joined the Group in 2018 and he is responsible for the Human Resources, Procurement and Administrative function of the Group. He is also assisting the Executive Chairman in the oversight and management of the infrastructural materials and services operations in China.

Prior to joining the Group, Mr. Chen has been managing his personal business ventures in China and Australia.

Mr. Chen graduated with a Bachelor of Business from the University of Technology Sydney and holds a Master in Business Administration from De Monfort University.

## **MS. LI ZI YAN**

### ***Senior Investment Manager***

Ms. Li is the Investment Manager of the Group since February 2012. She is responsible for the investment management of **GKE** Holding (HK) Co., Limited and assists in the oversight of the Group's businesses in China.

Prior to joining the Group, Ms. Li held various positions as the Chief Executive Officer and Financial Controller in several large and medium-sized enterprises in China.

Ms. Li graduated with a Bachelor in Economics and Business Management from the Renmin University of China.

## **MR. TOH CHENG CHYE**

### ***Senior Group Finance Manager***

Mr. Toh joined the Group as a Finance Manager in March 2015 and was promoted to Senior Group Finance Manager. He is responsible for the Group's overall financial and management reporting.

Mr. Toh has more than 20 years of experience in accounting and finance function. Prior to joining the Group, he was the Finance Manager with various companies listed on the Singapore Exchange.

Mr. Toh graduated from the Association of Chartered Certified Accountants (ACCA), United Kingdom.

## **MS. VIVIAN TANG**

***Managing Director, GKE Services***

Ms. Vivian Tang joined the Group as Business Manager in April 2018. Since 2019, she has served as the Managing Director of **GKE** Services Pte. Ltd., where she is responsible for overseeing operations, managing customer relationships, and handling asset investments.

Ms. Tang has more than 10 years of experience in investment, operational management, and strategic business development.

Ms. Tang holds an Executive MBA from the National University of Singapore and a Master of Science from Nanyang Technological University.

## **MS. EVE LEOW**

***Managing Director, GKE Fair Chem***

Ms. Eve Leow joined the Group as General Manager in January 2022, and she was subsequently promoted to be the Managing Director of **GKE** Fair Chem Pte. Ltd. in June 2023.

Ms. Leow brings with her over 10 years of experience in the chemical industry. She is responsible for overseeing the operations and strategic direction of **GKE** Fair Chem's chemical business, with a focus on delivering value-added services, including customised toll blending, chemical repacking, chemical warehousing, and distribution.

Ms. Leow holds a Bachelor of Business and Management Studies from the University of Bradford.

## **MR. LI SHAN**

***Managing Director, GKE Retails***

Mr. Li has been appointed as the Managing Director of **GKE** Retails Pte. Ltd. ("**GKE Retails**"), a joint venture with the Group, effective from 20 March 2025. He is responsible for overseeing strategic planning, retail operations, and business expansion, with the aim of driving growth across **GKE** Retails' managed Singtel retail and franchise stores in Singapore and enhancing operational efficiency.

Mr. Li has more than 19 years of experience in distribution, retail expansion, and franchise operations in the telecommunications sector.

Mr. Li graduated with a Bachelor of Business Administration from the University of Sunderland, United Kingdom.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **Mr. Chen Yong Hua**

*Executive Chairman and Executive Director*

### **Mr. Neo Cheow Hui**

*Chief Executive Officer and Executive Director*

### **Mr. Loy Soo Chew**

*Lead Independent Director*

### **Mr. Wong Quee Quee, Jeffrey**

*Independent Director*

### **Ms. Guo Xiaofei**

*Independent Director*

## AUDIT COMMITTEE

**Mr. Loy Soo Chew** (*Chairman*)

**Mr. Wong Quee Quee, Jeffrey**

**Ms. Guo Xiaofei**

## REMUNERATION COMMITTEE

**Mr. Wong Quee Quee, Jeffrey** (*Chairman*)

**Mr. Loy Soo Chew**

**Ms. Guo Xiaofei**

## NOMINATING COMMITTEE

**Ms. Guo Xiaofei** (*Chairwoman*)

**Mr. Wong Quee Quee, Jeffrey**

**Mr. Loy Soo Chew**

## PRINCIPAL PLACE OF BUSINESS AND REGISTERED ADDRESS

39 Benoi Road #06-01

Singapore 627725

Tel: (65) 6261 7770

Fax: (65) 6266 2557

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

## COMPANY SECRETARIES

**Ms. Cheok Hui Yee** (*ACS, ACG*)

**Ms. Goh Xun Er** (*ACS, ACG*)

## AUDITOR

### **Ernst & Young LLP**

Public Accountants

and Chartered Accountants

One Raffles Quay

North Tower, Level 18

Singapore 048583

Partner-in-charge: Ms. Lim Huijing Amanda

Date of appointment: 1 June 2023

## CONTINUING SPONSOR

### **RHT Capital Pte. Ltd.**

36 Robinson Road #10-06

City House

Singapore 068877

Registered Professional: Mr. Josh Tan

## SHARE REGISTRAR

### **In.Corp Corporate Services Pte. Ltd.**

36 Robinson Road #20-01

City House

Singapore 068877

## PRINCIPAL BANKERS

### **United Overseas Bank Limited**

80 Raffles Place

UOB Plaza

Singapore 048624

### **DBS Bank**

12 Marina Boulevard

MBFC Tower 3

Singapore 018982

## INVESTOR RELATIONS

### **Octave FinComm Private Limited**

富登财经通讯私人有限公司

18 Robinson Road

Level 16 (Suite 1612)

18 Robinson

Singapore 048547

Website: [www.octavecomms.com](http://www.octavecomms.com)

Email: [enquiry@octavecomms.com](mailto:enquiry@octavecomms.com)



# REPORT OF CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) of GKE Corporation Limited (the “**Company**”) is committed to maintain a high standard of corporate governance for the Company and its subsidiaries (the “**Group**”). The Company believes that good corporate governance establishes and maintains an ethical environment and enhances the interests of all shareholders.

The Group is committed to set the corporate governance practices in place to be in line with the recommendations of the Code of Corporate Governance 2018 (the “**Code**”). This report sets out the Group’s main corporate governance practices that were in place throughout and/or during the financial year or which will be implemented and where appropriate, we have provided explanations for deviation from the Code.

## BOARD MATTERS

### The Board’s Conduct of its Affairs

***Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.***

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. Apart from its fiduciary duties, the Board provides strategic guidance for the Group and supervises executive management (the “**Management**”).

The Board’s roles are as follows:

- establish policies on matters such as financial control, financial performance and risk management procedures;
- establish goals for Management and monitors the achievement of these goals;
- provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- sets the Board diversity policy;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Company’s assets; and
- identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation.

All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are always obliged to act in good faith and objectively discharge their fiduciary duties and responsibilities and take objective decisions in the interests of the Company. The Board holds the Management accountable for performance. Directors facing conflicts of interest will recuse themselves from meetings, discussions and decisions involving the issues of conflict. Such Directors would abstain from voting and decision involving the issues of conflict.

To assist in the execution of its responsibilities, the Board is supported by three (3) Board Committees; namely the Audit Committee (the “**AC**”), the Nominating Committee (the “**NC**”) and the Remuneration Committee (the “**RC**”) (collectively, the “**Board Committees**”). The Board Committees operate within clearly defined Terms of Reference (“**ToR**”) and they play an important role in ensuring good corporate governance in the Company and within the Group. The ToR of the Board Committees are reviewed on a periodic basis to ensure their continued relevance.

# REPORT OF CORPORATE GOVERNANCE

Directors attend and actively participate in Board and Board Committees meetings. The Board holds regular scheduled meetings to review the Group's key activities, business strategies, funding decisions, financial performance and to approve the release of the results of the Group. Ad-hoc meetings are convened when circumstances require. Meetings via telephone are permitted by the Company's Constitution. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information to the proposed transaction. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The following table sets out the number of Board and Board Committees meetings held during FY2025 and the attendance of each Director at these meetings:

	Board		AC		NC		RC		AGM		EGM	
Name of Directors	No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	held	attended	held	attended	held	attended	held	attended	held	attended	held	attended
Chen Yong Hua	4	4	4	1*	1	0	1	0	1	0	1	0
Neo Cheow Hui	4	4	4	4*	1	1*	1	1*	1	1	1	0
Loy Soo Chew	4	4	4	4	1	1	1	1	1	1	1	1
Wong Quee Quee, Jeffrey	4	4	4	4	1	1	1	1	1	1	1	1
Guo Xiaofei <sup>(1)</sup>	4	3	4	3	1	1	1	1	1	0	1	1
Ho Ying Ming <sup>(2)</sup>	4	1	4	1*	1	0	1	0	1	0	1	0
Andrew Chua Thiam Chwee <sup>(3)</sup>	4	1	4	1	1	0	1	0	1	1	1	0

Notes:

\* By invitation

- (1) Ms. Guo Xiaofei was appointed as an Independent Director and as Chairwoman of the NC and member of the AC and RC respectively on 1 October 2024.
- (2) Mr. Ho Ying Ming has stepped down as an Independent Director with effect from 28 September 2024 in view of the nine (9) year tenure limit for independence as prescribed under Rule 406(3)(d)(iv) of Section B: Rules of Catalist (the "**Catalist Rules**") of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). He also ceased to be the Chairman of the RC and member of the NC with effect from the same date.
- (3) Mr. Andrew Chua Thiam Chwee has stepped down as an Independent Director with effect from 28 September 2024 in view of the nine (9) year tenure limit for independence as prescribed under Rule 406(3)(d)(iv) of the Catalist Rules. He also ceased to be the Chairman of the NC and member of the AC with effect from the same date.

The Group has adopted a set of internal guidelines setting forth financial authorisation and approval limits for investments, acquisitions and disposals. Transactions falling outside the ordinary course of business and where the value of a transaction exceeds these limits have to be approved by the Board.

The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are those involving:

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;

# REPORT OF CORPORATE GOVERNANCE

- nominations of Directors for appointment to the Board and appointment of key personnel;
- announcements of interim and full-year results, the annual report and financial statements, circulars and all other announcements broadcasted via SGXNet;
- material acquisitions and disposal of assets; and
- matters of strategic importance.

The Directors are also updated regularly with respect to changes to the Catalist Rules, risk management, corporate governance, insider trading, key changes in the relevant regulatory requirements, financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committee members.

News releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority (“ACRA”) which are relevant to the Directors are circulated to the Board. Annually, the external auditor updates the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of their duties and responsibilities. Changes to regulations and accounting standards are monitored closely by Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Catalist Rules that affect the Company and/or the Directors in discharging their duties. The expenses of training programs provided to the Directors will be borne by the Company.

All newly appointed Directors will be briefed on the business activities of the Group and its strategic goals and will undergo an orientation program with materials provided to help them get familiarised with the business and organisation structure of the Group. The Company will arrange and fund the requisite training as prescribed by the SGX-ST under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules within one (1) year from the date of appointment for any newly appointed directors who do not possess any prior experience as a director of a Singapore public-listed company. Management will provide the Directors with complete, adequate and timely information prior to the Board and Board Committees meetings and regularly updates and familiarises the Directors on the business activities of the Group on an on-going basis and during Board meetings, to enable the Directors to make informed decisions and discharge their duties and responsibilities. To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operational facilities and meet with Management. In line with the amendments to the Catalist Rules on 1 January 2022, all the Company's Directors have signed up for the sustainability training courses prescribed by the Singapore Exchange Regulation and have attended the sustainability training courses as at the date of this Annual Report.

A formal letter of appointment would be furnished to every newly appointed Director upon his or her appointment explaining, among other matters, his or her role, obligations, duties and responsibilities as a member of the Board.

The Board has separate and independent access to Management, the Company Secretaries, and external advisers (where necessary) at the Company's expense at all times. The role of the Company Secretaries includes responsibility for ensuring the Board's procedures are followed and that the applicable rules and regulations are complied with. The Company Secretaries attend and prepare minutes of meetings of the Board and Board Committees and assist the Board in ensuring that the Company complies with the relevant statutory requirements. The appointment and removal of the Company Secretaries are subject to the approval of the Board as a whole.

# REPORT OF CORPORATE GOVERNANCE

## Board Composition and Balance

***Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.***

Presently, the Board comprises two (2) Executive Directors and three (3) Independent Directors:

### **Executive Directors**

Mr. Chen Yong Hua (Executive Chairman)

Mr. Neo Cheow Hui (Chief Executive Officer)

### **Independent Directors**

Mr. Loy Soo Chew (Lead Independent Director)

Mr. Wong Quee Quee, Jeffrey

Ms. Guo Xiaofei

Details of the Directors' qualifications and experience are set out on pages 16 to 18 of this Annual Report.

The NC is of the view that the current Board, with Independent Directors making up a majority of the Board, has a strong and independent element to exercise objective judgment on corporate affairs.

The NC considers an Independent Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. The NC conducts its review annually to determine the independence of each Independent Director which take into the consideration the definition set out in the Code and Rule 406(3)(d) of the Catalist Rules.

As at the date of this report, none of the Independent Directors has served on the Board beyond nine (9) years since the date of his or her first appointment.

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

The Independent Directors are respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary. The Board comprises individuals who carry specialist backgrounds in accounting, finance, business and management, strategic planning and law.

The Board recognises the benefits of diversity in gaining new ways of thinking, insights and different perspectives to the Company, which will result in productivity and quality of board deliberations and discussions. In line with the Code and Rule 710(A) of the Catalist Rule of the SGX-ST, the Board has adopted a formal Board Diversity Policy (the "BDP") to outline its approach for enhancing diversity within the Board.

According to the BDP, the Board, with the assistance of the NC, will periodically review its composition, at least on an annual basis. The assessment will take into account, amongst others, the various benefits stemming from diversity, including but not limited to skills, business experience, industry expertise, gender, age, and distinctive qualities of Directors, both on an individual basis and as a group. This evaluation will be conducted within the context, nature and extent of the Group's operations and business. In addition, the BDP stipulates that a search firm to be engaged, where required, to assist the Board or any committee of the Board in identifying candidates for appointment to the Board will be obligated to include diversity. The final decision regarding the appointment of Directors to the Board will be based on their merit, taking into consideration their relevant skills, experience, independence, and knowledge for the effective functioning of the Board, as well as a range of diversity aspects and perspective as described in the BDP to promote and encourage boardroom diversity.

# REPORT OF CORPORATE GOVERNANCE

In this regard, the NC is responsible for:

- (a) ensuring that boardroom diversity objectives are adopted and implemented effectively and practically in processes such as Board recruitment, Board performance evaluation and succession planning; and
- (b) formulating and establishing the relevant measurable objectives and targets to promote and achieve diversity of the Board. The NC will then make its recommendations for consideration and approval by the Board.

In consultation with the NC, the Board will conduct an annual review to assess if the existing attributes and core competencies of the Board are complementary and contributes to the efficacy of the Board and ensure that the objectives of the BDP are met and remain effective for the Company. This enables the Board to maintain or enhance balance and diversity within the Board. The Board has the option to enhance various aspects of its diversity whenever deemed necessary. For FY2025, the Board has a good mix of Directors in different age groups, skill sets and experience.

The diversity profile in relation to the age group, gender, nationality and race of the current Board members as at 31 May 2025 is as follows:

Age Group	
40-50	51-60
2	3

Gender	
Male	Female
4	1

Nationality	
Singaporean	Others
5	0

Race	
Chinese	Others
5*	0

Note: \* includes Singapore Citizen

The Board strongly views that diversity of the Board's composition is important to facilitate optimal decision-making by harnessing different insights and perspectives. Whilst the capital market experience is of importance to the Board, a high-performance board should ideally comprise directors with a wide variety of backgrounds, experience and skills. The skills, knowledge and experience to be considered include accounting or finance related, business and management experience, research and development, legal or corporate governance, relevant industry knowledge, strategic planning, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls. For FY2025, the NC has reviewed and is of the view that the current size of five (5) Directors for the Board composition is appropriate, considering the nature and scope of the Group's operations. The current Board composition represents a well-balanced of skills, experience, expertise and knowledge of the Group to facilitate effective decision-making.

In terms of gender diversity, the Board is of the view that gender is an important aspect of diversity and will strive to ensure that female candidates will be included for consideration whenever there is a new appointment, and female representation on the Board is continually improved over time. The Board also commits to appointing at least one (1) female Director to the NC. Currently, one (1) of the five (5) members is female and the female Independent Director is also a member of the NC. The NC has assessed the current level of diversity on the Board to be satisfactory and the Company takes the approach that maintaining a satisfactory level of diversity as an ongoing process. The targets to ensure the existing skill sets and core competencies of the Board are complementary and enhances the efficiency of the Board and to achieve diversity on the Board are assessed from time to time, based on the composition of the Board and operations of the Group at the relevant time.



# REPORT OF CORPORATE GOVERNANCE

The Independent Directors participate actively during Board meetings. Independent Directors constructively challenge and help develop proposals on strategy; and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. The Independent Directors contribute accounting and finance knowledge, legal expertise and business management experience to the Group, and provide the Executive Directors and the Management with diverse and objective perspectives on issues considered by the Board. They also discuss regularly without the presence of Management matters such as the changes that they like to see in Board processes, corporate governance initiatives, and matters which they wish to discuss during the Board meetings.

The Company has benefited from the Management's access to its Directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The Independent Directors communicate amongst themselves and with the Company's auditor and Management.

## **Chairman and Chief Executive Officer**

***Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

There is a clear division of responsibilities between the Chairman and Chief Executive Officer (the "CEO"), which ensures there is a balance of power, increased accountability and greater capacity for the Board in terms of independent decision making. Mr. Chen Yong Hua is the Executive Chairman while Mr. Neo Cheow Hui is the CEO. The Chairman is responsible for the formulation of the Group's strategic, direction and expansion plans, while the CEO is responsible for the conduct of the Group's daily business operations.

The Chairman also encourages constructive relations between the Board and Management and between the Executive Directors and Independent Directors, as well as effective communication with shareholders. To facilitate effective contribution of directors, and in particular, the Independent Directors, the Chairman ensures that relevant information on business initiatives, industry developments and press commentaries on matters relating to the Company or the industries in which it operates are circulated to the Board members on a continuous basis so as to enable them to be updated and thereby enhance the effectiveness of the Independent Directors and the Board as a whole. The Chairman and the CEO are not related to each other nor are immediate family members.

The Chairman takes a leading role in the Company's drive to achieve, promote and maintain a high standard of corporate governance with the support of the directors, the Management and the Company Secretaries.

All major decisions made by the Board are reviewed and approved by majority of the Board.

Notwithstanding that the Executive Chairman, Mr. Chen Yong Hua, is part of the management team and is not considered an Independent Director, the Company remains in compliance with Provision 3.3 of the Code, where Mr. Loy Soo Chew has been appointed as the Lead Independent Director of the Company on 15 April 2019 to lead and co-ordinate activities of Independent Directors and providing a channel to non-executive directors for confidential discussions on any concerns and to resolve conflicts of interests as and when necessary. In addition, the Lead Independent Director may also help the NC to conduct annual performance evaluation and develop succession plans for the Chairman and CEO as well as to help the RC to design and assess the Chairman's remuneration. The Lead Independent Director is the main liaison on Board issues between the Independent Directors and the Chairman and is available to shareholders where they have concerns when contact through the normal channels of the Chairman, the CEO, or the Chief Financial Officer (the "CFO") has failed to resolve or where such communication is inappropriate or inadequate.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors, where necessary, and the Lead Independent Director will provide feedback to the Chairman after such meetings.

The Board believes that the Independent Directors have demonstrated high commitment in their role as Directors and there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

# REPORT OF CORPORATE GOVERNANCE

## Board Membership

***Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.***

The NC currently comprises three (3) Independent Directors, all of whom, including the Chairwoman are independent. The NC members are:

### **Nominating Committee**

Ms. Guo Xiaofei (Chairwoman)

Mr. Wong Quee Quee, Jeffrey

Mr. Loy Soo Chew

In view that all members of the NC are Independent Directors, the Board is of the view that there is sufficient element of independence in the committee.

The NC is regulated by its ToR and its principal functions include the following:

- to appoint new Directors and re-nominate existing Directors, having regard to their contribution and performance;
- to assess the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board;
- to determine on an annual basis whether or not a Director is independent;
- to decide whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company, particularly when the Director has multiple board representations;
- to review the training and professional development programs for the Board; and
- to review the Board succession plans for Directors, in particular, the Chairman, the CEO and key management personnel ("**KMP**").

### *Process for appointing of new directors*

The NC has recommended, and the Board has approved, a formal process for the selection of new Directors as follows:

- (a) The NC evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with Management, prepares a description of the role and the essential and desirable competencies for a particular appointment;
- (b) Directors and Management may suggest suitable potential candidates. If necessary, the NC may enlist external help (for example, from Singapore Institute of Directors, search consultants or advertisements) to source for potential candidates;
- (c) The NC assesses suitability of short-listed candidates and discusses with them, if necessary, to ensure that the candidates are aware of the expectations and the level of commitment required; and
- (d) The NC makes recommendations to the Board for approval.

# REPORT OF CORPORATE GOVERNANCE

All Directors are to submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. The Company's Constitution provides that one-third of the Board for the time being shall retire from office by rotation at each Annual General Meeting ("AGM") of the Company. In addition, the Company's Constitution also provides that newly appointed Directors are required to submit themselves for re-election at the AGM of the Company immediately following their appointments.

Each member of the NC shall abstain from voting on any resolutions in respect to his or her re-nomination as a Director. Mr. Neo Cheow Hui, Mr. Loy Soo Chew and Ms. Guo Xiaofei will be retiring at the forthcoming AGM pursuant to the Company's Constitution. Mr. Neo Cheow Hui, Mr. Loy Soo Chew and Ms. Guo Xiaofei, being eligible, has each consented to stand for re-election as Directors of the Company at the forthcoming AGM.

For the financial year under review, the NC is of the view that the Independent Directors of the Company are independent (as defined under Principle 2 as set out in page 26 of this Annual Report) and are able to exercise judgment on the corporate affairs of the Group that is independent of the Management.

Despite some of the Directors having other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold as it would not adequately take into account the varied circumstances of each Director. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when they deem fit. The Company currently does not have any alternate Directors.

Details of the Directors' academic and professional qualifications and directorships both present and those held over the preceding three (3) years in other listed companies and other principal commitments are set out on pages 16 to 18 and 42 to 50 of the Annual Report.

The key information regarding Directors is set out below:

Name of Director	Board Appointment Executive / Non-Executive	Board Committees as Chairperson or Member	Directorship Date First Appointment / Date of Last Re-Election	Due for Re- Election / Re-Appointment on forthcoming Annual General Meeting
Mr. Chen Yong Hua	Executive Chairman and Executive Director	Board Member	12 January 2012 / 27 September 2024	–
Mr. Neo Cheow Hui	Chief Executive Officer and Executive Director	Board Member	21 July 2005 / 29 September 2022	✓
Mr. Loy Soo Chew	Lead Independent Director	Board Member, Chairman of AC and Member of RC and NC	15 April 2019 / 29 September 2022	✓
Mr. Wong Quee Quee, Jeffrey	Independent Director	Board Member, Chairman of RC, Member of AC and NC	15 April 2019 / 27 September 2024	–
Ms. Guo Xiaofei	Independent Director	Board Member, Chairwoman of NC, Member of AC and RC	1 October 2024 / Not applicable	✓

Note: Information on the Directors' shareholding in the Company is set out in the Directors' Statement.

# REPORT OF CORPORATE GOVERNANCE

## Board Performance

***Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.***

The NC determines how the Board's performance may be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Board has enhanced long-term shareholders' value. The performance evaluation takes into consideration the Company's share price performance vis-à-vis the Singapore Straits Times Index. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution from each individual Director to the effectiveness of the Board.

The Board and the NC have endeavoured to ensure that the Directors appointed to the Board possess the relevant experience, knowledge and expertise that are critical to the Group's business.

During the financial year under review, the Directors were requested to complete the evaluation form of the Board as a whole, Board Committees and individual Directors respectively to assess the overall effectiveness of the Board, Board Committees and individual Directors. The results of the evaluation exercise were considered by the NC which then made recommendations to the Board on enhancements to improve the effectiveness of the Board as a whole.

The NC, having reviewed the performance of the Board as a whole, Board Committees and each individual Director, is of the view that the performances of the Board, Board Committees and each individual Director have been satisfactory and met their performance objectives. No external facilitator was used in the evaluation process for FY2025.

All NC members have abstained from voting or review process of any matters in connection with the assessment of his or her own performance.

The NC meet at least once a year, and as warranted by circumstances, to discharge its function. In FY2025, one (1) NC meeting was held.

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

***Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.***

The RC comprises the following three (3) Directors, all of whom are Independent Directors:

#### **Remuneration Committee**

Mr. Wong Quee Quee, Jeffrey (Chairman)

Mr. Loy Soo Chew

Ms. Guo Xiaofei

The members of the RC carried out their duties in accordance with the ToR which include recommending to the Board, a framework of remuneration for each Director.

The RC recommends to the Board a framework for the remuneration for the Board and KMP and to determine specific remuneration packages for each Executive Director which is based on transparency and accountability.

# REPORT OF CORPORATE GOVERNANCE

The RC is governed by its ToR and its key functions include:

- reviewing and recommending to the Board a framework of remuneration for all Directors of the Company and key Management;
- reviewing the service contracts of the Executive Directors; and
- reviewing and submitting its recommendations for endorsement by the Board.

The RC was formed with the mandate to oversee the general compensation of key employees of the Group with a goal to motivate, recruit and retain employees and Directors through competitive compensation and progressive policies.

Each member of the RC will refrain from voting on any resolution in respect of the assessment of his or her own remuneration. No Director will be involved in determining his or her own remuneration.

The RC has access to professional advice from experts outside the Company on executive remuneration matters as and when necessary. In accessing the professional advice from experts outside the Company, the RC will ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company will also disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration professionals have any such relationships with the Company. The Company did not engage any remuneration consultants during FY2025.

In addition to the above, the RC will also review the Company's obligations in the event of termination of the Executive Directors' and KMP's contracts of service, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoids rewarding poor performance.

The RC meets at least once a year, and as warranted by circumstances, to discharge its function. In FY2025, one (1) RC meeting was held.

## Level and Mix of Remuneration

***Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.***

The Company has a remuneration policy, which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and a variable bonus respectively, and take into account the performance of the Company as a whole and the performance of the individual Director and the KMP so as to align remuneration with the interests of shareholders and link rewards to corporate and individual performance.

The remuneration packages for the Executive Directors and KMP will be reviewed by the RC annually to ensure that the remuneration commensurate with the level of contribution, taking into account factors such as effort and time, and responsibilities of the Executive Directors and KMP. For FY2025, the RC is satisfied that the performance conditions for the Executive Directors and KMP were met.

On September 2021, shareholders approved the GKE Employee Share Option Scheme 2021 (the "GKE ESOS 2021"). The GKE ESOS 2021 is administered by the RC (the "Administration Committee").

The primary objective of establishing the GKE ESOS 2021 is to attract, reward, retain and motivate the Group's Directors and key employees so as to strengthen the Group's competitiveness and build a sustainable long-term business. Allowing the Group's Directors and high performing employees to participate in the equity of the Company will encourage them to achieve a higher standard of performance and promote loyalty to the Company and the Group.



# REPORT OF CORPORATE GOVERNANCE

In addition, by fostering a greater ownership culture within the Group, GKE ESOS 2021 would engender the alignment of the interest of employees with that of the shareholders. This long-term shareholder value through sustainable growth is achieved through increased performance standards and efficiency of key employees. In addition, the participatory style of management promotes greater commitment and a stronger sense of identification towards the Group amongst the employees.

Under GKE ESOS 2021, a Participant will be granted the right to subscribe for shares (“Options”). An Option represents the right of the Participant to receive fully paid shares upon payment of the Exercise Price (as defined and determined under the GKE ESOS 2021) within the Exercise Period (as defined in the GKE ESOS 2021). The Exercise Price and Exercise Period shall be determined by the Administration Committee in its absolute discretion in accordance with the GKE ESOS 2021.

The Independent and Non-Executive Directors do not enter into service agreements with the Company. They are paid with Directors’ fees, the amount of which is dependent on their level of responsibilities. The Company will submit the quantum of Directors’ fees for the coming year to the shareholders for approval at each AGM. Save for Directors’ fees and ESOS as disclosed in Principle 8 on page 33 of this report, the Independent Directors do not receive any other remuneration from the Company in FY2025.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. As the Executive Directors owe a fiduciary duty to the Company and enter into employment agreements with the Group, the Group should be able to avail itself to remedies against the Executive Directors in the event of breach of fiduciary duties or contract.

## Disclosure on Remuneration

***Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

The disclosure on remuneration is provided to enable investors to understand the link between the remuneration paid to Directors and Management, and corporate and individual performance. A breakdown of the remuneration of Directors for FY2025 is set out below.

Directors Names	Directors’ Fees <sup>(1)</sup> (%)	Salary (%)	Bonus (%)	Benefits <sup>(2)</sup> (%)	Total (S\$)
Chen Yong Hua	0	39	59	2	1,054,724
Neo Cheow Hui	0	38	57	5	1,088,618
Loy Soo Chew	98	0	0	2	55,017
Wong Quee Quee, Jeffrey	98	0	0	2	44,017
Guo Xiaofei <sup>(3)</sup>	100	0	0	0	32,000
Andrew Chua Thiam Chwee <sup>(4)</sup>	92	0	0	8	10,900
Ho Ying Ming <sup>(4)</sup>	100	0	0	0	10,000

Notes:

- (1) These fees were approved by the shareholders at the previous AGM held on 27 September 2024.
- (2) Inclusive of share based payment expenses.
- (3) Ms. Guo Xiaofei was appointed as an Independent Director on 1 October 2024.
- (4) Mr. Andrew Chua Thiam Chwee and Mr. Ho Ying Ming have stepped down as an Independent Director with effect from 28 September 2024 in view of the nine (9) year tenure limit as prescribed under Rule 406(3)(d)(iv) of the Catalist Rules. The fees shown were prorated in accordance with their serving period as a Director in FY2025.

# REPORT OF CORPORATE GOVERNANCE

The level and mix of top six (6) existing KMP who are not Directors or the CEO of the Company for FY2025 are set out below:

Name of KMP	Salary %	Bonus %	Benefits %	Total %
<b>≥S\$500,001 to S\$750,000</b>				
Neo Hwee Lee, Marina <sup>(1)</sup>	51	47	2	100
Chai Hwee Hoon, Doreen	52	46	2	100
<b>≥S\$250,001 to S\$500,000</b>				
Chua Wei Chye Lawrence	57	40	3	100
Chen Jiang Nan <sup>(2)</sup>	60	38	2	100
<b>Below S\$250,000</b>				
Li Zi Yan	79	18	3	100
Toh Cheng Chye	72	25	3	100

Details of remuneration paid to the immediate family member of Directors, the CEO or a substantial shareholder of the Company for FY2025 are as follows:

Name of Immediate Family Member	Salary %	Bonus %	Benefits %	Total %
<b>≥S\$500,001 to S\$750,000</b>				
Neo Hwee Lee, Marina <sup>(1)</sup>	51	47	2	100
<b>≥S\$250,001 to S\$500,000</b>				
Chen Jiang Nan <sup>(2)</sup>	60	38	2	100

Notes:

- (1) Ms. Neo Hwee Lee, Marina is the sister of Mr. Neo Cheow Hui.
- (2) Mr. Chen Jiang Nan is the son of Mr. Chen Yong Hua.

Except as disclosed above, there were no employees who were immediate family members of a Director, the CEO or a substantial shareholder of the Company whose remuneration exceeds S\$100,000 in the Group's employment during the financial year under review. For FY2025, the aggregate total remuneration paid to the KMP (who are not Directors or the CEO) of the Company amounted to S\$2,510,845.

There were no terminations, retirement or post-employment benefits granted to the Directors, the CEO and KMP other than the standard contractual notice period termination payment in lieu of service for the financial year ended 31 May 2025.

In view of confidentiality of remuneration matters, the Board is of the opinion that it is in the best interests of the Group not to disclose the exact details of the remuneration of the KMP and immediate family members in the Annual Report and that the disclosure is based on the above remuneration bands as appropriate.

## ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

***Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.***

The Board recognises its responsibilities over the governance of risks and has set in place management procedures for ensuring a sound system of risk management and internal controls. These procedures include introducing a structured Enterprise Risk Management ("ERM"), management reviews of key transactions, and the assistance of independent consultants such as the Group's external and internal auditors to review financial statements and internal controls covering key risk areas.

The Group has started implementing an ERM programme in stages which cover the following areas:

- **Structured ERM Reporting Processes**

An overall framework for risk management has been documented in a manual to be disseminated to personnel responsible for oversight of risks and operations of risk countermeasures. This ERM manual includes the ToR of the various personnel and committee responsible for monitoring and managing risks in the Group. The ERM process also requires ongoing identification of key risks to the Company. Risk workshops attended by KMP were conducted to provide a structured approach of identification and assessment of risks.

- **Risk Appetite of the Group**

The Group relies on Management to monitor day to day operations while subjecting key corporate decisions, such as investments or acquisitions of businesses to Board approval. The Group's performance is monitored closely by the Board periodically and any significant matters that might have an impact on the operating results are required to be brought to the immediate attention of the Board.

The Group has also taken a strict stance towards avoiding any risks that might result in breaching relevant laws and regulations and risks that could adversely affect the reputation of the Group. Active efforts are also in place to manage risks within impact such as transferring them to third party insurers or having internal control procedures to better mitigate the likelihood of their occurrence. Internal audits will be regularly conducted to assess the ongoing compliance with the established controls to address key risk areas where applicable.

- **Risk Assessment and Monitoring**

Based on the ERM framework, the nature and extent of risks to the Group will be assessed regularly by KMP and risk reports covering top risks to the Group will be submitted to the AC on annual basis. A set of risk registers to document risks arising from this ERM exercise has also been established to document all key risks and the corresponding countermeasures will be updated whenever new risks emerge or when there are applicable changes in the business environment.

In addition to the above ERM reports, the Board has also received written assurance from the CEO and the CFO that:

- (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (ii) the Company's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology risks.

# REPORT OF CORPORATE GOVERNANCE

## Assessment of the Adequacy of Internal Controls

The Board, with the concurrence of the AC, is of the opinion that, the system of internal controls and risk management maintained by Management throughout the FY2025 is adequate and effective to address the financial, operational, compliance and information technology risks.

The Board and the AC are of the opinion that, the Company's internal controls including financial, operational, compliance, and informational technology controls, and risk management systems were adequate and effective based on:

- the internal controls established and maintained by the Group;
- reports issued by the internal and external auditors;
- risk reports arising from the ERM exercise;
- regular reviews performed by the Management, and annual review undertaken by AC and the Board; and
- confirmation by the Management.

The AC, the Executive Directors and the CFO will continue to review and strengthen the Group's controls environment and allocate more resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

## Audit Committee

### ***Principle 10: The Board has an AC which discharges its duties objectively.***

The AC currently comprises the following three (3) Directors:

#### **Audit Committee**

Mr. Loy Soo Chew (Chairman)

Mr. Wong Quee Quee, Jeffrey

Ms. Guo Xiaofei

The Company has adopted the written ToR clearly setting out the roles and responsibilities of the AC.

The AC schedules a minimum of four (4) meetings in each financial year and the Board is of the view that the members of the AC have sufficient and financial management knowledge and experience to discharge their responsibilities as members of the AC. The primary function of the AC are as follows:

- Reviewing the audit plans of the internal and external auditors of the Group and the Company, and reviewing the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the internal and external auditors;
- Reviewing the interim and full-year financial statements and the Auditor's Report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewing effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Meeting with the internal and external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

# REPORT OF CORPORATE GOVERNANCE

- Reviewing legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewing the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewing the nature and extent of non-audit services provided by the external auditor;
- Recommending to the Board of Directors the external auditor to be nominated, approving the compensation of the external auditor, and reviewing the scope and results of the audit;
- Reporting actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate;
- Reviewing interested person transactions in accordance with the requirements of the Catalist Rules; and
- Reviewing the assurance from the CEO and the CFO on the financial records and financial statements.

In addition, the AC is given the task of commissioning investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Company's operating results or financial position, and to review the findings thereof. The AC has also conducted reviews of interested person transactions.

The AC recommends to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditor and approves the remuneration of the external auditor. The AC has recommended to the Board that Ernst & Young LLP be nominated for the re-appointment as the external auditor of the Company at the forthcoming AGM.

The AC meets with the internal and external auditors without the presence of Management at least once annually to review the adequacy of audit arrangements, the internal controls established by the Management and the independence, objectivity and observations of the auditors.

During the year, the AC reviewed the financial statements of the Company before the announcement of the Company's financial results. The AC also reviewed and approved both the Company's external auditor's plans to ensure that the plans covered sufficiently the terms of audit scope in reviewing the significant internal controls of the Company. Such significant controls comprise financial, operational and compliance controls. All audit findings and recommendations put by the external auditor were forwarded to the AC. Significant issues were discussed at these meetings.

In addition, the AC undertook on the independence and objectivity of the external auditor through discussions with the external auditor, as well as reviewing the non-audit fees awarded to the external auditor and has confirmed that the non-audit services performed by the external auditor would not affect its independence. Fees paid or payable by the Group to external auditor for non-audit services and audit services for FY2025 amounted to S\$34,000 and S\$272,000 respectively.

In the review of the financial statements for FY2025, the AC had discussed with Management and the external auditor on changes to accounting standards and significant issues and assumptions that impact the financial statements. The most significant matter had also been included in the Independent Auditor's Report to the members of the Company under "**Key Audit Matter**". In assessing the Key Audit Matter, the AC took into consideration the approach, methodology and the key assumptions applied in the review of the Key Audit Matter as provided in the Independent Auditor's Report. The AC concluded that Management's accounting treatment and estimates in the Key Audit Matter were appropriate.

The Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the engagement of its external auditor.



# REPORT OF CORPORATE GOVERNANCE

The Group has implemented a “Whistle-Blowing Policy” whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

- (i) independent investigations are carried out in an appropriate and timely manner;
- (ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- (iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

Details of the whistle-blowing policy, together with the dedicated whistle-blowing communication channels have been made available to all employees of the Company. Identity of the whistleblower is kept confidential at all times, and the whistleblower will not be subject to detrimental or unfair treatment.

The whistle-blowing policy and procedures are reviewed by the AC from time to time to ensure they remain relevant. The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

As of the date of this Annual Report, there is no whistle-blowing case reported through the whistle-blowing mechanism.

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditor. No former Partner or Director of the Company's existing auditing firm has acted as a member of the AC (a) within a period of two (2) years commencing on the date of his or her ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as he or she has any financial interest in the auditing firm or auditing corporation.

The Company has outsourced its internal audit function to BDO LLP (“**BDO**”), which is an established international auditing firm. BDO conducts its internal audits based on the BDO Global Internal Audit Methodology which is consistent with the International Professional Practices Framework established by the Institute of Internal Auditor. BDO reports directly to the AC on audit matters and the CEO on administrative matters. BDO, as the Internal Auditor, has unfettered access to all the Company's documents, records, properties and personnel, including access to AC and has appropriate standing within the Company.

The BDO Engagement Partner has more than twenty (20) years of experience in audit and advisory services, and is a Chartered Accountant (Singapore), Certified Internal Auditor and Certified Information System Auditor. Members of the internal audit team also have relevant academic qualifications and internal audit experience. The AC is satisfied that the outsourced internal audit function is adequately staffed by suitably qualified and experienced professionals based on the internal audits conducted for FY2025.

The AC decides on the appointment, removal, termination, evaluation and compensation of the internal auditor. The AC annually reviews the independence, adequacy and effectiveness of the internal audit function of the Company.

# REPORT OF CORPORATE GOVERNANCE

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### Shareholder Rights and Conduct of General Meetings

***Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

The forthcoming AGM will be held physically. Shareholders are informed of general meetings through the announcement released to the SGXNet and on the Company's corporate website, to ensure fair dissemination to shareholders. These notices are also advertised in a national newspaper. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings. If any shareholder is unable to attend, he or she is allowed to appoint such number of proxies as required to vote on his or her behalf at the general meeting through proxy forms sent in advance. The shareholders are also informed on the voting procedures at the general meetings.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to be updated on the Group's strategies and goals. Notice of the general meeting is dispatched to shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least fourteen (14) clear calendar days before the meeting. The Board welcomes questions from shareholders who wish to raise issues, either informally or formally during the AGM.

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. All the resolutions at the general meetings are single item resolutions.

The Chairperson/Chairwoman of the AC, the NC and the RC are normally present and are available to address questions relating to the work of their respective Board Committees at general meetings. Furthermore, the external auditor is present to assist the Board in addressing any relevant queries by our shareholders including the conduct of audit and the preparation and content of the Auditor's Report. All Directors will endeavour to be present at the Company's general meetings of shareholders to address shareholders' queries. The Directors' attendance at the Company's general meetings during FY2025 has been disclosed in page 24 of this Annual Report.

Although the Company's Constitution does not include the nominee or custodial services to appoint more than two (2) proxies, the applicable legislation has been amended on 3 January 2016, among other things, to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediaries includes corporations holding licenses in providing nominee and custodial services and Central Provident Fund ("CPF") Board which purchases shares on behalf of the CPF investors.

The Company's Constitution also provides that the shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his or her stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be deposited at the place specified in the notice of the general meetings not less than forty-eight (48) hours before the time appointed for holding the general meetings.

Voting by absentee by mail, facsimile or email is currently not provided in the Company's Constitution as such voting methods would need to be cautiously studied for their feasibility to ensure that the integrity of the information and the authenticity of the shareholder's identity are not compromised.

The Company will publish the minutes of general meetings of shareholders on both the SGX website via SGXNet and the Company's website within one (1) month from the AGM.

The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, the Group's development plans and other factors as the Board may deem appropriate.

# REPORT OF CORPORATE GOVERNANCE

The Company has proposed a final dividend (one-tier tax exempt) of 0.35 Singapore cents per ordinary share in respect of FY2025 which is subject to shareholders' approval at the forthcoming AGM.

Together with the declared and paid of interim (special) dividend at 0.05 Singapore cents per ordinary shares, the Company has declared a total of 0.40 Singapore cents per ordinary share of dividend for FY2025.

## Engagement with Shareholders

***Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.***

The Company believes in high standards of transparent corporate disclosure and is committed to disclose to its shareholders, the information in a timely and fair manner via SGXNet. Where there is inadvertent disclosure made to a selected Group, the Company will make the same disclosure publicly to all others as soon as practicable. The Company acknowledges the importance for establishing effective communication among the stakeholders through regular engagement and various communication platforms to achieve mutually beneficial goals.

Communication is made through:

- Annual Reports that are prepared and sent to all shareholders. The Board ensures that the Annual Reports includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Companies Act 1967 of Singapore and Singapore Financial Reporting Standards (International);
- interim announcements containing a summary of the financial information and affairs of the Group for that period; and
- notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("EGMs"). The notices of AGM and EGM are also advertised in a national newspaper and the Company has arranged the notices of AGM and EGM (if applicable) for FY2025 published via the SGXNET URL: <https://www.sgx.com/securities/company-announcement>, via publication on the Company's corporate website, <http://www.gke.com.sg>

The Company's website is <http://www.gke.com.sg> at which shareholders can access financial information, corporate announcements, press releases, Annual Reports and profile of the Group.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The contact details of the investor relations firm are set out in "Corporate Information" section of the Annual Report.

## MANAGING STAKEHOLDINGS RELATIONSHIPS

### Engagement With Stakeholders

***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.***

The Company has identified five (5) key stakeholders' groups, namely, the communities, employees, investors, customers and suppliers. The Company's approach to the engagement with key stakeholders and materiality assessment were disclosed in the Company's Sustainability Report for FY2025. More details will be disclosed in the standalone Sustainability Report for FY2025. The Company will continue to monitor and improve its engagement to ensure that the best interests of the Company are served.

# REPORT OF CORPORATE GOVERNANCE

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts.

To promote regular, effective and fair communication with shareholders, the Company maintains a corporate website at <http://www.gke.com.sg> through which shareholders are able to access up-to date information on the Group.

The website provides Annual Reports, financial information, stock information, profiles of the Group, and contact details of the investor relations of the Group.

## DEALINGS IN SECURITIES

In compliance with Rule 1204(19) of the Catalist Rules, the Company has adopted policies to provide guidance to its officers on securities transactions by the Company and its officers. These internal guidelines apply to dealings in securities by certain employees (including Directors and other officers) of the Group. The Company send notifications via email to notify all its Directors and officers' at least one (1) month prior to the close of window for trading of the Company's securities. In addition, the Directors and officers of the Company are advised not to deal (whether directly or indirectly) in the Company's securities on short-term considerations and be mindful of the law on insider trading as prescribed by the Securities and Futures Act 2001 of Singapore, at all times even when dealing in securities within the permitted trading period.

The Company, its Directors and officers should not deal in the listed securities of the Company for a period of one (1) month before the half-year and full year results or if they are in possession of unpublished price-sensitive information.

## INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted periodically to the AC for its review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company and its minority shareholders.

The Group had on 11 May 2022 obtained a general mandate from shareholders for IPTs. Details of IPTs transacted during FY2025 are as follows:-

<b>Name of interested person</b>	<b>Nature of relationship</b>	<b>Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than S\$100,000 and transaction conducted under shareholders' mandate pursuant to Rule 920) S\$'000</b>	<b>Aggregate value of all interested person transaction conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000</b>
Purchase of goods from Cenxi Haoyi Recycling Co., Ltd	The Executive Chairman is deemed to have a controlling interest in Cenxi Haoyi Recycling Co., Ltd.	Nil	664

# REPORT OF CORPORATE GOVERNANCE

## MATERIAL CONTRACTS AND LOANS

Save for the interested persons transactions as disclosed above, pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that, except as disclosed in the Directors' Report and financial statements, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

## CATALIST SPONSOR

The Company is currently under the SGX-ST Catalist sponsor-supervised regime and the continuing sponsor of the Company is RHT Capital Pte. Ltd.. No non-sponsor fee was paid to the sponsor in FY2025.

Information for the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Catalist Rules:

Details	Name of Director		
	Neo Cheow Hui	Loy Soo Chew	Guo Xiaofei
Date of Appointment	21 July 2005	15 April 2019	1 October 2024
Date of last re-appointment (if applicable)	29 September 2022	29 September 2022	Not applicable
Age	57	58	42
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Neo Cheow Hui is able to exercise judgment as the Executive Director on the corporate affairs of the Group.	The Board of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Loy Soo Chew is able to exercise judgment as the Lead Independent Director on the corporate affairs of the Group and independent of the Management. The Board considers Mr. Loy Soo Chew to be independent for the purpose of Rule 704(7) of the Catalist Rules.	The Board of the Company has accepted the NC's recommendation, who has reviewed and considered Ms. Guo Xiaofei is able to exercise judgment as an Independent Director on the corporate affairs of the Group and independent of the Management. The Board considers Ms. Guo Xiaofei to be independent for the purpose of Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Neo Cheow Hui is responsible to oversee the logistics & warehousing segment and other strategic investments of the Group.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Executive Officer and Executive Director	Lead Independent Director, Chairman of the Audit Committee and a member each of the Nominating Committee and Remuneration Committee	Independent Director, Chairwoman of the Nominating Committee and a member each of the Audit Committee and Remuneration Committee

# REPORT OF CORPORATE GOVERNANCE

Details	Name of Director		
	Neo Cheow Hui	Loy Soo Chew	Guo Xiaofei
Professional qualifications	-	<ul style="list-style-type: none"> <li>Master of Business Administration from University of Leeds (Correspondence Study) in year 2000</li> <li>Associate of the Australian Society of Certified Practising Accountants from Australian Society of Certified Practising Accountants in year 1997</li> <li>Bachelor of Business (Major in Professional Accounting) from University of Southern Queensland (External degree) in year 1996</li> <li>Diploma in Business Studies (Major in Company Law and Taxation) from Ngee Ann Polytechnic Singapore in year 1988</li> </ul>	<ul style="list-style-type: none"> <li>Foreign Registered Lawyer/Chinese Legal Qualification</li> <li>Master of Laws, National University of Singapore</li> <li>The Bachelor of Laws (Honours) (LLB), East China University of Politics and Law, PRC</li> </ul>
Working experience and occupation(s) during the past 10 years	Chief Executive Officer and Executive Director of GKE Corporation Limited	Group Managing Director of Kian Ann Engineering Pte. Ltd.	Partner, Shook Lin & Bok LLP
Shareholding interest in the listed issuer and its subsidiaries	Direct interest 28,245,300 shares, deemed interest 500,000 shares (held by United Overseas Bank Nominees Pte Ltd on his CPF investment accounts) and 2,568,000 employee share options.	160,000 employee share options	Nil
Any relationship (including immediate family relationships) with any existing Director, existing Executive Officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms. Neo Hwee Lee, Marina, Director of GKE Warehousing & Logistics Pte. Ltd. is the sister of Mr. Neo Cheow Hui.	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes



# REPORT OF CORPORATE GOVERNANCE

Details	Name of Director		
	Neo Cheow Hui	Loy Soo Chew	Guo Xiaofei
Other Principal Commitments Including Directorships - Past (for the last five (5) years)	Nil	<ul style="list-style-type: none"> <li>• Advancer Global Limited</li> </ul>	Nil
Other Principal Commitments Including Directorships - Present	<ul style="list-style-type: none"> <li>• GKE Private Limited</li> <li>• GKE Freight Pte. Ltd.</li> <li>• GKE Express Logistics Pte. Ltd.</li> <li>• GKE Warehousing &amp; Logistics Pte Ltd</li> <li>• GKE Fair Chem Pte. Ltd.</li> <li>• GKE Services Pte. Ltd.</li> <li>• GKE Marquis Pte. Ltd.</li> <li>• GKE Agritech Pte. Ltd.</li> <li>• GKE Logistics (Middle East) Pte. Ltd.</li> <li>• GKE Retails Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Kian Ann Engineering Pte. Ltd.</li> <li>• Kian Chue Hwa (Industries) Pte Ltd</li> <li>• PT Haneagle Heavyparts Indonesia</li> <li>• Kian Ann Investment Pte Ltd</li> <li>• PT Allegiance Primaparts Indonesia</li> <li>• Kian Ann Districentre Pte Ltd</li> <li>• Invicta Asian Holdings Pte Ltd</li> <li>• Steve Woods Ltd</li> <li>• Allegiance Parts and Services Singapore Pte Ltd</li> <li>• Allegiance (Malaysia) Sdn Bhd</li> <li>• SKL Equipment Private Limited</li> <li>• Allegiance Automotive Supplies Pte Ltd</li> <li>• Kunshan Kensetsu Buhin Co Ltd</li> <li>• Modesty Investment Holding Pte Ltd</li> <li>• KTSU America LLC</li> <li>• KTSU Canada Ltd</li> <li>• Jiangsu Kensetsu Buhin Co Ltd</li> <li>• Kian Ann (Shanghai) Co Ltd</li> <li>• Dream Investment Holding Pte Ltd</li> <li>• Nippon Kensetsu Buhin Co., Ltd.</li> <li>• KMP Holdings Limited</li> <li>• KSP Spare Parts LLC</li> </ul>	Nil

# REPORT OF CORPORATE GOVERNANCE

Details	Name of Director		
	Neo Cheow Hui	Loy Soo Chew	Guo Xiaofei
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c. Whether there is any unsatisfied judgment against him?	No	No	No

# REPORT OF CORPORATE GOVERNANCE

Details	Name of Director		
	Neo Cheow Hui	Loy Soo Chew	Guo Xiaofei
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

# REPORT OF CORPORATE GOVERNANCE

Details	Name of Director		
	Neo Cheow Hui	Loy Soo Chew	Guo Xiaofei
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h. Whether he has ever been disqualified from acting as a Director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—	No	No	No
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No

# REPORT OF CORPORATE GOVERNANCE

Details	Name of Director		
	Neo Cheow Hui	Loy Soo Chew	Guo Xiaofei
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

# REPORT OF CORPORATE GOVERNANCE

Details	Name of Director		
	Neo Cheow Hui	Loy Soo Chew	Guo Xiaofei
<b>Information required</b>			
<b>Disclosure applicable to the appointment of Director only.</b>			
Any prior experience as a Director of an issuer listed on the Exchange?	Yes	Yes	Yes
If yes, please provide details of prior experience.	<ul style="list-style-type: none"> <li>GKE Corporation Limited</li> </ul>	<ul style="list-style-type: none"> <li>Advancer Global Limited</li> <li>Kian Ann Engineering Ltd</li> <li>GKE Corporation Limited</li> </ul>	<ul style="list-style-type: none"> <li>GKE Corporation Limited</li> </ul>

## PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Board Appointment Executive/ Non-executive	Board Committees as Chairperson or Member	Directorships in other listed companies and other major appointments	Past directorships in other listed companies and other major appointments over the preceding three (3) years
Mr. Chen Yong Hua	Executive Chairman and Executive Director	Board Member	Nil	Nil
Mr. Neo Cheow Hui	Chief Executive Officer and Executive Director	Board Member	Nil	Nil
Mr. Loy Soo Chew	Lead Independent Director	Board Member, Chairman of the Audit Committee and a member of the Remuneration Committee and the Nominating Committee	<ul style="list-style-type: none"> <li>Kian Ann Engineering Pte. Ltd. (Executive Director)</li> </ul>	<ul style="list-style-type: none"> <li>Advancer Global Limited (Independent Director)</li> </ul>
Mr. Wong Quee Quee, Jeffrey	Independent Director	Board Member, Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee	<ul style="list-style-type: none"> <li>Procurri Corporation Limited (Independent Director)</li> <li>GSS Energy Limited (Independent Director)</li> <li>Katrina Group Limited (Independent Director)</li> </ul>	Nil



# REPORT OF CORPORATE GOVERNANCE

Name of Director	Board Appointment Executive/ Non-executive	Board Committees as Chairperson or Member	Directorships in other listed companies and other major appointments	Past directorships in other listed companies and other major appointments over the preceding three (3) years
			<ul style="list-style-type: none"> <li>AsiaPhos Limited (Independent Chairman)</li> <li>Truth Assets Management (S) Pte. Ltd. (Non-Executive Director)</li> <li>Truth Wealth Management VCC (Non-Executive Director)</li> <li>Hwa Chong Foundation Limited (Non-Executive Director)</li> <li>Hwa Chong Alumni Association (Deputy Secretary General)</li> <li>Singapore Judo Federation (Honorary Secretary General)</li> <li>Management Committee Strata Title 3682 (Secretary)</li> <li>DHC Capital Pte Ltd (Senior Adviser)</li> <li>Solitaire LLP (Partner)</li> </ul>	
Ms. Guo Xiaofei	Independent Director	Board Member, the Chairwoman of Nominating Committee and a member of the Audit Committee and the Remuneration Committee	<ul style="list-style-type: none"> <li>Shook Lin &amp; Bok LLP (Partner)</li> </ul>	Nil

# DIRECTORS' STATEMENT

The Directors hereby present their statement to the members together with the audited consolidated financial statements of GKE Corporation Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 May 2025.

## Opinion of the Directors

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2025 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall.

## Directors

The Directors of the Company in office at the date of this statement are:

Chen Yong Hua	(Executive Chairman and Executive Director)
Neo Cheow Hui	(Chief Executive Officer and Executive Director)
Loy Soo Chew	(Lead Independent Director)
Wong Quee Quee, Jeffrey	(Independent Director)
Guo Xiaofei	(Independent Director)

In accordance with Regulations 107 and 117 of the Company’s Constitution, the following Directors would be retiring and being eligible, offered themselves for re-election at the forthcoming Annual General Meeting (“**AGM**”) for the financial year ended 31 May 2025:

### Regulation 107

Neo Cheow Hui  
Loy Soo Chew

### Regulation 117

Guo Xiaofei

## Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

# DIRECTORS' STATEMENT

## Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Director	Direct interest			Deemed interest		
	At the beginning of financial year	At the end of financial year	At 21 June 2025	At the beginning of financial year	At the end of financial year	At 21 June 2025
<i>Ordinary shares of the Company</i>						
Chen Yong Hua	17,200,000	17,200,000	17,200,000	50,000,000	50,000,000	50,000,000
Neo Cheow Hui	28,245,300	28,245,300	28,245,300	500,000	500,000	500,000
<i>Share options of the Company</i>						
Chen Yong Hua	2,006,000	2,568,000	2,568,000	–	–	–
Neo Cheow Hui	2,006,000	2,568,000	2,568,000	–	–	–
Loy Soo Chew	124,000	160,000	160,000	–	–	–
Wong Quee Quee, Jeffrey	124,000	160,000	160,000	–	–	–

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year or on 21 June 2025.

## Options

At an Extraordinary General Meeting held on 29 September 2021, shareholders approved the GKE Employee Share Option Scheme 2021 ("**ESOS 2021**") for the granting of options in respect of ordinary shares in the capital of the Company pursuant to the GKE Employee Share Option Scheme 2021 to the eligible employees and Directors of the Company ("**Participant**").

The Scheme is currently administrated by the Company's Remuneration Committee ("**Administrative Committee**") comprising three (3) Directors, Wong Quee Quee, Jeffrey, Loy Soo Chew and Guo Xiaofei.

Other information regarding the Scheme is set out below:

- (i) The aggregate number of shares which may be delivered pursuant to the exercise of Options granted under the ESOS 2021 on any date, shall not exceed 15% of the total number of issued Shares.
- (ii) The aggregate number of shares over which the Committee may offer to grant Options to the Controlling Shareholders and their Associate under the ESOS 2021 shall not exceed 25% of the aggregate number of Shares available under the ESOS 2021 from time to time. The aggregate number of Shares available to each Controlling Shareholder or each of his Associates shall not exceed 10% of the total number of Shares available under the ESOS 2021 from time to time.

## Options (cont'd)

Other information regarding the Scheme is set out below (cont'd):

- (iii) The options that are granted under the ESOS 2021, at the Administrative Committee's discretion, was set at a price equal to the average of the last dealt price of the shares on the SGX-ST over the five (5) consecutive trading days immediately preceding the date of grant of that option.
- (iv) Options granted under the ESOS 2021 will have a life span expiring on or before the 10th anniversary of the date of grant in respect of options granted to eligible employees and, on or before the 5th anniversary of the date of grant in respect of options granted to Non-Executive Directors of the Group.
- (v) The ESOS 2021 shall continue to be in force for a maximum period of 10 years from the adoption date and may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

At the end of the financial year, details of the options granted under the ESOS 2021 to subscribe for ordinary shares of the Company, are as follows:

Date of grant of options	Exercise price per share (\$)	Outstanding at 1 June 2024	Granted	Cancelled	Outstanding at 31 May 2025	Exercise period
28/2/2022	0.11	3,938,000	–	(60,000)	3,878,000	1/3/2023-27/2/2032
28/2/2022	0.11	182,000	–	–	182,000	1/3/2023-27/2/2027
28/2/2023	0.092	3,135,000	–	(42,000)	3,093,000	29/2/2024-27/2/2033
28/2/2023	0.092	138,000	–	–	138,000	29/2/2024-27/2/2028
28/2/2024	0.064	4,824,000	–	(69,000)	4,755,000	1/3/2025-27/2/2034
28/2/2024	0.064	156,000	–	–	156,000	1/3/2025-27/2/2029
28/2/2025	0.089	–	3,626,000	–	3,626,000	1/3/2026-27/2/2035
28/2/2025	0.089	–	72,000	–	72,000	1/3/2026-27/2/2030
<b>Total</b>		<b>12,373,000</b>	<b>3,698,000</b>	<b>(171,000)</b>	<b>15,900,000</b>	

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Information on Directors of the Company who have been granted options under the ESOS 2021, and the aggregate number of options granted under the ESOS 2021 to Directors and employees of the Company's subsidiaries, are as follows:

	Options granted for financial year ended 31 May 2025	Aggregate options granted since commencement of the ESOS 2021 to 31 May 2025	Aggregate options exercised since commencement of the ESOS 2021 to 31 May 2025	Aggregate options outstanding as at 31 May 2025
<b>Directors</b>				
Chen Yong Hua	562,000	2,568,000	–	2,568,000
Neo Cheow Hui	562,000	2,568,000	–	2,568,000
Loy Soo Chew	36,000	160,000	–	160,000
Wong Quee Quee, Jeffrey	36,000	160,000	–	160,000

# DIRECTORS' STATEMENT

## Audit Committee

The Audit Committee (“AC”) carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the internal and external auditors;
- Reviewed the interim and full-year financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Met with the internal and external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Rules of Catalist of the SGX-ST.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four (4) meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

# DIRECTORS' STATEMENT

**Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Chen Yong Hua  
Director

Neo Cheow Hui  
Director

Singapore

29 August 2025



# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 May 2025

Independent auditor's report to the members of GKE Corporation Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of GKE Corporation Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the balance sheets of the Group and the Company as at 31 May 2025, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 May 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "**SSAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (the "**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 May 2025  
Independent auditor's report to the members of GKE Corporation Limited

## Key Audit Matter (cont'd)

### *Allowance for expected credit losses for trade receivables*

As at 31 May 2025, the carrying amount of the Group's trade receivables amounted to S\$32,433,000. This represents 17.6% of total assets on the consolidated financial statements and was significant to the Group. The Group applied the simplified approach in calculating expected credit loss and recognised loss allowance based on lifetime expected losses at each reporting date. Trade receivables that are credit impaired are assessed for impairment by making debtor-specific assessment. The Group provides for lifetime expected credit losses using a provision matrix. The provision rates are determined based on the Group's historical default rates analysed in accordance to days past due by grouping customers based on customer profiles, adjusted for current and forward-looking information. Given the magnitude and that impairment assessment of trade receivables requires significant management judgment, we determined that this is a key audit matter.

As part of the audit, we obtained an understanding of the Group's processes and key controls relating to the monitoring of trade receivables including the process in determining whether a debtor is credit impaired. We reviewed the key data sources and assumptions used in the determination of default rate and the current and forward-looking information in view of the current market condition. We considered the age of the debts as well as the collection trends to identify any potential collection risks. We requested trade receivable confirmations and reviewed receipts from the debtors subsequent to the year end to assess the collectability of the debts. We had discussions with management on the recoverability of long outstanding debts and analysed the Group's trend of collections for long outstanding trade debtors.

We also assessed the adequacy of the disclosures related to the Group's trade receivables in Note 15 to the financial statements.

## Other Information

Management is responsible for the other information. The other information comprises information included in the Annual Report 2025, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 May 2025

**Independent auditor's report to the members of GKE Corporation Limited**

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 May 2025

**Independent auditor's report to the members of GKE Corporation Limited**

## **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Huijing Amanda.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

29 August 2025

# CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 May 2025

	Note	2025 \$'000	2024 \$'000
<b>Revenue</b>	4	<b>126,519</b>	110,555
Cost of sales		<b>(90,136)</b>	(78,103)
<b>Gross profit</b>		<b>36,383</b>	32,452
<b>Other income</b>	5	<b>2,624</b>	1,828
<b>Expenses</b>			
Marketing and distribution costs		<b>(586)</b>	(532)
Administrative expenses		<b>(23,742)</b>	(24,120)
Finance costs	6	<b>(2,183)</b>	(2,709)
Other expenses		<b>(55)</b>	(204)
Share of results of associates		<b>(23)</b>	45
<b>Profit before tax</b>	7	<b>12,418</b>	6,760
Income tax expense	8	<b>(3,569)</b>	(2,457)
<b>Profit for the year</b>		<b>8,849</b>	4,303
<b>Profit attributable to:</b>			
Owners of the Company		<b>8,849</b>	4,303
<b>Profit for the year</b>		<b>8,849</b>	4,303
<b>Earnings per share (cents per share) attributable to owners of the Company</b>			
- Basic	9	<b>1.15</b>	0.56
- Diluted	9	<b>1.14</b>	0.55

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 May 2025

	2025 \$'000	2024 \$'000
<b>Profit for the year</b>	<b>8,849</b>	4,303
<b><i>Other comprehensive income, net of tax</i></b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net change in fair value of cash flow hedges	(98)	(334)
Foreign currency translation	(1,046)	(366)
Other comprehensive income for the year, net of tax	(1,144)	(700)
<b>Total comprehensive income for the year</b>	<b>7,705</b>	3,603
<b>Attributable to:</b>		
Owners of the Company	7,705	3,603
<b>Total comprehensive income for the year</b>	<b>7,705</b>	3,603

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



# BALANCE SHEETS

As at 31 May 2025

		Group		Company	
	Note	31 May 2025	31 May 2024	31 May 2025	31 May 2024
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	105,083	110,474	475	190
Intangible assets	11	3,878	4,634	-	-
Investments in subsidiaries	12	-	-	57,261	59,396
Investments in associates	13	1,726	1,819	-	-
Financial assets at fair value through profit or loss	14	22	125	22	25
Deferred tax assets	24	1,008	1,167	-	-
Other receivables	15	-	-	806	-
Total non-current assets		111,717	118,219	58,564	59,611
Current assets					
Inventories	16	4,365	1,846	-	-
Trade and other receivables	15	36,793	37,308	2,561	5,504
Prepaid operating expenses		919	1,172	80	88
Derivative financial assets	26	-	117	-	-
Cash and short-term deposits	17	30,446	26,485	3,888	3,700
Total current assets		72,523	66,928	6,529	9,292
Total assets		184,240	185,147	65,093	68,903
EQUITY AND LIABILITIES					
Equity					
Share capital	18	85,145	85,145	85,145	85,145
Treasury shares	19	(1,865)	(1,778)	(1,865)	(1,778)
Retained earnings/(accumulated losses)		17,469	10,695	(20,892)	(23,055)
Other reserves	20	(619)	269	264	157
Total equity		100,130	94,331	62,652	60,469
Net current assets		29,738	25,591	4,310	1,224

# BALANCE SHEETS

As at 31 May 2025

		Group		Company	
	Note	31 May 2025	31 May 2024	31 May 2025	31 May 2024
		\$'000	\$'000	\$'000	\$'000
<b>Non-current liabilities</b>					
Other liabilities	21	1,691	1,849	-	-
Borrowings	22	27,447	31,653	-	194
Lease liabilities	23	9,136	12,804	-	-
Deferred tax liabilities	24	3,051	3,173	222	172
Total non-current liabilities		41,325	49,479	222	366
<b>Current liabilities</b>					
Trade and other payables	25	13,548	15,352	50	6,153
Other liabilities	21	9,895	7,583	1,975	1,126
Borrowings	22	11,028	10,666	194	769
Lease liabilities	23	5,512	4,770	-	20
Tax payable		2,802	2,966	-	-
Total current liabilities		42,785	41,337	2,219	8,068
<b>Total liabilities</b>		<b>84,110</b>	<b>90,816</b>	<b>2,441</b>	<b>8,434</b>
<b>Total equity and liabilities</b>		<b>184,240</b>	<b>185,147</b>	<b>65,093</b>	<b>68,903</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 May 2025

Group 2025	Note	Share capital (Note 18)	Treasury shares (Note 19)	Retained earnings	Other reserves total	Cash flow				Share based				Total equity \$'000
		\$'000	\$'000	\$'000	\$'000	hedge reserve (Note 20)	Translation reserve (Note 20)	Statutory reserve (Note 20)	Capital reserve (Note 20)	payments reserve (Note 20)	\$'000	\$'000	\$'000	
Balance at 1 June 2024		85,145	(1,778)	10,695	269	98	(1,190)	2,040	(933)	254	-	-	-	94,331
Profit for the year		-	-	8,849	-	-	-	-	-	-	-	-	-	8,849
Other comprehensive income:														
- Foreign currency translation		-	-	-	(1,046)	-	(1,046)	-	-	-	-	-	-	(1,046)
- Net change in fair value of cash flow hedges		-	-	-	(98)	(98)	-	-	-	-	-	-	-	(98)
Other comprehensive income for the year, net of tax														
Total comprehensive income for the year														
Contributions by and distributions to owners:														
- Dividends paid	30	-	-	(1,926)	-	-	-	-	-	-	-	-	-	(1,926)
- Purchase of treasury shares		-	(87)	-	-	-	-	-	-	-	-	-	-	(87)
- Share based payments		-	-	-	107	-	-	-	-	107	-	-	-	107
Total contributions by and distributions to owners														
Total transactions with owners in their capacity as owners														
Other														
- Transfer to statutory reserve	20(v)	-	-	(149)	149	-	-	-	-	-	-	-	-	-
Balance at 31 May 2025		85,145	(1,865)	17,469	(619)	-	(2,236)	2,189	(933)	361	-	-	-	100,130

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 May 2025

Group 2024	Note	Share capital (Note 18)		Treasury shares (Note 19)		Retained earnings		Other reserves total		Cash flow hedge reserve (Note 20)		Translation reserve (Note 20)		Statutory reserve (Note 20)		Capital reserve (Note 20)		Share based payments reserve (Note 20)		Total equity \$'000	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 June 2023		85,145	(1,531)	8,058	751	-	-	-	-	432	(824)	1,924	(933)	152	-	-	-	-	-	92,423	
Profit for the year		-	-	4,303	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,303	
<u>Other comprehensive income:</u>																					
- Foreign currency translation		-	-	-	(366)	-	-	-	-	-	(366)	-	-	-	-	-	-	-	-	(366)	
- Net change in fair value of cash flow hedges		-	-	-	(334)	-	-	-	-	(334)	-	-	-	-	-	-	-	-	-	(334)	
<b>Other comprehensive income for the year, net of tax</b>		-	-	-	(700)	-	-	-	-	(334)	(366)	-	-	-	-	-	-	-	-	(700)	
<b>Total comprehensive income for the year</b>		-	-	4,303	(700)	-	-	-	-	(334)	(366)	-	-	-	-	-	-	-	-	3,603	
<u>Contributions by and distributions to owners:</u>																					
- Dividends paid	30	-	-	(1,550)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,550)	
- Purchase of treasury shares		-	(247)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(247)	
- Share based payments		-	-	-	102	-	-	-	-	-	-	-	-	-	-	-	-	102	-	102	
<b>Total contributions by and distributions to owners</b>		-	(247)	(1,550)	102	-	-	-	-	-	-	-	-	-	-	-	-	102	-	(1,695)	
<b>Total transactions with owners in their capacity as owners</b>		-	(247)	(1,550)	102	-	-	-	-	-	-	-	-	-	-	-	-	102	-	(1,695)	
<u>Other</u>																					
Transfer to statutory reserve	20(v)	-	-	(116)	116	-	-	-	116	-	-	-	-	-	-	-	-	-	-	-	
Balance at 31 May 2024		85,145	(1,778)	10,695	269	-	-	-	-	98	(1,190)	2,040	(933)	254	-	-	-	-	-	94,331	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 May 2025

Company 2025	Note	Share capital (Note 18) \$'000	Treasury shares (Note 19) \$'000	Accumulated losses \$'000	Other reserves total \$'000	Capital reserve (Note 20) \$'000	Share based payments reserve (Note 20) \$'000	Total equity \$'000
Balance at 1 June 2024		85,145	(1,778)	(23,055)	157	(97)	254	60,469
Profit for the year		-	-	4,089	-	-	-	4,089
<b>Total comprehensive income for the year</b>		-	-	4,089	-	-	-	4,089
<u>Contributions by and distributions to owners:</u>								
Dividend paid	30	-	-	(1,926)	-	-	-	(1,926)
Purchase of treasury shares		-	(87)	-	-	-	-	(87)
Share based payments		-	-	-	107	-	107	107
<b>Total contributions by and distributions to owners</b>		-	(87)	(1,926)	107	-	107	(1,906)
Balance at 31 May 2025		85,145	(1,865)	(20,892)	264	(97)	361	62,652

Company 2024	Note	Share capital (Note 18) \$'000	Treasury shares (Note 19) \$'000	Accumulated losses \$'000	Other reserves total \$'000	Capital reserve (Note 20) \$'000	Share based payments reserve (Note 20) \$'000	Total equity \$'000
Balance at 1 June 2023		85,145	(1,531)	(27,032)	55	(97)	152	56,637
Profit for the year		-	-	5,527	-	-	-	5,527
<b>Total comprehensive income for the year</b>		-	-	5,527	-	-	-	5,527
<u>Contributions by and distributions to owners:</u>								
Dividend paid	30	-	-	(1,550)	-	-	-	(1,550)
Purchase of treasury shares		-	(247)	-	-	-	-	(247)
Share based payments		-	-	-	102	-	102	102
<b>Total contributions by and distributions to owners</b>		-	(247)	(1,550)	102	-	102	(1,695)
Balance at 31 May 2024		85,145	(1,778)	(23,055)	157	(97)	254	60,469

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 May 2025

	Note	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities:</b>			
Profit before tax		12,418	6,760
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	10	15,070	15,361
Gain on disposal of property, plant and equipment	5	(62)	(23)
Property, plant and equipment written off	7	19	153
Amortisation of intangible assets	11	256	391
Net gain on disposal of intangible assets	11	(1,112)	–
(Reversal of allowance)/allowance for expected credit loss, net	15	(444)	2,760
Bad debts written off	7	2	–
Fair value loss on financial assets	14	2	–*
Interest income	5	(245)	(207)
Interest expense	6	2,183	2,709
Share of results of associates		23	(45)
Share based payment expenses	7	107	102
Effect of exchange rate changes		(207)	(18)
<b>Operating cash flows before changes in working capital</b>		<b>28,010</b>	<b>27,943</b>
Changes in working capital:			
(Increase)/decrease in inventories		(2,519)	128
Increase in trade and other receivables		(85)	(4,010)
Decrease/(increase) in prepaid operating expenses		253	(141)
(Decrease)/increase in trade and other payables		(1,865)	901
Increase/(decrease) in other liabilities		2,154	(160)
<b>Cash flows from operations</b>		<b>25,948</b>	<b>24,661</b>
Interest received		245	207
Net income tax paid		(3,715)	(3,110)
<b>Net cash flows generated from operating activities</b>		<b>22,478</b>	<b>21,758</b>
<b>Cash flows from investing activities:</b>			
Dividend received from an associate		–	103
Proceeds from disposal of property, plant and equipment		179	28
Proceeds from disposal of intangible assets and financial asset at fair value through profit or loss	11	2,663	–
Purchase of property, plant and equipment (Note A)		(7,717)	(2,358)
<b>Net cash flows used in investing activities</b>		<b>(4,875)</b>	<b>(2,227)</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 May 2025

	Note	2025 \$'000	2024 \$'000
<b>Cash flows from financing activities:</b>			
Dividends paid to ordinary shareholders	30	(1,926)	(1,550)
Interest paid		(2,183)	(2,731)
Repayment of principal portion of lease liabilities	22	(5,418)	(6,220)
Proceeds from loans and borrowings	22	6,890	1,886
Repayment of loans and borrowings	22	(10,599)	(13,867)
Purchase of treasury shares	19	(87)	(247)
<b>Net cash flows used in financing activities</b>		<b>(13,323)</b>	<b>(22,729)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,280</b>	<b>(3,198)</b>
Cash and cash equivalents at 1 June		26,485	29,760
Effect of exchange rate changes on cash and cash equivalents		(319)	(77)
<b>Cash and cash equivalents at 31 May</b>	17	<b>30,446</b>	<b>26,485</b>

\* Denotes amount less than \$1,000

## **Note A:**

During the current financial year, the Company acquired property, plant and equipment with an aggregate cost of \$10,209,000 (2024: \$2,457,000) of which \$2,492,000 (2024: \$99,000) relates to new right-of-use assets. Cash payments of \$7,717,000 (2024: \$2,358,000) were made to purchase property, plant and equipment.

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 1. Corporate information

GKE Corporation Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The registered office and principal place of business of the Company is located at 39 Benoi Road #06-01 Singapore 627725.

The principal activities of the Company are those of an investment holding company and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

## 2. Material accounting policy information

### 2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest thousand (\$'000) as indicated, except when otherwise indicated.

### 2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 June 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

### 2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Descriptions	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 June 2025
Amendments to SFRS(I) 9 <i>Financial Instruments</i> and SFRS(I) 7 <i>Financial Instruments: Disclosures</i> : Classification and Measurement of Financial Instruments	1 June 2027
Annual Improvements to SFRS(I)s — Volume 11	1 June 2027
SFRS(I) 18 <i>Presentation and Disclosures in Financial Statements</i>	1 June 2028
SFRS(I) 19 <i>Subsidiaries without Public Accountability: Disclosure</i>	1 June 2028
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.3 *Standards issued but not yet effective (cont'd)*

Except for the below, the Management expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

#### **SFRS(I) 18 Presentation and Disclosure in Financial Statements**

SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements* and introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to SFRS(I) 1-7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

SFRS(I) 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. SFRS(I) 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the consolidated financial statements.

### 2.4 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.4 Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

### 2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

#### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land, buildings and improvements	–	12 to 50 years
Cement plant and related equipment	–	10 to 49 years
Furniture, fittings and office equipment	–	1 to 5 years
Motor vehicles, trailers and forklifts	–	5 to 10 years
Warehouse equipment	–	2 to 15 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

### 2.7 *Land use rights*

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over its the lease term of 50 years. The land use rights are accounted for as right-of-use assets as disclosed in Note 2.20(a).

### 2.8 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.8 *Intangible assets (cont'd)*

#### Customer relationships

Intangible assets acquired in business combinations, such as customer relationships, are amortised on a straight-line basis over their finite useful lives of 2 to 7 years.

#### Mining rights

Mining rights acquired by the Group's wholly owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd, are amortised based on the units of production method.

### 2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

### 2.11 *Associates*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.11 *Associates (cont'd)*

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates is prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are accounted for at cost less accumulated impairment losses.

### 2.12 *Financial instruments*

#### (a) *Financial assets*

##### *Initial recognition and measurement*

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.12 *Financial instruments (cont'd)*

#### (a) *Financial assets (cont'd)*

##### *Subsequent measurement*

##### Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The Group measures the debt instruments at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

##### *Derecognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

#### (b) *Financial liabilities*

##### *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### 2.13 *Derivative financial instruments and hedge accounting*

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting of the Group, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.13 *Derivative financial instruments and hedge accounting (cont'd)*

#### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

The Group uses interest rate swap contracts to hedge its risks associated with interest rate fluctuations.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

### 2.14 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group calculates ECLs for trade receivables initially based on the Group's historical observed default rates and adjusts based on the forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks, cash on hand and short-term deposits, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.16 *Inventories*

Inventories comprise raw materials and finished goods.

Inventories are stated at the lower of cost and net realisable value. Costs comprise of purchase costs accounted for on first-in-first out and weighted average cost basis. In the case of finished goods, costs also include a proportion of manufacturing overheads based on normal operating capacity.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.17 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.18 *Government grants*

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, the grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss, under "Other income".

Government grants relating to assets are deducted against the carrying amount of the assets.

### 2.19 *Employee benefits*

#### (a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### Singapore

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. The Group makes monthly contributions based on stipulated contribution rates.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.19 *Employee benefits (cont'd)*

#### (a) *Defined contribution plans (cont'd)*

##### People's Republic of China ("PRC")

Subsidiaries incorporated and operating in the PRC are required to provide certain staff pension benefits to their employees under existing PRC regulations. Contributions are provided at rates stipulated by PRC regulations and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiaries' PRC employees.

#### (b) *Share based compensation*

The fair value of employee services received in exchange for equity-settled share-based remuneration plans granted to employees is recognised as variable share-based payment to employees in profit or loss with a corresponding increase in the share-based payment reserve over the vesting period. The amount is determined by reference to the fair value of the shares on grant date and the expected number of shares to be vested on vesting date.

At the end of each financial reporting period, the Company revises its estimates of the expected number of shares that the participants are expected to receive. Any changes to the expected number of shares to be vested will entail a corresponding adjustment to the share based payment to employees and share based payment reserve.

### 2.20 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### (a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Warehouses and dormitories	-	1 to 18 years
Forklifts and motor vehicles	-	1 to 4 years
Plant and machinery	-	10 years
Land use rights	-	50 years

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.20 Leases (cont'd)

#### (a) As lessee (cont'd)

##### Right-of-use assets (cont'd)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

The Group's right-of-use assets are presented within property, plant and equipment (Note 10).

##### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### (b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.21 *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue is the amount allocated to the satisfied performance obligation.

#### (a) *Rendering of services*

Revenue from services is recognised over time as services are rendered under the terms of the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

#### (b) *Rental income*

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

#### (c) *Sale of goods*

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the contractual price. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of goods.

### 2.22 *Other income*

#### (a) *Interest income*

Interest income is recognised using the effective interest method.

#### (b) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

### 2.23 *Taxes*

#### (a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.23 Taxes (cont'd)

#### (a) Current income tax (cont'd)

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 2. Material accounting policy information (cont'd)

### 2.23 *Taxes (cont'd)*

#### (c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### 2.24 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.25 *Treasury shares*

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

### 2.26 *Contingencies*

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to carrying amount of the asset or liability affected in the future periods.

### 3.1 *Judgments made in applying accounting policies*

Management is of the opinion that there is no significant judgment made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

### 3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future development, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (a) *Allowance for ECL for trade receivables*

The Group determines impairment of trade receivables by making debtor-specific assessment. In addition, the Group uses a provision matrix to calculate ECL for the remaining trade receivables. The provision rates are based on days past due for groupings of customers based on customer profiles.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of the Group's trade receivables and information about the ECL are disclosed in Note 15.

#### (b) *Impairment assessment of goodwill*

As disclosed in Note 11 to the financial statements, the recoverable amounts of the cash generating units, which goodwill has been allocated to, are determined based on value in use calculations. The value in use calculations are based on discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 11 to the financial statements.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 3. Significant accounting judgments and estimates (cont'd)

### 3.2 Key sources of estimation uncertainty (cont'd)

#### (c) Share based payments

Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

The Group initially measures the fair value of equity-settled transactions with employees at the grant date using the Black-Scholes Option model for ESOS 2021. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20(iv).

## 4. Revenue

	Group	
	2025	2024
	\$'000	\$'000
<b>Major product or service lines</b>		
Sale of goods	36,921	30,130
Services rendered	48,279	38,986
Rental income	41,319	41,439
	<b>126,519</b>	<b>110,555</b>
<b>Timing of transfer of goods or services</b>		
At a point in time	39,716	30,130
Over time	86,803	80,425
	<b>126,519</b>	<b>110,555</b>

## 5. Other income

	Group	
	2025	2024
	\$'000	\$'000
Net gain on disposal of intangible assets	1,112	–
Gain on disposal of property, plant and equipment	62	23
Grant income	619	1,121
Interest income	245	207
Others	586	477
	<b>2,624</b>	<b>1,828</b>

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 6. Finance costs

	Group	
	2025	2024
	\$'000	\$'000
Interest expense on:		
- Bank loans	1,511	1,874
- Interest on lease liabilities (Note 23)	648	831
- Others	24	4
Total finance costs	<u>2,183</u>	<u>2,709</u>

## 7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2025	2024
	\$'000	\$'000
Audit fees paid to:		
- Auditor of the Company	236	223
- Affiliate of auditor of the Company	36	38
- Other auditors	32	17
Non-audit fees paid to:		
- Auditor of the Company	34	33
Depreciation of property, plant and equipment (Note 10)	15,070	15,361
Property, plant and equipment written off	19	153
Amortisation of intangible assets (Note 11)	256	391
(Reversal of allowance)/allowance for expected credit loss, net (Note 15)	(444)	2,760
Bad debts written off	2	-
Employee benefits expense (including Directors)		
- Salaries and related cost	46,090	36,349
- Contribution to defined contribution plans	3,203	3,048
Fair value loss on financial assets	2	—*
Legal and professional fees	491	589
Share based payment expenses (Note 20 (iv))	107	102
Net foreign exchange loss	<u>55</u>	<u>204</u>

Employee benefits expense includes the remuneration of Directors and key management personnel as set out in Note 33(b).

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 8. Income tax expense

### (a) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 May 2025 and 2024 are:

	Group	
	2025	2024
	\$'000	\$'000
<b>Consolidated income statement:</b>		
Current income tax:		
- Current income taxation	3,879	3,164
- (Over)/under provision in respect of previous years	(306)	126
	<b>3,573</b>	<b>3,290</b>
Deferred income tax (Note 24):		
- Origination and reversal of temporary differences	(14)	(1,069)
- Under provision in respect of previous years	10	236
	<b>(4)</b>	<b>(833)</b>
Income tax expense recognised in profit or loss	<b>3,569</b>	<b>2,457</b>

### (b) *Relationship between income tax expense and accounting profit*

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 May 2025 and 2024 is as follows:

	Group	
	2025	2024
	\$'000	\$'000
Profit before tax	<b>12,418</b>	<b>6,760</b>
Income tax using statutory tax rate of 17% (2024: 17%)	<b>2,111</b>	<b>1,149</b>
<u>Adjustments:</u>		
Effects of different tax rates in other countries	378	(84)
Non-deductible expenses	1,485	1,508
Income not subject to taxation	(16)	(73)
Effect of tax incentives	(99)	(206)
(Over)/under provision in respect of previous years income tax	(306)	126
Under provision in respect of previous years deferred income tax	10	236
Utilisation of previously unrecognised tax losses	(31)	-
Deferred tax assets not recognised	49	12
Others	(12)	(211)
Income tax expense recognised in profit or loss	<b>3,569</b>	<b>2,457</b>

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 9. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year (excluding treasury shares).

Diluted earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 May:

	<b>Group</b>	
	<b>Basic and diluted</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit attributable to owners of the Company used in the computation of basic and diluted earnings per share	<b>8,849</b>	4,303
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation	<b>770,715</b>	774,725
Weighted average number of ordinary shares for diluted earnings per share computation	<b>775,695</b>	775,609

For the year ended 31 May 2025, 4,980,000 (2024: 4,980,000) share options have been considered in the calculation of diluted earnings per share as the average price of ordinary shares from beginning of the year or date of grant of share options, whichever is later, to year end was higher than the exercise price of the share options.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 10. Property, plant and equipment

Group 2025	At cost						Total \$'000
	Leasehold land, buildings and improvements \$'000	Cement plant and related equipment \$'000	Furniture, fittings and office equipment \$'000	Motor vehicles, trailers and forklifts \$'000	Warehouse equipment \$'000	Right-of-use assets (Note 23) \$'000	
<b>Cost:</b>							
At 1 June 2024	120,146	10,557	5,335	21,536	10,517	43,814	211,905
Additions	3,389	55	656	3,245	372	2,492	10,209
Reclassification	-	-	-	1,163	-	(1,163)	-
Disposals	-	-	(9)	(615)	-	(466)	(1,090)
Write-off	-	-	(51)	-	(55)	(1,883)	(1,989)
Exchange differences	(15)	(410)	(14)	(257)	(2)	(83)	(781)
At 31 May 2025	123,520	10,202	5,917	25,072	10,832	42,711	218,254
<b>Accumulated depreciation:</b>							
At 1 June 2024	47,845	2,560	3,744	15,800	5,917	25,565	101,431
Depreciation charge for the year	6,155	536	457	1,745	1,048	5,129	15,070
Reclassification	-	-	-	783	-	(783)	-
Disposals	-	-	(9)	(588)	-	(376)	(973)
Write-off	-	-	(51)	-	(36)	(1,883)	(1,970)
Exchange differences	(1)	(113)	(10)	(249)	-	(14)	(387)
At 31 May 2025	53,999	2,983	4,131	17,491	6,929	27,638	113,171
<b>Net carrying amount:</b>							
At 31 May 2025	69,521	7,219	1,786	7,581	3,903	15,073	105,083

During the current financial year, the total gain on disposal of property, plant and equipment amounted to \$62,000 (2024: \$23,000).

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 10. Property, plant and equipment (cont'd)

Group 2024	At cost						Total \$'000
	Leasehold land, buildings and improvements \$'000	Cement plant and related equipment \$'000	Furniture, fittings and office equipment \$'000	Motor vehicles, trailers and forklifts \$'000	Warehouse equipment \$'000	Right-of-use assets (Note 23) \$'000	
<b>Cost:</b>							
At 1 June 2023	120,161	7,056	5,018	15,513	12,691	51,547	211,986
Additions	100	166	596	1,117	379	99	2,457
Reclassification	(105)	3,565	-	5,137	(2,518)	(6,079)	-
Disposals	-	-	(4)	(144)	(8)	(14)	(170)
Write-off	-	-	(265)	-	(27)	(1,594)	(1,886)
Exchange differences	(10)	(230)	(10)	(87)	-	(145)	(482)
At 31 May 2024	120,146	10,557	5,335	21,536	10,517	43,814	211,905
<b>Accumulated depreciation:</b>							
At 1 June 2023	41,705	1,756	3,392	10,835	5,105	25,369	88,162
Depreciation charge for the year	6,140	393	472	1,164	980	6,212	15,361
Reclassification	-	457	-	4,024	(134)	(4,347)	-
Disposals	-	-	(4)	(139)	(8)	(14)	(165)
Write-off	-	-	(113)	-	(26)	(1,594)	(1,733)
Exchange differences	-	(46)	(3)	(84)	-	(61)	(194)
At 31 May 2024	47,845	2,560	3,744	15,800	5,917	25,565	101,431
<b>Net carrying amount:</b>							
At 31 May 2024	72,301	7,997	1,591	5,736	4,600	18,249	110,474



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 10. Property, plant and equipment (cont'd)

Company	Furniture, fittings and office equipment \$'000	Motor Vehicle \$'000	Right-of-use assets (Note 23) \$'000	Total \$'000
<b>2025</b>				
<b>Cost:</b>				
At 1 June 2024	477	209	315	1,001
Additions	67	349	–	416
Reclassification	–	315	(315)	–
Disposals	(1)	(209)	–	(210)
At 31 May 2025	543	664	–	1,207
<b>Accumulated depreciation:</b>				
At 1 June 2024	319	209	283	811
Depreciation charge for the year	64	35	32	131
Reclassification	–	315	(315)	–
Disposals	(1)	(209)	–	(210)
At 31 May 2025	382	350	–	732
<b>Net carrying amount:</b>				
At 31 May 2025	161	314	–	475
<b>2024</b>				
<b>Cost:</b>				
At 1 June 2023	422	209	315	946
Additions	55	–	–	55
At 31 May 2024	477	209	315	1,001
<b>Accumulated depreciation:</b>				
At 1 June 2023	258	209	220	687
Depreciation charge for the year	61	–	63	124
At 31 May 2024	319	209	283	811
<b>Net carrying amount:</b>				
At 31 May 2024	158	–	32	190

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 10. Property, plant and equipment (cont'd)

### ***Assets under construction***

A total of \$2,326,000 in expenditure in assets currently under construction have been capitalised under carrying amounts of "Leasehold land, buildings and improvements" within property, plant and equipment.

### ***Leasehold properties and improvements***

As at 31 May 2025, the Group's owned leasehold properties comprise the following:

Location	Title	Description
No. 6 Pioneer Walk Singapore 627751	Leasehold 30 years from 1 May 2006	2-storey ramp-up warehouse building with 4-storey ancillary office building
No. 39 Benoi Road Singapore 627725	Leasehold 35 years and 11.5 months from 1 March 2001	5-storey ramp-up warehouse building with ancillary office
7 Kwong Min Road Singapore 628710	Leasehold 30 year with effect from 1 July 1998	2-storey warehouse building with ancillary office
3 Tuas Avenue 11 Singapore 639069	Leasehold 17 years and 8 months with effect from 1 September 2020	3-storey detached factory with ancillary office

### ***Assets pledged as security***

In addition to assets held under finance leases, the Group's leasehold land, buildings and improvements with a carrying amount of \$59,092,000 (2024: \$61,563,000) are mortgaged to secure the Group's bank loans (Note 22).

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 11. Intangible assets

	Group			
	Goodwill	Customer relationships	Mining rights	Total
	\$'000	\$'000	\$'000	\$'000
<b>Cost:</b>				
At 1 June 2023	5,655	5,226	967	11,848
Exchange differences	-	-	(24)	(24)
At 31 May 2024	5,655	5,226	943	11,824
Disposal	-	-	(935)	(935)
Exchange differences	-	-	(8)	(8)
At 31 May 2025	5,655	5,226	-	10,881
<b>Accumulated amortisation and impairment:</b>				
At 1 June 2023	2,314	4,287	204	6,805
Amortisation	-	201	190	391
Exchange differences	-	-	(6)	(6)
At 31 May 2024	2,314	4,488	388	7,190
Amortisation	-	201	55	256
Disposal	-	-	(445)	(445)
Exchange differences	-	-	2	2
At 31 May 2025	2,314	4,689	-	7,003
<b>Net carrying amount:</b>				
At 31 May 2025	3,341	537	-	3,878
At 31 May 2024	3,341	738	555	4,634

### Customer relationships

Customer relationships relate to the ability to make regular contact with recurring customers.

### Mining rights

Mining rights relates to mining rights acquired by the Group's wholly owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd in the PRC from the municipal land authority in the Cangwu County. The mining rights and the investment in Wuzhou Zi Wang Quarry Co., Ltd. (Note 14) were disposed together in current financial year for a total cash consideration of approximately \$2,663,000 and a net gain of S\$1,112,000 on disposal has been recorded in the profit and loss statement.

### Amortisation expense

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

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 11. Intangible assets (cont'd)

### Impairment testing of goodwill

Goodwill arising from business combinations has been allocated to two CGUs for impairment testing as follows:

- GKE Marquis Pte. Ltd. ("**Marquis**") acquired on 15 December 2015; and
- GKE Services Pte. Ltd. ("**GKES**") acquired on 30 November 2016.

The carrying amount of goodwill allocated to each CGU is as follows:

	2025 and 2024		
	Marquis \$'000	GKES \$'000	Total \$'000
Goodwill	1,315	2,026	3,341

The recoverable amounts of the CGUs have been determined based on value in use calculations which are based on cash flow projections from financial budgets approved by management covering a 5-year period. The post-tax discount rate applied to the 5-year cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the 5-year period are as follows:

	2025		2024	
	Marquis	GKES	Marquis	GKES
Forecasted revenue growth rates	2.0% to 4.3% (19.8%) to 3.0%		2.0% – 6.7%	3.0% – 8.7%
Long term growth rates	1.6%	1.8%	1.6%	1.8%
Post-tax discount rates	8.3%	10.5%	8.3%	10.5%

### Key assumptions used in the value in use calculations

The calculations of value in use for both the CGUs are most sensitive to the following assumptions:

*Forecasted revenue growth rates* – For GKES, management has forecasted a one-time decline of 19.8% in FY2026, considering reduced operations resulting from the maturity of one project. Subsequently, revenue is forecasted to grow approximately 3.0% annually over the budget periods, driven by anticipated increases in demand. For Marquis, management forecasted revenue growth of 4.3% in FY2026 in anticipation of demand volume grow. Thereafter, the revenue is forecasted to grow 2.0% over the budget period for anticipated increase demands and new contracts.

*Long-term growth rates* – The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

*Post-tax discount rates* – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("**WACC**"). The WACC takes into account both debt and equity.

Based on management's assessment, there is no impairment in both of the financial years.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 11. Intangible assets (cont'd)

### Sensitivity to changes in assumptions

With regards to the assessment of value in use for GKES, a reasonably possible change in any of the above key assumptions would cause the carrying value of the value in use for GKES to increase/(decrease) the recoverable amount recognised on the balance sheet as follows:

	Estimate range %	Sensitivity Basis points	Impact to recoverable amount increase/(decrease) \$'000
<b><u>Assumptions</u></b>			
<b>2025</b>			
Forecasted revenue growth rates	(19.8%) to 3.0%	-/+100	476/(476)
Long-term growth rates	1.8%	-/+100	635/(504)
Post-tax discount rates	10.5%	-/+50	(375)/419
<b>2024</b>			
Forecasted revenue growth rates	3.0% - 8.7%	-/+100	436/(436)
Long-term growth rates	1.8%	-/+100	677/(538)
Post-tax discount rates	10.5%	-/+50	(376)/422

## 12. Investments in subsidiaries

	Company	
	2025 \$'000	2024 \$'000
Shares, at cost	76,393	73,693
Additional investment in subsidiaries	600	2,700
Struck-off of a subsidiary	(9,772)	-
	67,221	76,393
Less: Impairment losses	(9,960)	(16,997)
	57,261	59,396

Movement in impairment losses during the financial year is as follows:

	Company	
	2025 \$'000	2024 \$'000
At beginning of the year	16,997	16,762
Impairment for the year	675	235
Struck-off of a subsidiary	(7,712)	-
At end of the year	9,960	16,997

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 12. Investments in subsidiaries (cont'd)

The details of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Effective percentage of equity held by Group	
		2025 %	2024 %
<b><i>Held by the Company</i></b>			
GKE Private Limited <sup>i</sup> (Singapore)	Provision of warehousing services and trading business	100	100
GKE Warehousing & Logistics Pte Ltd <sup>i</sup> (Singapore)	Provision of warehousing, packing and transportation services	100	100
GKE Express Logistics Pte. Ltd. <sup>i</sup> (Singapore)	Provision of freight forwarding, transportation, warehousing and logistics services	100	100
GKE Freight Pte. Ltd. <sup>i</sup> (Singapore)	Provision of freight forwarding and transportation services	100	100
GKE Holdings (HK) Co., Limited <sup>iii</sup> (Hong Kong)	Investment holding	100	100
GKE Shipping Limited <sup>vii</sup> (British Virgin Islands)	Investment holding	– <sup>1</sup>	100
GKE Marquis Pte. Ltd. <sup>i</sup> (Singapore)	Provision of freight forwarding, transportation, warehousing and logistics services	100	100
GKE Services Pte. Ltd. <sup>i</sup> (Singapore)	Provision of port operations and logistics services, stevedoring and freight forwarding services	100	100
GKE Agritech Pte. Ltd. <sup>iv</sup> (Singapore)	Provision of indoor farming solution and growing of crops	100	100
GKE Fair Chem Pte. Ltd. <sup>i</sup> (Singapore)	Provision of blending and manufacturing of chemical and chemical products	100	100
GKE Logistics (Middle East) Pte. Ltd. <sup>iv</sup> (Singapore)	Investment holding and provision of logistics services in warehousing, transport and freight	100	–
GKE Retails Pte. Ltd. <sup>vi</sup> (Singapore)	Sales and distribution of telecommunications mobile handsets and accessories	100	–

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 12. Investments in subsidiaries (cont'd)

The details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Effective percentage of equity held by Group	
		2025 %	2024 %
<b><i>Held through GKE Holdings (HK) Co., Limited.</i></b>			
Wuzhou Xing Jian Readymix Co., Ltd <sup>ii, v</sup> (People’s Republic of China)	Producing and manufacturing of environmentally friendly lightweight brick, building materials and cement products	100	100
Cenxi Xing Jian Readymix Co., Ltd <sup>ii, v</sup> (People’s Republic of China)	Producing and manufacturing of environmentally friendly lightweight brick, building materials and cement products	100	100
<b><i>Held through GKE Logistics (Middle East) Pte. Ltd.</i></b>			
G K E Logistics Service L.L.C. <sup>vi</sup> (Dubai, United Arab Emirates)	Provision of logistics in warehousing, transport and freight	100	–

i. Audited by Ernst & Young LLP

ii. Audited by member firm of Ernst & Young Global for group consolidation purposes

iii. Audited by Vincent Chui & Co. Certified Public Accountant (Practising)

iv. Audited by Plus LLP

v. Audited by Wuzhou Zhengyi United CPA

vi. Audit is not required as the entities were newly incorporated in FY2025. In accordance with local regulatory requirements, the first financial year may not exceed 18 months, and the entities will be subject to audit in the subsequent financial year ending in 31 May 2026

vii. Not required to be audited in the country of incorporation.

In accordance with Rule 716 of SGX-ST Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

<sup>1</sup> As at 31 May 2025, GKE Shipping Limited has been struck off.

## 13. Investments in associates

	Group	
	2025 \$'000	2024 \$'000
Unquoted equity shares, at cost	1,957	1,957
Share of post-acquisition profit	6	29
Exchange differences	(237)	(167)
	<b>1,726</b>	<b>1,819</b>

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 13. Investments in associates (cont'd)

The activities of the associates are strategic to the Group activities. The Group's investments in associates, are summarised below:

Name of associates (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by Group	
		2025 %	2024 %
<b><i>Held through GKE Services Pte. Ltd.</i></b> TNS Ocean Lines International Private Limited (India)	Provision of port operations and logistics services, stevedoring and freight forwarding services	30	30
<b><i>Held through Wuzhou Xing Jian Readymix Co., Ltd</i></b> Cenxi Haoyi Recycling Co., Ltd <sup>ii</sup> (People's Republic of China)	Producing and manufacturing of environmentally friendly lightweight brick, building materials and cement products	24	24

i. Audited by Tejas A. Joshi & Co. Chartered Accountants

ii. Audited by Wuzhou Zhengyi United CPA.

## 14. Financial assets at fair value through profit or loss

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b><i>Quoted equity shares, at fair value</i></b>				
At beginning of the year	25	25	25	25
Fair value adjustment	(2)	– *	(2)	– *
Exchange differences	(1)	– *	(1)	– *
At end of the year	22	25	22	25
<b><i>Unquoted equity shares, at fair value</i></b>				
At beginning of the year	100	103	–	–
Disposal	(100)	–	–	–
Exchange differences	–	(3)	–	–
At end of the year	–	100	–	–
	22	125	22	25

Quoted equity shares relate to equity interest in Austin Metals Limited (2024: Austin Metals Limited) which the Group does not has significant influence.

Unquoted equity shares relate to 18% equity interest in Wuzhou Zi Wang Quarry Co., Ltd. in which the Group does not have control or significant influence. These shares were fully disposed of in the current financial year (Note 11).



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 15. Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Trade and other receivables (current):</b>				
Trade receivables	32,433	34,531	-	-
Loan to subsidiary	-	-	-	4,100
Amounts due from subsidiaries	-	-	2,547	1,397
Staff advances	21	19	-	-
Refundable deposits	875	498	-	-
Unbilled receivables	2,161	932	-	-
Other receivables	1,303	1,328	14	7
	<b>36,793</b>	<b>37,308</b>	<b>2,561</b>	<b>5,504</b>
<b>Other receivables (non-current):</b>				
Loan to subsidiary	-	-	806	-
Total trade and other receivables (current and non-current)	<b>36,793</b>	<b>37,308</b>	<b>3,367</b>	<b>5,504</b>
Add: Cash and short-term deposits (Note 17)	<b>30,446</b>	<b>26,485</b>	<b>3,888</b>	<b>3,700</b>
Total financial assets carried at amortised cost	<b>67,239</b>	<b>63,793</b>	<b>7,255</b>	<b>9,204</b>

### Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables denominated in foreign currencies as at 31 May are as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
United States Dollar	228	244	-	-

### Related party balances, staff advances and other receivables

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand and to be settled in cash.

The current and non-current loan to subsidiary is unsecured 5-year term loan of \$806,000 (2024: \$4,100,000), bears interest at 7.125% (2024: 7.125%) per annum and it shall be fully repaid in August 2029.

Staff advances and other receivables are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 15. Trade and other receivables (cont'd)

### *Expected credit losses*

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follow:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Movements in allowance account:</b>				
At beginning of the year	6,809	4,154	-	4,197
(Reversal of allowance)/allowance charge for the year, recorded in administrative expenses (Note 7)	(444)	2,760	-	-
Written back	-	-	-	(4,197)
Exchange differences	(249)	(105)	-	-
At end of the year	6,116	6,809	-	-

## 16. Inventories

	Group	
	2025	2024
	\$'000	\$'000
Raw materials	1,088	1,240
Finished goods	3,277	606
	4,365	1,846
Income statement:		
Inventories recognised as an expense in cost of sales	30,413	23,224

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 17. Cash and short-term deposits

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash at banks and on hand	23,470	20,690	2,426	1,006
Short-term deposits	6,976	5,795	1,462	2,694
Cash and short-term deposits	30,446	26,485	3,888	3,700

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Group's short-term deposits amounting to \$6,976,000 (2024: \$5,795,000) is placed for one (1) month. The range of effective interest rate of short-term deposit is 1.47% - 4.27% (2024: 2.75% - 4.95%) per annum.

Cash and short-term deposits denominated in foreign currencies as at 31 May are as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
United States Dollar	4,465	4,786	1,538	2,713
Renminbi	14	15	14	15

For the purpose of the consolidated cash flow statement, all cash and short-term deposits are cash and cash equivalents.

## 18. Share capital

	Group and Company			
	2025		2024	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
At beginning and end of the year	794,700	85,145	794,700	85,145

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 19. Treasury shares

	Group and Company			
	2025		2024	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At beginning of the year	(22,999)	(1,778)	(19,576)	(1,531)
Share buyback	(1,225)	(87)	(3,423)	(247)
At end of the year	(24,224)	(1,865)	(22,999)	(1,778)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired 1,224,600 (2024: 3,423,000) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares in cash was \$87,000 (2024: \$247,000) and this was presented as a component within shareholders' equity.

## 20. Other reserves

### (i) Translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

### (ii) Cash flow hedge reserve

Cash flow hedge reserve represents the portion of the fair value changes (net of tax) on derivative financial instruments designated as hedging instruments in cash flow hedges that is determined to be an effective hedge, as shown below:

	Group	
	2025 \$'000	2024 \$'000
<b>Interest rate risk:</b>		
At beginning of the year	98	432
Effective portion of changes in fair value of cash flow hedges		
- Interest rate swaps	(235)	(809)
Net change in fair value of cash flow hedges reclassified to profit or loss		
- Interest rate swaps	117	419
Tax effect		
- Interest rate swaps	20	56
At end of the year	-	98

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 20. Other reserves (cont'd)

### (iii) Capital reserve

Capital reserve represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares and changes in ownership interest in a subsidiary.

### (iv) Share based payments

#### ESOS 2021

Under the ESOS 2021, the Company, at its discretion, may grant share options of the Company to Executive Directors and key employees of the Company, its subsidiaries and Non-Executive Directors (including the Independent Directors) upon completion of 12 months of service.

The vesting period of the granted employee share options is 12 months after the grant date.

The fair value of share options granted is estimated at the date of grant using the Black- Scholes Option model, taking into account the terms and conditions on which the share options were granted. It also considers historical and expected dividends, and the share price volatility of the Company relative to that of its competitors so as to predict the share performance.

The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. There are no cash settlement alternatives for the employees.

The expense recognised for employee services received during the year is shown in the following table:

	2025 \$'000	2024 \$'000
Expense arising from equity-settled share based payment transactions	107	102

There were no cancellations or modifications to the awards in FY2025.

#### Movements during the year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	Group and Company			
	2025		2024	
	Number '000	WAEP \$	Number '000	WAEP \$
<b>Outstanding at beginning of the year</b>	12,373	0.09	7,581	0.10
Granted during the year	3,698	0.09	4,980	0.06
Forfeited during the year	(171)	0.09	(188)	0.10
<b>Outstanding at end of the year</b>	15,900	0.09	12,373	0.09
Exercisable at 31 May	12,202	0.09	7,393	0.10

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 20. Other reserves (cont'd)

- (iv) Share based payments (cont'd)

### ESOS 2021 (cont'd)

#### Movements during the year (cont'd)

The weighted average remaining contractual life for the share options outstanding as at 31 May 2025 was 8.3 years (2024: 8.4 years) for eligible employees and executive directors and 3.0 years (2024: 3.5 years) for non-executive directors. The weighted average fair value of options granted during the year was \$0.03 (2024: \$0.02). The range of exercise price for options outstanding at the end of the year were \$0.06 to \$0.11 (2024: \$0.06 to \$0.11).

The following tables list the inputs to the model used for the scheme for the year ended 31 May 2025 and 2024:

	Company	
	2025	2024
Weighted average fair values at the measurement date (\$)	<b>0.03</b>	0.02
Dividend yield (%)	<b>2.8</b>	3.0
Expected volatility (%)	<b>36.0</b>	38.0
Risk-free interest rate (%)	<b>2.5</b>	3.0
Expected life of share options (years)	<b>10.0</b>	10.0
Weighted average share price (\$)	<b>0.09</b>	0.06

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

- (v) Statutory reserve

In accordance with the Company Law applicable to the subsidiary in the PRC, the subsidiary is required to make appropriation to a statutory reserve ("SR"). 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SR until the cumulative total of the SR reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SR may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SR is not available for dividend distribution to shareholders.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 21. Other liabilities

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Current:</b>				
Accrued operating expenses	8,173	5,934	1,889	1,047
GST payables	812	648	64	57
Deposits received	684	759	-	-
Deferred income	226	242	22	22
	<b>9,895</b>	<b>7,583</b>	<b>1,975</b>	<b>1,126</b>
<b>Non-current:</b>				
Deferred income	1,691	1,849	-	-
	<b>11,586</b>	<b>9,432</b>	<b>1,975</b>	<b>1,126</b>
<b>Less:</b>				
GST payables	(812)	(648)	(64)	(57)
Deferred income	(1,917)	(2,091)	(22)	(22)
Other liabilities representing financial liabilities carried at amortised cost	<b>8,857</b>	<b>6,693</b>	<b>1,889</b>	<b>1,047</b>

## 22. Borrowings

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
- Unsecured	1,090	932	194	769
- Secured	9,938	9,734	-	-
	<b>11,028</b>	<b>10,666</b>	<b>194</b>	<b>769</b>
<b>Non-current</b>				
- Unsecured	-	194	-	194
- Secured	27,447	31,459	-	-
	<b>27,447</b>	<b>31,653</b>	<b>-</b>	<b>194</b>
	<b>38,475</b>	<b>42,319</b>	<b>194</b>	<b>963</b>

The Group's borrowings comprise the following:

- (i) 18-year SGD commercial property loan

The 18-year SGD commercial property loan of \$25,600,000 bears fixed rate for the 1st year and 2nd year at 4.25% per annum and in subsequent years is 2.00% per annum over the applicable Compounded Singapore Overnight Rate Average ("SORA") Reference Rate as determined by the Bank on the day of transaction. The loan shall be repaid over 216 monthly instalments after its first drawdown. The term loan is secured by first legal mortgage of the leasehold land, buildings and improvements of a subsidiary and corporate guarantee from the Company and a subsidiary.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 22. Borrowings (cont'd)

### (ii) 10-year SGD equipment loan

The 10-year SGD equipment loan of \$3,573,000 bears the interest rate at 1.75% per annum over the applicable Compounded SORA Reference Rate as determined by the Bank on the day of transaction or at such other rate at the sole discretion of the Bank. The loan shall be repaid over 120 fixed monthly instalments. The term loan is secured by first legal mortgage of the equipment and corporate guarantee from the Company.

### (iii) 12-year SGD term loan

The 12-year SGD term loan of Nil (2024: \$45,092,000), bears interest at 1.40% per annum over the applicable 1-month SORA or at such other rates as the Bank may stipulate from time to time at its absolute discretion. The loan shall have successive interest periods of 1-month except for the last interest period which shall be a period equivalent to the remaining tenor of the term loan. The term loan is secured by first legal mortgage of the leasehold land, buildings and improvements of subsidiary, and corporate guarantee from the Company. The loan was refinanced during the current year through (vii) a 6-year SGD commercial term loan and (ix) a 6-year SGD term loan.

### (iv) 1-year RMB bank term loan

- (a) The 1-year term loan of Nil (2024: RMB 7,000,000) equivalent to \$1,305,000 bears interest at 2.15% above the People's Republic of China's Loan Prime Rate ("LPR"). The loan has been fully repaid in the current year.
- (b) The 1-year term loan of Nil (2024: RMB 2,000,000) equivalent to \$373,000 bears interest at the People's Republic of China's LPR. The loan has been fully repaid in the current year.
- (c) The 1-year term loan of Nil (2024: RMB 2,000,000) equivalent to \$373,000 bears interest at the People's Republic of China's LPR. The loan has been fully repaid in the current year.
- (d) The 1-year term loan of Nil (2024: RMB 1,000,000) equivalent to \$186,000 bears interest at the People's Republic of China's LPR. The loan has been fully repaid in the current year.
- (e) The 1-year term loan of Nil (2024: RMB 7,500,000) equivalent to \$1,398,000 bears interest at 1.00% below the People's Republic of China's LPR. The loan has been fully repaid in the current year.
- (f) The 1-year term loan of Nil (2024: RMB 1,500,000) equivalent to \$280,000 bears interest at 0.75% below the People's Republic of China's LPR. The loan has been fully repaid in the current year.
- (g) The 1-year term loan of RMB 7,000,000 equivalent to \$1,254,000 bears fixed interest at 4.60%. The loan shall be repaid within 12 months from the first drawdown date.
- (h) The 1-year term loan of RMB 2,000,000 equivalent to \$358,000 bears fixed interest at 3.10%. The loan shall be repaid within 12 months from the first drawdown date.
- (i) The 1-year term loan of RMB 2,000,000 equivalent to \$358,000 bears fixed interest at 3.10%. The loan shall be repaid within 12 months from the first drawdown date.
- (j) The 1-year term loan of RMB 1,000,000 equivalent to \$179,000 bears fixed interest at 3.10%. The loan shall be repaid within 12 months from the first drawdown date.
- (k) The 1-year term loan of RMB 7,500,000 equivalent to \$1,344,000 bears fixed interest at 3.10%. The loan shall be repaid within 12 months from the first drawdown date.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 22. Borrowings (cont'd)

(v) 5-year temporary bridging loan

The 5-year temporary bridging loan of \$3,000,000 bears interest at 2.00% per annum or at such may be approved by Enterprise Singapore under Enterprise Financing Scheme ("EFS"). The first principal instalment will be repayable on the 12th month from the first drawdown date.

(vi) 5-year temporary bridging loan

The 5-year temporary bridging loan of \$2,000,000 bears interest at 2.00% per annum or at such may be approved by Enterprise Singapore under EFS. The first principal instalment will be repayable on the 12th month from the first drawdown date.

(vii) 2-year SGD sustainable financing loan

The 2-year SGD sustainable financing loan of Nil (2024: \$298,000) bears the interest rate at 1.30% per annum over the applicable Compounded SORA Reference Rate. The loan has been fully repaid in the current year.

(viii) 6-year SGD commercial term loan

The 6-year SGD commercial term loan of \$13,517,000 bears fixed interest at 3.58% per annum for the 1st year, 2nd year at 3.78% per annum, and in subsequent years is 2.00% per annum over the applicable Compounded SORA Reference rate as determined by the Bank on the day of the transaction.

The loan shall be repaid over 72 monthly instalments. The term loan is secured by first legal mortgage of the leasehold land, building and improvements of subsidiary, and corporate guarantee from the Company.

(ix) 6-year SGD term loan

The 6-year SGD term loan of \$10,000,000 bears interest at 0.80% per annum over the applicable Compounded SORA Reference rate as determined by the Bank on the day of the transaction, or at such other rate at the sole discretion of the Bank.

The loan shall be repaid over 72 monthly instalments. The term loan is secured by first legal mortgage of the leasehold land, building and improvements of subsidiary, and corporate guarantee from the Company.

(x) 5-year SGD term loan

The 5-year SGD term loan of \$1,319,000 bears interest at 1.40% per annum over the applicable Compounded SORA Reference rate as determined by the Bank on the day of the transaction, or at such other rate at the sole discretion of the Bank.

The loan shall be repaid over 60 monthly instalments. The term loan is secured by first legal mortgage of the leasehold land, building and improvements of subsidiary, and corporate guarantee from the Company.

(xi) SGD trust receipts

The SGD trust receipts of \$1,496,000 bears interest at 1.50% per annum over the Bank's Cost of Funds as determined by the Bank on the day of transaction, or at such other rate at the sole discretion of the Bank, for SGD denominated bills. The trust receipts are secured by the corporate guarantee from the Company. The trust receipts shall be repaid within stipulated trust receipts period.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 22. Borrowings (cont'd)

### (xii) 5-year SGD term loan

The 5-year SGD term loan of \$418,500 bears interest at 1.40% per annum over the applicable Compounded SORA Reference rate as determined by the Bank on the day of the transaction, or at such other rate at the sole discretion of the Bank. The loan shall be repaid over 60 monthly instalments.

A reconciliation of liabilities arising from financing activities is as follows:

	31 May 2024	Cash flows		Addition of leases	Foreign exchange movement	Other	31 May 2025
	\$'000	Repayment \$'000	Proceeds \$'000	\$'000	\$'000	\$'000	\$'000
<b>Bank loans</b>							
- Current	10,666	(10,599)	6,636	-	(135)	4,460	11,028
- Non-current	31,653	-	254	-	-	(4,460)	27,447
<b>Lease liabilities</b>							
- Current	4,770	(5,418)	-	2,492	-	3,668	5,512
- Non-current	12,804	-	-	-	-	(3,668)	9,136
<b>Total</b>	<b>59,893</b>	<b>(16,017)</b>	<b>6,890</b>	<b>2,492</b>	<b>(135)</b>	<b>-</b>	<b>53,123</b>

	31 May 2023	Cash flows		Addition of leases	Foreign exchange movement	Other	31 May 2024
	\$'000	Repayment \$'000	Proceeds \$'000	\$'000	\$'000	\$'000	\$'000
<b>Bank loans</b>							
- Current	13,043	(13,867)	1,886	-	(83)	9,687	10,666
- Non-current	41,340	-	-	-	-	(9,687)	31,653
<b>Lease liabilities</b>							
- Current	5,870	(6,220)	-	99	(10)	5,031	4,770
- Non-current	17,835	-	-	-	-	(5,031)	12,804
<b>Total</b>	<b>78,088</b>	<b>(20,087)</b>	<b>1,886</b>	<b>99</b>	<b>(93)</b>	<b>-</b>	<b>59,893</b>

The 'Other' column relates to reclassification of non-current portion of loans and borrowings including obligations under finance leases due to passage of time and accretion of interests.

As at 31 May 2025 and 2024, all the financial covenants on the above bank borrowings have been fully complied with.

The Company does not expect to incur any liabilities arising from the corporate guarantees.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 23. Leases

The Group has lease contracts for various items of property, vehicles and other equipment used in its operations. 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 'low value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Warehouses and dormitories \$'000	Forklifts and motor vehicles \$'000	Plant and machinery \$'000	Land use rights \$'000	Total \$'000
<b>Group</b>					
As at 1 June 2023	19,408	4,152	695	1,923	26,178
Addition	2	97	–	–	99
Depreciation expenses	(4,882)	(1,160)	(126)	(44)	(6,212)
Reclassification	–	(1,570)	(162)	–	(1,732)
Exchange differences	–	(23)	(15)	(46)	(84)
As at 31 May 2024 and 1 June 2024	14,528	1,496	392	1,833	18,249
Addition	2,319	173	–	–	2,492
Depreciation expenses	(4,704)	(351)	(32)	(42)	(5,129)
Disposals	–	(90)	–	–	(90)
Reclassification	–	(380)	–	–	(380)
Exchange differences	–	–	–	(69)	(69)
As at 31 May 2025	12,143	848	360	1,722	15,073

### **Land use rights**

Land use rights comprise the following:

- A plot of state-owned land in Wuzhou, PRC where the Group has constructed a ready-mix concrete plant. The land use rights are transferable and have a remaining tenure of 40 years (2024: 41 years).
- A plot of state-owned land in Cenxi, PRC where the Group has constructed a ready-mix concrete plant. The land use rights are transferable and have a remaining tenure of 45 years (2024: 46 years).

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 23. Leases (cont'd)

### *Assets held under finance leases*

The carrying amount of assets held under finance leases, primarily motor vehicles, trailers and forklifts at the end of the reporting period was \$468,000 (2024: \$1,496,000).

Certain leased assets are pledged as security for the related financing loan (Note 22).

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At beginning of the year	17,574	23,705	20	58
Addition	2,492	99	-	-
Accretion of interest (Note 6)	648	831	-	2
Payment	(6,066)	(7,051)	(20)	(40)
Exchange difference	-	(10)	-	-
At end of the year	14,648	17,574	-	20
Presented as:				
Current	5,512	4,770	-	20
Non-current	9,136	12,804	-	-

The following are the amounts recognised in profit or loss:

	Group	
	2025	2024
	\$'000	\$'000
Depreciation expenses of right-of-use assets	5,129	6,212
Interest expense on lease liabilities	648	831
Expense relating to leases of low-value assets (included in cost of sales and administrative expenses)	519	669
Total amount recognised in profit or loss	6,296	7,712

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 24. Deferred tax

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The amounts, after such offsets, are disclosed on the balance sheet as follows:-

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	1,008	1,167	-	-
Deferred tax liabilities	(3,051)	(3,173)	(222)	(172)
Net deferred tax liabilities	(2,043)	(2,006)	(222)	(172)

Details of deferred tax assets and liabilities before offsetting is as follows:-

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax assets:</b>				
Differences in depreciation for tax purpose	-	-	-	15
Allowance for expected credit losses	1,008	1,167	-	-
Lease liabilities	2,299	2,030	-	-
Provision	27	22	1	-
	3,334	3,219	1	15
<b>Deferred tax liabilities:</b>				
Differences in depreciation for tax purpose	(4,230)	(3,968)	(25)	-
Fair value adjustments on acquisition of subsidiary	(949)	(1,050)	-	-
Revaluation of cash flow hedges	-	(20)	-	-
Other	(198)	(187)	(198)	(187)
	(5,377)	(5,225)	(223)	(187)

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 24. Deferred tax (cont'd)

Deferred tax as at 31 May relates to the following:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At beginning of the year	(2,006)	(2,764)	(172)	(152)
Tax credited/(charged) to profit or loss				
- Current year (Note 8(a))	14	1,069	(61)	(24)
- Prior year (Note 8(a))	(10)	(236)	11	4
Impact of fair value loss/(gain) from interest rate swap	20	(20)	-	-
Exchange differences	(61)	(55)	-	-
At end of the year	(2,043)	(2,006)	(222)	(172)

### Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately \$293,000 (2024: \$237,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses have no expiry date.

### Unrecognised temporary differences relating to investment in subsidiaries

At the end of the reporting period, no deferred tax liability (2024: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries of the Group as the Group has control over the distribution of the earnings and has determined that the undistributed earnings of the subsidiaries will not be distributed in the foreseeable future. Such undistributed earnings of the subsidiaries amounted to \$19,958,000 (2024: \$17,172,000).

### Tax consequences of proposed dividends

There are no income tax consequences attached to the payment of dividends in either 2025 or 2024 by the Company to its shareholders.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 25. Trade and other payables

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade payables	8,251	9,190	-	-
Other payables	5,297	6,162	31	63
Amounts due to subsidiaries	-	-	19	2,229
Loan from subsidiary	-	-	-	3,861
Total trade and other payables	13,548	15,352	50	6,153
Add: Other liabilities (Note 21)	8,857	6,693	1,889	1,047
Borrowings (Note 22)	38,475	42,319	194	963
Lease liabilities (Note 23)	14,648	17,574	-	20
Total financial liabilities carried at amortised cost	75,528	81,938	2,133	8,183

Trade and other payables are unsecured, non-interest bearing and repayment is based on payment terms and conditions agreed.

Trade and other payables denominated in foreign currencies as at 31 May are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States Dollar	102	31	10	-

The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free, and repayable on demand and are to be settled in cash.

The loan from subsidiary is unsecured, fixed interest bearing at 3.8% per annum (2024: unsecured, fixed interest bearing at 3.8% per annum) and repayable on demand. The loan from subsidiary has been fully settled against the dividend declared by the subsidiaries in the current year.

## 26. Derivative financial assets

	Group			
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
	Notional amount	Assets	Notional amount	Assets
Interest rate swaps	-	-	23,097	117

The fair value of interest rate swaps as shown above are determined with reference to marked-to-market values provided by counterparties.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 26. Derivative financial assets (cont'd)

Hedge accounting has been applied for interest rate swaps that are assessed by the Group to be highly effective hedges.

The Group determines the economic relationship between the loans and borrowings and the derivative by matching the critical terms of the hedging instrument with the terms of the hedged item. The hedge ratio (the ratio between notional amount of the derivative financial instrument to the amount of the loans and borrowings being hedged) is determined to be 1:1. There were no expected sources of ineffectiveness on the Group's hedges as the critical terms of the derivative match exactly with the terms of the hedged item.

The Group uses the interest rate swaps to hedge against the exposure to variability in cash flows from related borrowings. Under the interest rate swaps, the Group receives floating interest and pays fixed interest. The hedge is classified as cash flow hedges and the fair value changes of the interest rate swaps is recognised in cash flow hedge reserve. The interest rate swaps receive floating interest equal to 1-month SORA (2024: 1-month SORA) pays a fixed rate of interest of 1.92% and 2.00% (2024: 1.92% and 2.00%) per annum, and were matured on 27 September 2024.

## 27. Commitments

### (a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2025	2024
	\$'000	\$'000
Capital commitments in respect of property, plant and equipment	450	357

### (b) Operating lease income commitments - as lessor

Operating lease income mainly represents rental receivables by the Group from the provision of warehousing at various areas in Singapore. These non-cancellable leases have remaining lease terms of up to 2 years (2024: remaining lease terms of up to 2 years).

Future minimum rental receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2025	2024
	\$'000	\$'000
Not later than one year	1,661	1,270
Later than one year but not later than five years	1,801	234
	<u>3,462</u>	<u>1,504</u>



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 28. Fair value of assets and liabilities

### (a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (i) Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 – Unobservable inputs for the asset and liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of their fair value hierarchy as the lowest level input that is significant to the entire measurement.

### (b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	Fair value measurements at the end of the reporting period using			
Recurring fair value measurements	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	\$'000	\$'000	\$'000	\$'000
2025				
Assets				
Financial assets				
Financial assets at fair value through profit or loss				
- Quoted equity shares (Note 14)	22	-	-	22
2024				
Assets				
Financial assets				
Financial assets at fair value through profit or loss				
- Quoted equity shares (Note 14)	25	-	-	25
- Unquoted equity shares (Note 14)	-	-	100	100
- Derivative financial assets	-	117	-	117

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 28. Fair value of assets and liabilities (cont'd)

### (c) Level 2 fair value measurements

The Group's derivative financial assets are based on valuation technique with market observable inputs. The model incorporate input such as banks' quotes.

### (d) Level 3 fair value measurements

#### (i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about their fair value measurements using significant unobservable inputs (Level 3).

	Fair value		Valuation techniques	Key unobservable inputs	Range
	2025	2024			
	\$'000	\$'000			
<b>Recurring fair value measurements</b>					
<b>Financial asset</b>					
Unquoted equity shares	–	100	Discounted cash flow method	Discount rate	4.9%

For the unquoted equity shares, a 1% increase/(decrease) in the discount rate applied will result in a \$4,000 decrease/(increase) in fair value measurement.

#### (ii) Valuation policies and procedures

The Group's Chief Financial Officer ("CFO") oversees the Group's overall accounting and finance function including treasury functions, risk management and investor relations. In this regard, the CFO reports to the Group's Audit Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 Fair Value Measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions that are relevant to the valuation if such information are reasonably available.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 28. Fair value of assets and liabilities (cont'd)

### (d) *Level 3 fair value measurements (cont'd)*

#### (ii) Valuation policies and procedures (cont'd)

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The CFO documents and reports its analysis and results of the external valuations, if any, to the Board of Directors.

### (e) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Management has determined that the carrying amounts of cash and short-term deposit, trade and other receivables, trade and other payables and other liabilities based on their notional amounts, reasonably approximate their fair values because they are short-term in nature or the interest rates are approximate market interest rates. The carrying amounts of interest-bearing term loans at floating rates reflect fair values because they are all re-priced to the market interest rates near the end of the reporting period.

The carrying amount of other receivables (non-current) is reasonable approximation of fair values as the consideration of time value of money is not material. The carrying amounts of borrowings at floating rates reflect fair values because they are all re-priced to the market interest rates near the end of the reporting period.

## 29. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Board of Directors reviews and approves policies and procedures for the management of these risks, which are executed by the Chief Executive Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

### (a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 29. Financial risk management objectives and policies (cont'd)

### (a) Credit risk (cont'd)

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group assumes that credit risk of a financial asset has increased significantly when the financial asset remains outstanding for more than the reasonable range of past due days, taking into consideration historical payment track records, current macroeconomics situation as well as the general industry trend.

To assess whether there is a significant increase in credit risk, the Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Actual or expected significant changes in the operating results of the counterparty

#### Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on Group's historical observed default rates analysed in accordance to days past due by grouping of customer, which also incorporate forward looking information such as forecast of economic conditions, leading to an increased number of defaults.

	Group			
	2025		2024	
	Gross amount \$'000	Less allowance provision \$'000	Gross amount \$'000	Less allowance provision \$'000
<b>Group</b>				
Not past due	10,735	-	9,626	-
Past due 0 to 90 days	9,801	-	9,526	-
Past due 91 to 180 days	3,278	(1)	3,086	-
Past due 181 to 365 days	3,662	(73)	5,533	(85)
Past due more than 365 days	11,073	(6,042)	13,569	(6,724)
	<b>38,549</b>	<b>(6,116)</b>	<b>41,340</b>	<b>(6,809)</b>

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 29. Financial risk management objectives and policies (cont'd)

### (a) Credit risk (cont'd)

#### Amounts due from related companies

The Group and the Company provide for lifetime expected credit losses for amounts due from related companies and subsidiaries using the probability of default approach. In determining expected credit losses, the Group and the Company consider events such as significant adverse changes in financial conditions and changes in the operating results of the related companies and subsidiaries and determined that significant increase in credit risk occur when there is an increase in likelihood of default.

The loss allowance provision for amounts due from subsidiaries are as follow:

	Company	
	2025	2024
	\$'000	\$'000
Movements in allowance account:		
At beginning of the year	-	4,197
Written back	-	(4,197)
At end of the year	-	-

#### *Exposure to credit risk*

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the balance sheets; and
- an amount of \$55,552,000 (2024: \$55,560,000) of which \$53,399,000 (2024: \$53,683,000) relates to corporate guarantees provided by the Company to the financial institutions on its subsidiaries' borrowings and other banking facilities, and \$2,162,000 (2024: \$1,877,000) relates to bank guarantees.

#### *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

#### *Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in Note 15.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 29. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
<b>Group</b>				
<b>2025</b>				
<b>Financial assets:</b>				
Trade and other receivables	36,793	–	–	36,793
Cash and short-term deposits	30,446	–	–	30,446
Total undiscounted financial assets	67,239	–	–	67,239
<b>Financial liabilities:</b>				
Borrowings	12,279	26,528	3,038	41,845
Trade and other payables	13,548	–	–	13,548
Other liabilities	8,857	–	–	8,857
Lease liabilities	5,992	5,440	5,382	16,814
Total undiscounted financial liabilities	40,676	31,968	8,420	81,064
Total net undiscounted financial assets/(liabilities)	26,563	(31,968)	(8,420)	(13,825)
<b>2024</b>				
<b>Financial assets:</b>				
Trade and other receivables	37,308	–	–	37,308
Derivative financial assets	117	–	–	117
Cash and short-term deposits	26,485	–	–	26,485
Total undiscounted financial assets	63,910	–	–	63,910
<b>Financial liabilities:</b>				
Borrowings	11,635	24,292	10,254	46,181
Trade and other payables	15,352	–	–	15,352
Other liabilities	6,693	–	–	6,693
Lease liabilities	5,715	9,126	5,899	20,740
Total undiscounted financial liabilities	39,395	33,418	16,153	88,966
Total net undiscounted financial assets/(liabilities)	24,515	(33,418)	(16,153)	(25,056)

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 29. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

*Analysis of financial instruments by remaining contractual maturities (cont'd)*

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amounts of the corporate guarantee contracts are allocated to the earliest period in which the guarantees could be called.

	Company			
	One year or less \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
<b>2025</b>				
Financial guarantees	24,825	25,568	2,995	53,388
<b>2024</b>				
Financial guarantees	20,761	23,051	9,871	53,683

### (c) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily United States Dollar ("USD") and Renminbi ("RMB").

The Group also holds cash denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, denominated in PRC. The Group's net investments in PRC is not hedged as currency positions in RMB is considered to be long-term in nature.

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and RMB exchange rates against the functional currency of the Group entities, with all other variables held constant.

	Group	
	Increase/(decrease) Profit before tax 2025 \$'000	Increase/(decrease) Profit before tax 2024 \$'000
<u>Against SGD</u>		
USD - Strengthened 3% (2024: 3%)	138	150
- Weakened 3% (2024: 3%)	(138)	(150)
RMB - Strengthened 3% (2024: 3%)	1	1
- Weakened 3% (2024: 3%)	(1)	(1)

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 29. Financial risk management objectives and policies (cont'd)

### (d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings, interest-bearing loans given to subsidiaries and loans from non-controlling interests. The Group does not hedge its fixed rate loans and borrowings.

The Group and Company manage its exposure to interest risk by sourcing for the most favourable interest rates and entered into interest rate swaps as disclosed in Note 26.

## 30. Dividends

### Group and Company

2025	2024
\$'000	\$'000

### Declared and paid during the financial year:

Dividends on ordinary shares:

- Interim exempt (one-tier) dividend for FY2025: 0.05  
(FY2024: Nil) Singapore cents
- Final exempt (one-tier) dividend for FY2024: 0.20  
(FY2023: 0.20) Singapore cents

385	-
1,541	1,550
1,926	1,550

The Company has proposed but not recognised as liability a final tax exempt (one-tier) dividend of 0.35 Singapore cents per ordinary share (2024: 0.20 Singapore cents) as recommended by the Directors for the financial year ended 31 May 2025.

## 31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 May 2025 and 2024.

One of the externally imposed capital requirements for the Group to maintain its listing on the SGX is to have share capital with a free float of at least 10% of its ordinary shares. Management receives a report from the registrar regularly on substantial share interests showing the non-free float and it demonstrated continuing compliance with the 10% limit throughout the year.

The Company and certain subsidiaries of the Group are subject to financial covenants for credit facilities provided by banks as disclosed in Note 22. These externally imposed capital requirements have been complied with by the Company and its subsidiaries for the financial years ended 31 May 2025 and 2024.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 31. Capital management (cont'd)

The Group monitors the capital using a gearing ratio, which is debt divided by total equity and debt. The Group's debts consist of borrowings and finance lease liabilities.

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Debt	<b>38,943</b>	43,277	<b>194</b>	983
Total equity	<b>100,130</b>	94,331	<b>62,652</b>	60,469
Total equity and debt	<b>139,073</b>	137,608	<b>62,846</b>	61,452
Gearing ratio	<b>28.0%</b>	31.4%	<b>0.3%</b>	1.6%

## 32. Segment information

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

- The investment holding segment is involved in Group level corporate services and investment activities.
- The warehousing 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.
- 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.
- The retail and distribution segment provides contracting services, sales and distribution of telecommunications mobile handsets and accessories business.
- 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.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 32. Segment information (cont'd)

2025	Investment holding \$'000	Warehouse and logistics \$'000	Infrastructural materials and services \$'000	Retail and distribution \$'000	Agriculture \$'000	Consolidation adjustments \$'000	Total \$'000
Revenue							
- External customers	-	94,682	24,294	6,290	1,253	-	126,519
- Inter-segment <sup>(1)</sup>	-	457	-	-	4	(461)	-
<b>Total revenue</b>	-	95,139	24,294	6,290	1,257	(461)	126,519
Results:	(4,844)	27,280	4,451	(170)	(467)	1,860	28,110
Depreciation of property, plant and equipment	(132)	(13,114)	(992)	(111)	(330)	(391)	(15,070)
Amortisation of intangible assets	-	(201)	(55)	-	-	-	(256)
(Allowance)/reversal of allowance for expected credit loss	-	(24)	468	-	-	-	444
Bad debts written off	-	(2)	-	-	-	-	(2)
Impairment loss on investment in subsidiary	(675)	-	-	-	-	675	-
Property, plant and equipment written off	-	(19)	-	-	-	-	(19)
Fair value loss on financial assets	(2)	-	-	-	-	-	(2)
Gain on disposal of property, plant and equipment	28	34	-	-	-	-	62
Net gain on disposal of intangible assets	-	-	1,112	-	-	-	1,112
Share of results of associates	-	-	(23)	-	-	-	(23)
Dividend income	7,560	-	-	-	-	(7,560)	-
Interest income	193	173	16	-	-	(137)	245
Finance costs	(54)	(2,008)	(245)	(7)	(6)	137	(2,183)
<b>Segment profit/(loss)</b>	2,074	12,119	4,732	(288)	(803)	(5,416)	12,418
Tax expense							(3,569)
<b>Profit for the year</b>							<u>8,849</u>

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 32. Segment information (cont'd)

2025 (cont'd)	Investment holding \$'000	Warehouse and logistics \$'000	Infrastructural materials and services \$'000	Retail and distribution \$'000	Agriculture \$'000	Consolidation adjustments \$'000	Total \$'000
<b>Assets:</b>							
Investments in associates	-	14	1,712	-	-	-	1,726
Additions to non-current assets <sup>(2)</sup>	416	7,779	141	1,692	181	-	10,209
<b>Segment assets <sup>(3)</sup></b>	65,093	128,278	31,905	6,830	3,565	(52,439)	183,232
Unallocated asset:							1,008
Deferred tax assets							184,240
Total assets							
<b>Segment liabilities <sup>(3)</sup></b>							
Unallocated liabilities:	2,218	59,181	13,602	6,719	650	(4,113)	78,257
Deferred tax liabilities							3,051
Tax payable							2,802
Total liabilities							84,110

(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.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 32. Segment information (cont'd)

2024		Investment holding \$'000	Warehouse and logistics \$'000	Infrastructure materials and services \$'000	Consolidation		Total \$'000
					Agriculture \$'000	adjustments \$'000	
Revenue							
- External customers		-	89,360	20,089	1,106	-	110,555
- Inter-segment <sup>(1)</sup>		-	392	-	29	(421)	-
Total revenue		-	89,752	20,089	1,135	(421)	110,555
Results:							
Depreciation of property, plant and equipment		(1,735)	26,331	3,576	(56)	(257)	27,859
Amortisation of intangible assets		(124)	(13,173)	(1,407)	(266)	(391)	(15,361)
Allowance for expected credit loss		-	(201)	(190)	-	-	(391)
Reversal of allowance for amounts due from subsidiaries		-	-	(2,760)	-	-	(2,760)
Impairment loss on investment in subsidiary		4,197	-	-	-	(4,197)	-
Property, plant and equipment written off		(235)	-	-	-	235	-
Gain on disposal of property, plant and equipment		-	(153)	-	-	-	(153)
Share of results of associates		-	23	-	-	-	23
Dividend income		-	-	45	-	-	45
Interest income		3,800	-	-	-	(3,800)	-
Finance costs		366	587	8	-	(754)	207
<b>Segment profit/(loss)</b>		(712)	(2,407)	(334)	(10)	754	(2,709)
Tax expense		5,557	11,007	(1,062)	(332)	(8,410)	6,760
<b>Profit for the year</b>							(2,457)
							4,303

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 32. Segment information (cont'd)

	Investment holding \$'000	Warehouse and logistics \$'000	Infrastructural materials and services \$'000	Agriculture adjustments \$'000	Consolidation adjustments \$'000	Total \$'000
<b>2024 (cont'd)</b>						
Assets:						
Investments in associates	-	14	1,805	-	-	1,819
Additions to non-current assets <sup>(2)</sup>	55	1,930	185	287	-	2,457
<b>Segment assets<sup>(3)</sup></b>	71,132	135,016	35,764	4,039	(61,971)	183,980
Unallocated asset:						1,167
Deferred tax assets						185,147
Total assets						
<b>Segment liabilities<sup>(3)</sup></b>	8,261	67,936	20,041	546	(12,107)	84,677
Unallocated liabilities:						3,173
Deferred tax liabilities						2,966
Tax payable						90,816
<b>Total liabilities</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.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 32. Segment information (cont'd)

### *Geographical segments*

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

	Revenue		Non-current assets <sup>(1)</sup>	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Singapore	102,212	90,466	99,465	103,899
People's Republic of China	24,294	20,089	9,412	11,209
Others	13	–	84	–
	<b>126,519</b>	<b>110,555</b>	<b>108,961</b>	<b>115,108</b>

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

### *Information about major customer*

Revenue from one major customer amount to \$17,085,000 (2024: \$14,484,000) for the financial year ended 31 May 2025, arising from sales by the warehouse and logistics segment.

## 33. Related party transactions

### *(a) Related parties*

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	
	2025	2024
	\$'000	\$'000
Sale of goods to an associate	1	15
Purchase of goods from an associate	(664)	(552)

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2025

## 33. Related party transactions (cont'd)

### (b) Key management compensation

	Group	
	2025	2024
	\$'000	\$'000
Directors of the Company:		
- Salaries, fees and benefits-in-kind	2,227	1,622
- Contribution to defined contribution plans	32	35
- Share based payment transactions	35	38
Directors of subsidiaries:		
- Salaries, fees and benefits-in-kind	1,361	1,336
- Contribution to defined contribution plans	63	62
- Share based payment transactions	16	15
Other key management personnel:		
- Salaries, fees and benefits-in-kind	1,418	1,189
- Contribution to defined contribution plans	84	85
- Share based payment transactions	20	19

Key management personnel are the Directors and key personnel having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

## 34. Subsequent events

- On 3 June 2025, the Company entered into a Joint Venture Agreement with Li Shan ("JVP") and GKE Retails Pte. Ltd. ("GKERT"). GKERT issued 600,000 and 666,667 ordinary shares at S\$1.00 per share to the Company and the JVP respectively, thereby increasing the issued and paid-up share capital of GKERT from S\$400,000 divided into 400,000 ordinary shares to S\$1,666,667 divided into 1,666,667 ordinary shares. Thereafter, the Company and JVP hold 60% and 40% of GKERT respectively.
- On 16 July 2025, G K E Logistics Service L.L.C., a subsidiary of the Company, entered into a new lease agreement for a premises located in the Jebel Ali Free Zone. The lease has a term of 3 years commencing on 16 July 2025, with annual lease payments of \$875,000.

## 35. Authorisation of financial statements for issue

The financial statements for the year ended 31 May 2025 were authorised for issue in accordance with a resolution of the Directors on 29 August 2025.

# STATISTICS OF SHAREHOLDINGS

As at 20 August 2025

<b>Class of shares</b>	<b>: Ordinary shares</b>
<b>No. of shares (excluding treasury shares and subsidiary holdings)</b>	<b>: 770,476,490</b>
<b>Voting rights</b>	<b>: One vote per share</b>

As at 20 August 2025, the total number of treasury shares held is 24,224,050 (3.05%) and there are no subsidiary holdings.

## DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Percentage (%)	Number of Shares	Percentage (%)
1 - 99	9	0.51	442	0.00
100 - 1,000	53	3.01	32,800	0.00
1,001 - 10,000	352	19.98	2,538,915	0.33
10,001 - 1,000,000	1,294	73.44	135,335,175	17.57
1,000,001 and above	54	3.06	632,569,158	82.10
<b>TOTAL</b>	<b>1,762</b>	<b>100.00</b>	<b>770,476,490</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

No	Name of Shareholder	Number of Shares Held	Percentage (%)*
1	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	103,720,865	13.46
2	UOB KAY HIAN PTE LTD	93,716,156	12.16
3	CHEN JIANG NAN	56,645,429	7.35
4	QIAN WEN HUA	51,672,500	6.71
5	NEO CHEOW HUI	27,945,300	3.63
6	CITIBANK NOMINEES SINGAPORE PTE LTD	23,909,100	3.10
7	MAYBANK SECURITIES PTE. LTD.	22,362,200	2.90
8	NEO HWEE LEE	21,085,000	2.74
9	CHEN YONG HUA	17,200,000	2.23
10	TENG BENG HUA	16,375,060	2.13
11	WANG JIAN PING	15,266,800	1.98
12	CHEN JIANG YUN	15,053,764	1.95
13	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	14,595,263	1.89
14	CHAI HWEE HOON DOREEN	13,500,000	1.75
15	DBS NOMINEES PTE LTD	11,241,401	1.46
16	ABN AMRO CLEARING BANK N.V.	10,616,700	1.38
17	KERWIN NG LONG FA	10,508,600	1.36
18	TAN AI MENG	8,000,000	1.04
19	KIENTA ENGINEERING CONSTRUCTION PTE LTD	7,743,500	1.01
20	PHILLIP SECURITIES PTE LTD	7,323,400	0.95
<b>TOTAL</b>		<b>548,481,038</b>	<b>71.18</b>

\* The percentage of issued ordinary shares is calculated based on the number of issued ordinary excluding the treasury shares and subsidiary holdings.



# STATISTICS OF SHAREHOLDINGS

As at 20 August 2025

## SUBSTANTIAL SHAREHOLDERS AS AT 20 AUGUST 2025

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	Number of Shares		
		%	Deemed Interest	%
Chen Yong Hua <sup>(1)</sup>	17,200,000	2.23	50,000,000	6.49
Chen Li Rong <sup>(2)</sup>	–	–	58,420,642	7.58
Chen Jiang Nan <sup>(3)</sup>	56,645,429	7.35	4,308,300	0.56
Qian Wen Hua	51,672,500	6.71	–	–

### Notes:

- <sup>(1)</sup> Chen Yong Hua is deemed to be interested in 50,000,000 Shares which is held by United Overseas Bank Nominees (Private) Limited on his behalf.
- <sup>(2)</sup> Chen Li Rong is deemed to be interested in 58,420,642 Shares which are held by UOB Kay Hian Pte Ltd on her behalf.
- <sup>(3)</sup> Chen Jiang Nan is deemed to be interested in 3,055,700 and 1,252,600 which are held by United Overseas Bank Nominees (Private) Limited and UOB Kay Hian Pte Ltd on his behalf.

## PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 20 August 2025, 52.03% of the Company's shares are held in the hand of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual - Section B: Rules of Catalist of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of GKE Corporation Limited (“Company”) will be held at 39 Benoi Road #06-01 Singapore 627725 on Thursday, 25 September 2025 at 10.00 a.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and Directors’ Statement of the Company and the Group for the financial year ended 31 May 2025 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a Final tax exempt (one-tier) Dividend of 0.35 Singapore cents per ordinary share as recommended by the Directors for the financial year ended 31 May 2025. **(Resolution 2)**
3. To approve the payment of Directors’ fees of S\$170,000 for the financial year ending 31 May 2026 in arrears. (2025: S\$170,000) **(Resolution 3)**
4. To re-elect the following Directors of the Company retiring pursuant to Regulation 107 of the Constitution of the Company:  
  
Mr. Neo Cheow Hui **(Resolution 4)**  
Mr. Loy Soo Chew **(Resolution 5)**  
  
[See Explanatory Note (i)]
5. To re-elect Ms. Guo Xiaofei as a Director of the Company retiring pursuant to Regulation 117 of the Constitution of the Company. **(Resolution 6)**  
  
[See Explanatory Note (ii)]
6. To re-appoint Ernst & Young LLP, Public Accountants and Chartered Accountants, as the external auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
7. To transact any other ordinary business which may properly be transacted at an AGM.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to allot and issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 (“Companies Act”) and Rule 806 of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”)**

That pursuant to Section 161 of the Companies Act and Rule 806 of Catalist Rules of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

# NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

**("Share Issue Mandate")**

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time of passing of this Ordinary Resolution;
  - (b) (where applicable) new shares arising from exercising share options or vesting of share awards, provided that such share awards or share options (as the case may be) were granted in compliance with Part VIII of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company for the time being in force; and
- (4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (iii)]

**(Resolution 8)**

# NOTICE OF ANNUAL GENERAL MEETING

## 9. Proposed Renewal of Share Purchase Mandate

That:

- (a) for the purposes of the Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued and fully-paid ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:-
  - (i) on-market purchase(s) (each a "**Market Purchase**") on the SGX-ST or another stock exchange on which the Company's equity securities are listed, in accordance with Section 76E of the Act; and/or
  - (ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected pursuant to an equal access scheme or schemes as defined in Section 76C of the Act as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Catalist Rules;

be and is hereby authorised and approved generally and unconditionally ("**Share Purchase Mandate**");

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Act;
- (c) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:-
  - (i) the conclusion of the next AGM of the Company or the date by which the AGM of the Company is required by law to be held;
  - (ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
  - (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (d) in this Resolution:-

"**Maximum Limit**" means the number of Shares representing not more than ten per cent. (10%) of the total number of Shares as at the date of the passing of this Resolution, unless the Company has, at any time during the Relevant Period (as hereafter defined), effected a reduction of its share capital in accordance with the applicable provisions of the Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the capital reduction (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date);

"**Relevant Period**" means the period commencing from the date on which the last AGM of the Company was held and expiring on the conclusion of the next AGM or the date on which the next AGM is required by law to be, whichever is the earlier, after the date on which this Resolution is passed;

# NOTICE OF ANNUAL GENERAL MEETING

**“Maximum Price”**, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Share purchased or acquired pursuant to the Share Purchase Mandate, as determined by the Directors, which shall not exceed:-

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price of the Shares; where:-

**“Average Closing Price”** means the average of the closing market prices of a Share over the five (5) consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company and deemed to be adjusted in accordance with the Catalist Rules for any corporate action which occurs during the relevant five (5) day period and the day on which the Market Purchase is made;

**“Highest Last Dealt Price”** means the highest price transacted for a Share as recorded on the SGX-ST on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

**“Day of the making of the offer”** means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (iv)]

(Resolution 9)

## 10. Proposed Renewal of Interested Person Transactions General Mandate

That:

- (a) approval be and is given for the purposes of Chapter 9 of the Catalist Rules, for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” under Chapter 9, or any of them, to enter into any of the Mandated Transactions as defined in the Addendum to the Annual Report in relation to (1) the Proposed Renewal of the Share Purchase Mandate and (2) the Proposed Renewal of the IPT General Mandate dated 12 September 2024 (“**Addendum**”) with the Mandated Interested Persons as defined in the Addendum, provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders, and are in accordance with the methods and review procedures for such Mandated Transactions as set out in the Addendum (“**IPT General Mandate**”);
- (b) the approval given for the IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;
- (c) the audit committee of the Company for the time being be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendments to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and

# NOTICE OF ANNUAL GENERAL MEETING

- (d) the Directors of the Company and each of them be and are hereby severally authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT General Mandate and/or this Resolution.

[See Explanatory Note (v)]

**(Resolution 10)**

By Order of the Board

Cheok Hui Yee  
Goh Xun Er  
Company Secretaries

Singapore, 10 September 2025

## **Explanatory Notes:**

- (i) Mr. Neo Cheow Hui will, upon re-election as a Director of the Company, remain as the Chief Executive Officer and Executive Director of the Company.

Mr. Loy Soo Chew will, upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalyst Rules.

Please refer to pages 42 to 50 of the Annual Report for the detailed information for Mr. Neo Cheow Hui and Mr. Loy Soo Chew required pursuant to Rule 720(5) of the Catalyst Rules.

- (ii) Ms. Guo Xiaofei will, upon re-election as a Director of the Company, remain as the Independent Director of the Company, Chairwoman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalyst Rules.

Please refer to pages 42 to 50 of the Annual Report for the detailed information for Ms. Guo Xiaofei required pursuant to Rule 720(5) of the Catalyst Rules.

- (iii) **Resolution 8** above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

- (iv) **Resolution 9** above, if passed, will empower the Directors of the Company to exercise all powers of the Company in purchasing or acquiring Shares pursuant to the terms of the Share Purchase Mandate. This authority will continue in force until the conclusion of next AGM of the Company or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting or the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier. Information relating to this proposed Resolution is set out in the Addendum.

# NOTICE OF ANNUAL GENERAL MEETING

- (v) **Resolution 10** above, if passed, will authorise the Company, its subsidiaries and associated companies that are considered to be “entities at risk” under Chapter 9, or any of them to enter into interested person transactions as described in the Addendum and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the IPT General Mandate. Pursuant to Rule 920(1)(b)(viii) of the Catalist Rules, Mr. Chen Yong Hua, who is deemed to be interested in the IPT General Mandate, will abstain, and has undertaken to ensure that his Associates (as defined in the Addendum) will abstain, from voting and they shall additionally decline to accept any appointment to act as proxy for any Shareholder to vote in respect of such Resolution, unless the Shareholder appointing them as proxy has given specific instructions in his/her/ its proxy form as to the manner in which his/her/its votes are to be cast for such Resolution. Information relating to this proposed Resolution is set out in the Addendum.

## Notes:

1. The members of the Company are invited to **attend physically** at the Annual General Meeting (“AGM”). **There will be no option for the members to participate virtually.** Printed copies of the Notice of AGM, Proxy Form and Annual Report for the financial year ended 31 May 2025 will be sent to the members of the Company. The Notice of AGM, Proxy Form and Annual Report will also be made available on the SGX website at the <https://www.sgx.com/securities/company-announcements>.

2. A Member (whether individual or corporate) of the Company who is not a Relevant Intermediary\*, is entitled to attend and vote at the AGM and is entitled to appoint not more than two (2) proxies to attend and vote in his/her/its behalf at the AGM if such Member wishes to exercise his/her/its rights at the AGM.

Where a member (whether individual or corporate) appoints more than one (1) proxy, he/she/it shall specify the proportion of his/her/its shareholding to be represented by each proxy in the form of proxy. He/She/It must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the proxy/proxies will vote or abstain from voting at his/her/its discretion for that resolution.

A member who is a Relevant Intermediary may appoint one (1) or more proxies to attend, ask question(s) and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a direct share or shares held by such member. Where such member appoints more than one (1) proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoints two (2) proxies, the proportion of his/her shareholding to be represented by each proxy shall be specified in the Proxy Form.

\*“Relevant Intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 39 Benoi Road #06-01 Singapore 627725 by mail or by email to [enquiry@gkegroup.com.sg](mailto:enquiry@gkegroup.com.sg). In each case, not less than forty-eight (48) hours before the time appointed for holding the Meeting, (i.e. on or before 10:00 a.m. on 23 September 2025) and failing which, the Proxy Form will not be treated as valid.

Members are strongly encouraged to submit completed proxy forms electronically via email. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

5. The Proxy Form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
6. Members (including Central Provident Fund Investment Scheme members (“CPFIS Investor”) and/or Supplementary Retirement Scheme investors (“SRS Investors”)) may participate in the AGM by:
- (a) Attending the AGM in person;
  - (b) Raising questions at the AGM or submitting questions in advance of the AGM; and/or

# NOTICE OF ANNUAL GENERAL MEETING

(c) Voting at the AGM

- (i) Themselves personally; or
- (ii) Through their duly appointed proxy(ies).

CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 September 2025, being seven (7) working days prior to the date of the AGM.

Members are required to bring along NRIC/passport so as to enable the Company to verify their identity. Members are requested to arrive early to facilitate the registration process.

7. A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

## **Submission of questions prior to the AGM**

1. A Member of the Company may submit questions relating to the Annual Report and resolutions set out in the Notice in advance. To do so, all questions must be submitted no later than the 17 September 2025, 10.00 a.m. by email to [enquiry@gkegroup.com.sg](mailto:enquiry@gkegroup.com.sg) or by post to 39 Benoi Road #06-01 Singapore 627725.
2. Members, including CPFIS Investor and SRS Investor who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporate), contact numbers, shareholding types and number of Shares held together with their submission of question, to the Company's registered address or email address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), excluding CPFIS and SRS Investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.
3. The Company will endeavour to address the substantial and relevant questions from members soonest possible and in any case, not later than forty-eight hours before the closing date and time for the lodgement of Proxy Forms. The responses to the questions from members will be posted on the SGXNet and Company's website. Any subsequent clarifications sought by the members after 17 September 2025 will be addressed at the AGM. The Minutes of the AGM will be published on the SGXNet and the Company's website within one (1) month after the date of the AGM.

## **Personal Data Privacy**

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



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# GKE

## GKE CORPORATION LIMITED

(Company Registration No. 200001941G)  
(Incorporated in the Republic of Singapore)

### ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

#### IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPFIS Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPFIS and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPFIS and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, at least seven (7) working days before the Meeting, in which case, the CPFIS and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPFIS and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

\*I/We, \_\_\_\_\_ (Name)

\_\_\_\_\_ (NRIC/Passport No./Co. Registration No.)

of \_\_\_\_\_ (Address)

being a \*member/members of **GKE CORPORATION LIMITED** ("Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her/them, the Chairman of the Meeting ("**Meeting**") as \*my/our \*proxy/proxies to attend and vote for \*me/us on \*my/our behalf at the Meeting of the Company to be held at 39 Benoi Road #06-01 Singapore 627725 on Thursday, 25 September 2025 at 10.00 a.m. and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her discretion. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as my/our proxy for that resolution will be treated as invalid.

No.	Resolutions relating to:	No. of votes 'For'	No. of votes 'Against'	No. of votes 'Abstain'
<b>Ordinary Business</b>				
1	Audited Financial Statements for the financial year ended 31 May 2025			
2	To declare a Final tax exempt (one-tier) Dividend of 0.35 Singapore cents per ordinary share as recommended by the Directors for the financial year ended 31 May 2025			
3	Approval of Directors' fees amounting to S\$170,000 for the financial year ending 31 May 2026			
4	Re-election of Mr. Neo Cheow Hui as Director			
5	Re-election of Mr. Loy Soo Chew as Director			
6	Re-election of Ms. Guo Xiaofei as Director			
7	Re-appointment of Ernst & Young LLP as Auditor and to authorise the Directors of the Company to fix their remuneration			
<b>Special Business</b>				
8	Authority to allot and issue shares			
9	Proposed renewal of Share Purchase Mandate			
10	Proposed renewal of Interested Person Transactions General Mandate			

\* Delete where inapplicable

\*\* Voting will be conducted by poll. If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s)  
and/or, Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

## Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A Member (whether individual or corporate) of the Company who is not a Relevant Intermediary\*, is entitled to attend and vote at the AGM and is entitled to appoint not more than two (2) proxies to attend and vote in his/her/its behalf at the AGM if such Member wishes to exercise his/her/its rights at the AGM.

Where a member (whether individual or corporate) appoints more than one (1) proxy, he/she/it shall specify the proportion of his/her/its shareholding to be represented by each proxy in the form of proxy. He/She/It must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the proxy/proxies will vote or abstain from voting at his/her/its discretion for that resolution.

A member who is a Relevant Intermediary may appoint one (1) or more proxies to attend, ask question(s) and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a direct share or shares held by such member. Where such member appoints more than one (1) proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoints two (2) proxies, the proportion of his/her shareholding to be represented by each proxy shall be specified in the Proxy Form.

\*"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy, need not be a member of the Company.
4. Subject to note 7, completion and return of the instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 39 Benoi Road #06-01 Singapore 627725 by mail or by email to [enquiry@gkegroup.com.sg](mailto:enquiry@gkegroup.com.sg). In each case, not less than forty-eight (48) hours before the time appointed for holding the Meeting, (i.e. on or before 10:00 a.m. on 23 September 2025) and failing which, the Proxy Form will not be treated as valid.  
  
Members are strongly encouraged to submit completed proxy forms electronically via email. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
6. The Proxy Form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
7. CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 September 2025, being seven (7) working days prior to the date of the AGM.
8. A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.
9. Members, including CPFIS Investor and SRS Investor who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporate), contact numbers, shareholding types and number of Shares held together with their submission of question, to the Company's registered address or email address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), excluding CPFIS and SRS Investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.

## General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 September 2025.



**CORPORATION LIMITED**

(Company Registration No.: 200001941G)

39 Benoi Road  
Singapore 627725  
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Visit us at [www.gke.com.sg](http://www.gke.com.sg)