GKE CORPORATION LIMITED
(Company Registration No. 200001941G)
(Incorporated in the Republic of Singapore)

COLLABORATION AGREEMENT FOR MINING ACTIVITIES IN THE PEOPLE'S REPUBLIC OF CHINA

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1. The Board of Directors (the "**Board**") of GKE Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wish to announce that its wholly-owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd. (梧州市星建混凝土有限公司) ("**Wuzhou Xing Jian**"), had successfully obtained mining rights from the municipal land authority of Cangwu County in the People's Republic of China for the mining of limestone for 9.5 years for an aggregate consideration of RMB5.05 million (the "**Mining Rights**"). In connection with the foregoing, Wuzhou Xing Jian has entered into an agreement with Cangwu County Wanfu Trading Co., Ltd. (苍梧县万福贸易有限公司) ("**Cangwu Wanfu**") and Wuzhou Xing Zhan Investment Co., Ltd. (梧州市星展投资有限公司) ("**Wuzhou Investment**") in respect of the proposed collaboration in mining activities on the terms and conditions set out therein (the "**Collaboration Agreement**") (the Mining Rights, the Collaboration Agreement and Bipartite Agreements (as defined below) shall collectively be referred to as the "**Proposed Mining**").

2. Cangwu Wanfu and Wuzhou Investment are unrelated third parties and are in the business of trading in infrastructure materials and mining.

3. Under the terms of the Collaboration Agreement:

   (i) Cangwu Wanfu, Wuzhou Investment and Wuzhou Xing Jian will form a joint venture company ("**JVC**") in which the total paid-up capital of the JVC is RMB3 million and:

      (a) Cangwu Wanfu shall hold 25% of the total number of shares in the JVC;

      (b) Wuzhou Investment shall hold 57% of the total number of shares in the JVC; and

      (c) Wuzhou Xing Jian shall hold 18% of the total number of shares in the JVC;

   (ii) Cangwu Wanfu has agreed to provide land use rights for two pieces of land of an aggregate land area of approximately 1622.1 mu for purposes of the proposed mining activities;

   (iii) Wuzhou Xing Jian will contribute to the JVC by: (a) transferring the Mining Rights to the JVC entitling the parties to carry out mining activities; and (b) RMB540,000 in cash for the paid up capital;

   (iv) Wuzhou Investment will contribute RMB22,000,000 in various tranches to enable Cangwu Wanfu to develop and build the necessary supporting infrastructure relating to the land for the commencement of mining activities, such as channels for transportation; and

(v) The parties have agreed to collaborate for the duration of the mining licence entitling parties to carry out the mining activities, or when the land use rights in respect of the land referred to in paragraph 3(ii) above expire, whichever is earlier.

4. In connection with the Collaboration Agreement, Wuzhou Xing Jian has entered into bipartite agreements with Wuzhou Investment (the "**Bipartite Agreements**") in which Wuzhou Xing Jian shall be entitled to receive a fixed income of RMB3 per tonne of output by the JVC, to be increased by 15% every three years during the first phase of the Collaboration Agreement. The income payable by the JVC to Wuzhou Xing Jian during the second phase of the Collaboration Agreement shall be mutually agreed between the parties at the end of the first phase of the Collaboration Agreement. Wuzhou Xing Jian will not be entitled to any voting or management rights in the JVC. In addition, Wuzhou Xingjian shall not be entitled to any sharing of profits under the JVC.

5. The rationale for and benefits of the Proposed Mining presents an opportunity for the Group to generate a source of stable and sustainable returns through the utilisation of the mining license to conduct mining activities. This additional source of income will further enhance value for shareholders of the Group.

6. The Proposed Mining will be funded through internal resources. The Proposed Mining is not expected to have any material impact on the Group's net tangible assets and earnings per share for the financial year ending 31 May 2019.

7. Save for their respective shareholding interests in the Company (if any), none of the directors or substantial shareholders of the Company have any interest, directly or indirectly, in the Proposed Mining.

BY ORDER OF THE BOARD

Neo Cheow Hui
Chief Executive Officer and Executive Director
31 May 2019

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*This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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

The details of the contact person for the Sponsor are:

Name: Mr. Nathaniel C.V. (Registered Professional, RHT Capital Pte. Ltd.)
Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619
Tel: 6381 6757