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

JOINT VENTURE WITH KLEIO ONE-SOLUTION PTE. LTD.

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1. INTRODUCTION

Further to the announcement dated 13 September 2017, the Board of Directors (the "**Board**") of GKE Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wish to update shareholders that the Company and G-Chem Logistics Pte Ltd ("**JV Company**") has on 21 December 2017, executed an Investment and Shareholders' Agreement (the "**SHA**") with Kleio One-Solution Pte. Ltd. ("**Kleio**") and Lin Duanliang ("**LDL**") (collectively the "**Joint Venture**").

2. SALIENT TERMS OF THE AGREEMENT

The terms of the Agreement were negotiated on a commercial basis taking into account, *inter alia*, normal business and operational considerations.

2.1 Shareholding Structure

Pursuant to the terms of the SHA, the Company and Kleio shall subscribe for, and the JV Company shall effect the allotment and issue of 461,537 new shares at an aggregate subscription consideration of S$461,537 as follows:

Shareholders of JV Company	Number of new Shares to be issued	Subscription Consideration	Number of Shares held post-completion	Percentage of Shares held post-completion
Company	299,999	S$299,999, to be satisfied in cash	300,000	65%
Kleio	161,538	S$161,538, to be satisfied in cash	161,538	35%

2.2 Purchase of Assets

In consideration of the transfer of the four (4) units of explosion proof pallet drum filling machines (the "**Assets**") free from encumbrances from Kleio to the JV Company on completion of the subscription of shares referred to in paragraph 2.1 above, the JV Company shall pay the purchase consideration being an amount equivalent to the sum of: (i) S$222,670; and (ii) the redemption amount payable to Malayan Banking Berhad to discharge the existing hire purchase facility on the Completion Date, being approximately S$367,000.

2.3 Directors

The board of directors of the JV Company shall comprise three (3) directors ("**JV Directors**"). The Company shall be entitled to appoint two (2) JV Directors, and Kleio shall be entitled to appoint one (1) JV Director. The chairman of the board of the JV Company shall be appointed by the Company, if required.

2.4 Business

The JV Company shall principally carry on the business of provision of warehousing and logistics services, particularly in the DG storage for packed products, laden ISO-Tank storage and drumming activities in the chemical logistics sector.

The day-to-day management and operation of the business of the JV Company will be managed by LDL, who has the necessary expertise and experience to operate the Assets and manage the business of the JV Company.

2.5 Licence and Management Fee

Pursuant to the terms of the SHA, the JV Company shall: (i) enter into a licence agreement with GKE within 6 months after Completion for the use of such suitable space specified by the Company for housing the Assets on terms and conditions as may be specified by the Company, and (ii) pay monthly management fees commencing on such date to be mutually agreed between the Company and the JV Company.

3. RATIONALE

The Joint Venture will enable the Group to expand its range of services to develop as a one-stop integrated chemical logistics provider serving both the chemical and pharmaceutical sectors in Singapore.

4. FINANCIAL EFFECTS

The Joint Venture is not expected to have a material impact on the Company's consolidated net tangible assets or earnings per share for the financial year ending 31 May 2018.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their shareholdings in the Company, none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in Kleio and/or the Joint Venture.

BY ORDER OF THE BOARD

Neo Cheow Hui
Chief Executive Officer and Executive Director
21 December 2017

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

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