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GKE expands ready-mix cement production to Cenxi City, China

- **Construction of a new ready-mix cement plant in Cenxi City will be financed through a proposed share placement of 100 million shares at S$0.07 per share**

FOR IMMEDIATE RELEASE

SINGAPORE, 06 May 2019 – **GKE Corporation Limited 锦佳集团** ("**GKE**", and together with its subsidiaries, the "**Group**"), today announced that its wholly-owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd. **梧州星建混凝土** ("**Wuzhou Xing Jian**"), which is primarily engaged in the manufacture and supply of ready-mix cement products, had on 25 April 2019 entered into an agreement (the "**Construction Agreement**") with the municipal government of Cenxi City, China (the "**Cenxi Government**") to construct a new ready-mix cement plant in Longmu Village in Cenxi City.

The Group's foray into the automated ready-mix cement plant in China to produce environmentally friendly building materials and cement products was spearheaded by its Executive Chairman, Mr Chen Yong Hua. The first automated ready-mix cement plant under Wuzhou Xing Jian commenced commercial production in June 2016 and is contributing positively to the Group's earnings.

Cenxi City is a county-level city under the administration of Wuzhou City, in the east of Guangxi, China. Due to the nature and time-to-application of ready-mix cement products, proximity of the ready-mix cement plant becomes crucial to construction sites. Also, under the current regulations in China, property developers and construction contractors can only purchase ready-mix cement products from ready-mix cement producers certified by the Ministry of Housing and Urban-Rural Development.

Said Mr. Neo Cheow Hui (梁鹏飞), CEO and Executive Director of GKE, "**The success of Wuzhou Xing Jian, which is one of the most advanced automated ready-mix cement plants in China, led to this expansion opportunity for the Group to construct a new ready-mix cement plant to support the ongoing urbanisation plans in Cenxi City.**"

Under the Construction Agreement, Wuzhou Xing Jian is to invest RMB48 million (equivalent to approximately S$9.7 million) for the construction of a proposed new ready-mix cement plant in Longmu Village, Cenxi City. The construction of the proposed new ready-mix cement plant is expected to be completed in approximately 15 months from the receipt of the transfer of land use rights by the

Cenxi Government. Wuzhou Xing Jian is also required to pay a refundable performance guarantee deposit of RMB 500,000 (equivalent to approximately S$0.1 million) to commence construction of the new ready-mix cement plant. In return, the Cenxi Government has agreed to transfer the land use rights of a piece of land of approximately 25 mu (equivalent to approximately 16,666.7 square meters) with a tenure of 50 years, subject to a tender price determined through a bidding process. The Cenxi Government will handle any land compensation, resettlement compensation and re-routing of pipes and cables, as well as assist Wuzhou Xing Jian in obtaining the necessary licences and approvals required to commence the construction of the new ready-mix cement plant.

"**The success of Wuzhou Xing Jian bolsters our confidence in this investment of a new ready-mix cement plant in Cenxi City. While the warehousing and logistics industry in Singapore continues to face headwinds, we are actively looking for positive catalysts to generate stable and sustainable income for our shareholders in the long term,**" Mr Neo added.

The proposed construction of the new ready-mix cement plant in Cenxi City will be financed through internal resources and funds raised from a share placement to certain shareholders of GKE. The shares are to be issued under the general share issuance mandate obtained at the annual general meeting held on 28 September 2018.

On 3 May 2019, GKE had entered into subscription agreements with the subscribers to allot and issue an aggregate of 100 million new ordinary shares in the capital of the Company at an issue price of S$0.07 per share to raise an aggregate amount of S$7.0 million (the "**Proposed Placement**"). The Proposed Placement represents 14.52% of the current share capital of 688.53 million shares and approximately 12.68% of the enlarged share capital of 788.53 million shares.

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Note: This media release is to be read in conjunction with the Company's announcements on the SGX website on the same date.

ABOUT GKE CORPORATION LIMITED

(Stock Codes – SGX: 595 | Bloomberg: GKEC SP | Thomson Reuters: GKEC.SI)

GKE Corporation Limited (**锦佳集团有限公司**) ("**GKE**" and together with its subsidiaries or the "**Group**") is a leading integrated warehousing and logistics solutions provider offering one-stop, end-to-end multi-modal supply chain management solutions and services. The business activities of GKE can be classified into two broad categories: (i) warehousing & logistics, and (ii) strategic investments.

The Group's facilities hosts one of the best material handling systems, with the most up-to-date safety and security features. It leverages information technology to increase order visibility, maximise operational efficiency, effective inventory management, and reduce overall supply chain costs for its customers.

GKE operates its third-party warehousing & logistics business under the "**GKE**", "**Marquis**" and "**TNS**" brand names. The Group provides total integrated and comprehensive warehousing & logistics solutions and services that include general warehousing, dangerous goods cargo storage (Class 2 and 3), conventional transportation, container trucking, project logistics, international multi-modal sea and air freight forwarding services. It has expanded its capabilities into marine logistics and chemical warehousing through its 70% stake in Marquis Services Pte Ltd, and extended its logistics services through its wholly-owned TNS Ocean Lines (S) Pte Ltd, an established port operations and maritime logistics service provider, to enhance its logistics value chain as port operations are the first and last landing points for the import and export of goods.

The Group's strategic investment includes infrastructural materials and services business. This business is carried out through its wholly-owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd. (梧州星建混凝土有限公司) which is primarily engaged in the manufacture and supply of ready-mix cement products to the domestic infrastructural and real estate sector in Wuzhou City, China. The ready-mix cement plant of Wuzhou Xing Jian commenced commercial production in June 2016.

For more information, please visit the company website at www.gke.com.sg.

Issued for and on behalf of **GKE CORPORATION LIMITED** by:

OCTAVE COMMUNICATIONS (S) PTE LTD
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*This media release has been prepared by GKE Corporation Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this media release.*

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

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