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

ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF TNS OCEAN LINES (S) PTE. LTD.
– COMPENSATION FOR SHORTFALL IN GUARANTEED PROFITS

The Board of Directors (the "**Board**") of GKE Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 29 July 2016, 28 October 2016, 25 November 2016 and 30 November 2016 (the "**Announcements**") relating to the acquisition of the entire issued and paid-up share capital of TNS Ocean Lines (S) Pte. Ltd. ("**TNS**"). *Unless otherwise defined, all capitalized terms used herein bear the same meanings as in the Announcements*.

As part of the Acquisition, the Vendors (except for Tan Nam Seng and Sern Chia Lung) had provided a joint and several guarantee that TNS shall achieve a cumulative net profit before tax as reflected in the audited accounts of the Company (excluding gains from exceptional or non-recurrent income and extraordinary items, such as profit or gain arising from disposal of assets) of an aggregate of at least S$3,500,000 (excluding the performance bonus (if any) payable to the key personnel of TNS upon fulfilment of this profit guarantee) for the period from the Completion Date and the date falling three (3) years of the Completion Date ("**Profit Guarantee**").

In view that the cumulative unaudited net losses before tax of TNS from the Completion Date up to 31 May 2019 is approximately S$360,000, the parties are of the view that the Profit Guarantee is unlikely to be achieved. The losses were mainly incurred due to (i) higher labour costs, and (ii) set up costs incurred for a new project.

Upon mutual agreement, the Parties have, pursuant to a settlement agreement dated 9 September 2019, agreed that compensation will be in the form of an aggregate cash payment of S$360,000 and the transfer of 29,166,667 ordinary shares of the Company ("**PG Moratorium Shares**") in the name of the Estate of Spencer Tuppani to such party as the Company may appoint as custodian in order to dispose the shares at an appropriate time and pay the proceeds from the sale of the PG Moratorium Shares to the Company as directed by the Company.

Upon payment being received and the completion of the transfer of the PG Moratorium Shares within one (1) month from the date of the settlement agreement, the Profit Guarantee shall be discharged and the Company will have no further claims against the Vendors.

Company will provide a further update to the shareholders at an appropriate time.

BY ORDER OF THE BOARD

Neo Cheow Hui
Chief Executive Officer and Executive Director
9 September 2019

*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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