

GKE CORPORATION LIMITED
(Company Registration Number 200001941G)
(Incorporated in the Republic of Singapore)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 183,178,654 RIGHTS SHARES AT AN ISSUE PRICE OF S\$0.07 FOR EACH RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**” or “**Directors**”) of GKE Corporation Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue of up to 183,178,654 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.07 for each Rights Share (the “**Issue Price**”), on the basis of two (2) Rights Shares for every five (5) existing ordinary shares in the capital of the Company (the “**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at a date and time to be determined by the Directors for the purpose of determining the Shareholders’ entitlement (the “**Books Closure Date**”), fractional entitlements to be disregarded (the “**Rights Issue**”).
- 1.2 The Company has appointed United Overseas Bank Limited as the manager of the Rights Issue (the “**Manager**”).
- 1.3 The Rights Shares will be issued pursuant to the share issue mandate (the “**Share Issue Mandate**”) approved by Shareholders at the annual general meeting of the Company held on 29 September 2014 (the “**2014 AGM**”). Pursuant to the Share Issue Mandate, the Directors are authorised to, *inter alia*, issue Shares whether by way of rights, bonus or otherwise at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of Shares to be issued pursuant to such authority does not exceed 100% of the total number of issued Shares (excluding treasury shares), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders does not exceed 50% of the total number of issued Shares (excluding treasury shares) at the date of approval for the Share Issue Mandate. The percentage of issued Shares (excluding treasury shares) shall be based on the number of issued Shares (excluding treasury shares) at the time of the passing of the resolution approving the Share Issue Mandate, after adjusting for: (a) new Shares arising from the conversion or exercise of any convertible securities; (b) new Shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the Share Issue Mandate; and (c) any subsequent bonus issue, consolidation or subdivision of Shares.

As at the date of approval for the Share Issue Mandate, the Company’s issued share capital comprised 457,946,636 Shares (excluding treasury shares). The number of Shares that may be issued on a *pro rata* basis to Shareholders pursuant to the Share Issue Mandate obtained at the 2014 AGM is therefore 457,946,636 Shares. As the maximum number of Rights Shares to be issued pursuant to the Rights Issue is 183,178,654 Rights Shares, and given that no Shares have been issued pursuant to the Share Issue Mandate since the 2014 AGM, the Company will not be seeking a specific approval from the Shareholders for the Rights Issue since the basis of the Rights Issue is within the limit of the Share Issue Mandate.

2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

2.1 Basis of Provisional Allotment

The Rights Issue is proposed to be made on a renounceable non-underwritten basis to the Entitled Shareholders (as defined below), on the basis of two (2) Rights Shares for every five (5) existing Shares held by the Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Based on the Company's issued and paid-up share capital of 457,946,636 Shares (excluding treasury shares) as at the date of this announcement ("**Existing Share Capital**"), the Company will issue up to 183,178,654 Rights Shares pursuant to the Rights Issue.

2.2 Issue Price

The Issue Price of S\$0.07 for each Rights Share represents a discount of approximately 9.1% to the closing price of S\$0.077 per Share for trades done on the Catalist board ("**Catalist**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 26 February 2015, being the market day preceding the date of this announcement.

2.3 Size of Rights Issue

Maximum Subscription Scenario. Based on the Existing Share Capital, and assuming that all of the Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares ("**Maximum Scenario**"), 183,178,654 Rights Shares will be issued pursuant to the Rights Issue.

Minimum Subscription Scenario. Based on the Existing Share Capital and assuming that other than the Undertaking Investors (as defined in paragraph 3.1), none of the other Entitled Shareholders subscribe for their pro rata entitlements of Rights Shares ("**Minimum Scenario**"), 28,572,000 Rights Shares will be issued pursuant to the Rights Issue.

2.4 Amount of Proceeds to be Raised

In the Maximum Scenario, the net proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$0.2 million, are estimated to be approximately S\$12.6 million.

In the Minimum Scenario, the net proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$0.2 million, are estimated to be approximately S\$1.8 million.

2.5 Status of the Rights Shares

The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date of which falls before the date of issue of the Rights Shares. For this purpose, a "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company, the Company's share registrar, M & C Services Private Limited ("**Share Registrar**") or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.6 Option to Scale Down

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, and upon the approval of the Sponsor of the Company and/or the SGX-ST, scale down the subscription and/or excess applications for the Rights Shares by any Shareholders (if such Shareholder chooses to subscribe for his/its pro rata Rights Shares entitlement and/or apply for excess Rights Shares) to (i) ensure that the relevant Shareholder does not hold a

controlling interest in the Company, which is prohibited under Rule 803 of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), unless prior approval of Shareholders is obtained in a general meeting; or (ii) avoid placing the relevant Shareholder and parties acting in concert with him/it (as defined in the Singapore Code on Take-overs and Mergers (“**Code**”)) in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement in full.

2.7 Eligibility of Shareholders to Participate in the Rights Issue

2.7.1 Entitled Shareholders

The Company proposes to provisionally allot the Rights Shares to all Shareholders who are eligible to participate in the Rights Issue (the “**Entitled Shareholders**”), which comprise Entitled Depositors and Entitled Scripholders (both as defined below).

Entitled Shareholders will be entitled to participate in the Rights Issue and receive the Offer Information Statement to be issued by the Company in connection with the Rights Issue (the “**Offer Information Statement**”) together with the appropriate application forms and accompanying documents at their respective Singapore addresses.

2.7.2 Entitled Depositors

Shareholders whose Shares are registered in the name of CDP and whose securities accounts with CDP (the “**Securities Accounts**”) are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (the “**Depositors**”) will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on the Books Closure Date.

“**Entitled Depositors**” are Depositors whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, provided CDP at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588, with addresses in Singapore for the service of notices and documents.

2.7.3 Entitled Scripholders

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (“**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01 Singapore 068902, in order to be registered to determine the provisional entitlements of the transferee under the Rights Issue.

“**Entitled Scripholders**” are Scripholders whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.

2.7.4 CPF Investment Scheme

Persons who bought their Shares previously using their Central Provident Fund account savings (“**CPF Funds**”) may only use the same for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares, subject to the applicable rules and regulations of the Central Provident Fund (“**CPF**”). Such persons who wish to accept their provisional allotments of Rights Shares will need to instruct the respective CPF agent banks where they hold their CPF investment accounts, to accept their provisional allotment of Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with the Offer Information Statement. CPF Funds

may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

2.7.5 **Supplementary Retirement Scheme**

Persons who bought their Shares previously using their monies standing to the credit of their Supplementary Retirement Scheme accounts (“**SRS Funds**”) may only use the same for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares, subject to the applicable rules and regulations of the Supplementary Retirement Scheme (“**SRS**”). Such persons who wish to accept their provisional allotments of Rights Shares will need to instruct the respective SRS approved banks where they hold their SRS accounts, to accept their provisional allotment of Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with the Offer Information Statement. SRS Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

2.7.6 **Provisional Allotments and Excess Applications**

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of the Rights Shares on Catalist during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares, if any, will be disregarded in arriving at the Entitled Shareholders’ entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares. The Company will also not make any allotment and issuance of any excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

2.7.7 **Foreign Shareholders**

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to the Company, CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). The Offer Information Statement and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

If it is practical to do so, arrangements may, in the absolute discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on Catalist as soon as practicable after dealings in the provisional allotments of Rights Shares commence, or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date and sent to them at their own risk

by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S\$10.00. In the event the amount is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting for the account or benefit of any such persons shall have any claim whatsoever against the Company, CDP or the Share Registrar and their respective officers in connection therewith.

3. IRREVOCABLE UNDERTAKINGS

- 3.1 The following investors (“**Undertaking Investors**”) have each by way of an irrevocable letter of undertaking (“**Irrevocable Undertakings**”) irrevocably undertaken, *inter alia*, to subscribe and pay for an aggregate of 28,572,000 Rights Shares (“**Renounced Rights Shares**”), to be renounced by Neo Cheow Hui, Neo Kok Ching, Neo Hwee Lee, Neo Hwee Hoon and Teng Beng Hua in favour of the Undertaking Investors, as follows:-

Undertaking Investors	Total number of Renounced Rights Shares committed to be subscribed
Ang Hock Chwei	14,286,000
Ju Kai Meng	14,286,000
Total	28,572,000

Under the terms of the Irrevocable Undertakings, the number of Rights Shares to be subscribed by each Undertaking Investor shall be adjusted by the Company such that each Undertaking Investor shall only be required to subscribe for such maximum number of the Rights Shares that will not cause him and/or his concert parties to incur an obligation to make a mandatory general offer for the Shares pursuant to Rule 14 of the Code.

For illustration only, the shareholding interests of the Undertaking Investors in the scenarios described in paragraph 2.3 above, are set out in the following table:

Shareholders	Current shareholding interest	Minimum Scenario	Maximum Scenario
Ang Hock Chwei	905,000 (0.2%)	15,191,000 (3.1%)	15,553,000 (2.4%)
Ju Kai Meng	0 (0.0%)	14,286,000 (2.9%)	14,286,000 (2.2%)
Other shareholders	457,041,636 (99.8%)	457,041,636 (94.0%)	611,286,290 (95.4%)
Total share capital	457,946,636 (100.0%)	486,518,636 (100.0%)	641,125,290 (100.0%)

- 3.2 The Irrevocable Undertakings are subject to and conditional upon, *inter alia*:
- (i) the listing and quotation notice having been granted by the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the closing date of the Rights Issue (the “**Closing Date**”)) for the listing of and quotation for the Rights Shares on Catalist and, if such approval is granted subject to conditions, such conditions being acceptable to the Company (acting reasonably); and
 - (ii) the lodgement of the Offer Information Statement in connection with the Rights Issue, together with all other accompanying documents by the Company (if applicable), with the SGX-ST acting as agent for the Monetary Authority of Singapore (the “**Authority**”).
- 3.3 Each of the Undertaking Investors has provided a confirmation of their financial resources from a financial institution to the Company to support their respective Irrevocable Undertakings to the Company.

4. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

4.1 Rationale

The Directors are proposing the Rights Issue as they believe that such issue will allow existing Shareholders to further participate in the future growth of the Group. In this regard, as stated in paragraph 2.2 above, the Company is offering each Rights Share at a discount of 9.1% to the closing price of S\$0.077 per Share for trades done on Catalist on 26 February 2015 to attract Shareholders to subscribe for their *pro rata* entitlements of Rights Shares under the Rights Issue. The Rights Issue would also strengthen the Group's financial position by enlarging its capital base and enhance its financial flexibility to capitalise on potential growth opportunities.

4.2 Use of Proceeds

The proceeds arising from the Rights Issue after deducting estimated expenses of approximately S\$0.2 million (the "**Net Proceeds**") is (a) S\$1.8 million in the Minimum Scenario, and (b) S\$12.6 million in the Maximum Scenario. The Company intends to use such proceeds (in the following order of priority) in the manner set out below:

Use of Net Proceeds	Maximum Scenario (S\$)	Minimum Scenario (S\$)
1. Payment for carrier vessel ⁽¹⁾	4.5 million	1.8 million
2. Repayment of Group's borrowings	5.0 million	-
3. Working capital purposes	3.1 million	-
Net Proceeds from Rights Issue	12.6 million	1.8 million

Note:

- (1) In September 2013, the Group's wholly-owned subsidiary, GKE Shipping Co., Limited, together with Southwest Maritime Limited incorporated a joint venture company by the name of Steadfast (HK) Co., Limited ("**Steadfast**") to engage in the building and chartering of vessels. Steadfast had entered into a shipbuilding contract to construct an 83,000 CBM gas carrier vessel designed for transporting liquefied natural gas (LNG).

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report. Where the proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation.

Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with financial institutions and/or invested in short-term money market or debt instruments and/or for any other purposes on a short-term basis, as the Directors may in their absolute discretion deem fit in the interests of the Company.

5. CONFIRMATION BY DIRECTORS

For the purposes of Rule 814(1)(e) of the Catalist Rules, the Directors are of the opinion that, barring any unforeseen circumstances:

- (i) after taking into consideration the present bank facilities of the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Rights Issue will strengthen the financial position and capital base of the Group. Please refer to the intended use of proceeds above for further information; and

- (ii) after taking into consideration the present bank facilities of the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

6. NON-UNDERWRITTEN RIGHTS ISSUE

The Rights Issue will not be underwritten in view of the following:

- (i) the Issue Price represents a discount of approximately 9.1% to the closing price of S\$0.077 per Share for trades done on the Catalist on 26 February 2015;
- (ii) the Irrevocable Undertakings;
- (iii) the savings in costs enjoyed by the Company for not having to bear underwriting fees; and
- (iv) there being no minimum amount to be raised from the Rights Issue.

7. APPROVALS

The Rights Issue is subject to, *inter alia*, the following:

- (i) the receipt of the listing and quotation notice from the SGX-ST and such approval not having been withdrawn or revoked on or prior to the Closing Date for the dealing in, listing of and quotation for the Rights Shares on Catalist and, if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (ii) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Rights Issue, with the SGX-ST acting as agent on behalf of the Authority; and
- (iii) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights Issue and to give effect to the Rights Issue being obtained and not having been revoked or amended before the Closing Date.

An application will be made by the Company to the Sponsor and the SGX-ST for the listing of and quotation for the Rights Shares on Catalist and an appropriate announcement will be made via the SGXNET upon receipt of the listing and quotation notice from the SGX-ST.

8. OFFER INFORMATION STATEMENT

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be issued by the Company in due course. All Entitled Shareholders will receive the appropriate application forms and accompanying documents at their Singapore addresses.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors and substantial Shareholders of the Company has any interests, direct or indirect, in the Rights Issue (other than in his capacity as Director or Shareholder of the Company).

10. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true

disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company in relation to the Rights Issue as and when appropriate.

BY ORDER OF THE BOARD

Neo Cheow Hui
Chief Executive Officer and Executive Director
27 February 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd, Six Battery Road, #10-01 Singapore 049909, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company's 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 contact person for the Sponsor is Ms Amanda Chen (Tel: (65) 6381 6757) at Six Battery Road, #10-01 Singapore 049909.