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

PROPOSED DISPOSAL OF 100% SHAREHOLDING INTERESTS IN EVER FLOURISH DEVELOPMENT (HK) CO., LTD

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1. INTRODUCTION

The Board of Directors (the "**Board**") of GKE Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that GKE Holdings (HK) Co., Limited ("**GKEHK**") has entered into a sale and purchase agreement ("**SPA**") on 16 September 2015 with Mr. Tang Chan Wang (the "**Purchaser**") for the sale of the Group's entire shareholdings in Ever Flourish Development (HK) Co., Ltd ("**Ever Flourish**") (the "**Proposed Disposal**").

The Purchaser is an unrelated third party and has no connections (including any business relationship) with the Company, its Directors and substantial shareholders.

2. INFORMATION ON EVER FLOURISH

Ever Flourish is an investment holding company incorporated in Hong Kong and has, at the date hereof, an issued and paid-up share capital of HK$6,221,160 divided into 6,221,160 ordinary shares.

Ever Flourish holds 4,800,000 share representing 40% of the issued and paid up share capital of Maoming City Hung Ji Construction Materials Co., Ltd (茂名市宏基建材有限公司) ("**Mao Ming**"), a company incorporated in the People's Republic of China ("**PRC**") with registered and paid up capital of RMB12 million.

Mao Ming owns and operates a factory that produces and manufactures environmental friendly lightweight brick, building materials and cement products.

3. CONSIDERATION

The Consideration is RMB15 million. RMB10 million (or its equivalent in Hongkong Dollars) shall be payable by the Purchaser to GKEHK within 10 business days from the date of the signing of the SPA and the remaining RMB5 million (or its equivalent in Hongkong Dollars) shall be paid by the Purchaser to GKEHK within 60 days from the completion of the Proposed Disposal. The Consideration was arrived at a willing-buyer-willing-seller basis.

4. CERTAIN TERMS OF THE SPA

Upon the signing of the SPA, GKEHK shall cease to have any decisions in the operations of Ever Flourish and shall not be entitled to Ever Flourish's assets and profit sharing. GKEHK shall also be responsible for all costs and expenses arising from the transfer of shares.

5. RATIONALE

Ever Flourish holds 40% of the issued and paid up share capital of Mao Ming. Hence, the Group has no management control over Mao Ming. In view of this, the Company has decided to dispose Ever Flourish as the Group wishes to benefit from the sale of Ever Flourish. In addition, as part of the Group's efforts to improve operational efficiency, the Group wishes to focus on its wholly-owned subsidiary, Wuzhou Xing Jian Ready-mix Co., Ltd. (梧州市星建混凝土有限公司) where the Group can exercise greater control and flexibility.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

For illustrative purposes only, based on the latest audited consolidated financial statements of the Group for the financial year ended 31 May 2015, the financial effects of the Proposed Disposal are set out below:

	Before the Proposed Disposal	After the Proposed Disposal
Net Tangible Assets ("NTA") per Share (cents)	11.50[1]	11.68[2]
Earnings / (loss) Per Share (cents)	-0.78[3]	-0.54[4]

Notes:

(1) This is based on the NTA of S$73,724,000 and 641,125,290 shares

(2) This is based on the NTA of S$74,881,000 and 641,125,290 shares

(3) This is based on the loss of S$3,821,000 attributable to the shareholders of the Company and 489,363,030 weighted average number of shares.

(4) This is based on the loss of S$2,664,000 attributable to the shareholders of the Company and 489,363,030 weighted average number of shares.

The gain on the disposal and the excess of the proceeds from the Proposed Disposal over the book value is S$1,157,000. The Company intends to use the proceeds from the Proposed Disposal as working capital.

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Proposal Disposal computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Listing Rule	Content	Relative Figure
1006(a)	net asset value of the assets to be disposed of as at 31 May 2015 is S$2,143,000, compared with the Group's net asset value as at 31 May 2015 is S$82,139,000. This basis is not applicable to an acquisition of assets	2.61%

Listing Rule	Content	Relative Figure
1006(b)	net profits attributable to the assets disposed of as at 31 May 2015 is S$9,000, compared with the Group's net loss of S$4,105,000 as at 31 May 2015.	-0.22%
1006(c)	aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares The consideration of RMB15 million (equivalent to S$3.3 million based exchange rate as at 31 August 2015, 1RMB = 0.22SGD), compared with the Company's current market capitalization of approximately S$46,802,146 as at S$0.073 (being the market day preceding the date of SPA agreement)	7.05%
1006(d)	number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006(e)	aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Having regard to the above, the Proposed Disposal is a "Discloseable Transaction") under Rule 1010 of the Catalist Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

9. SERVICE CONTRACT

No director will be appointed to the Company in connection with the Proposed Disposal.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA is available for inspection at the Company's registered office at 30 Pioneer Road Singapore 628502 during normal business hours for a period of 3 months from the date of this announcement.

BY ORDER OF THE BOARD

Neo Cheow Hui
Chief Executive Officer and Executive Director
16 September 2015

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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.

The details of the contact person for the Sponsor are:

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