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

PROPOSED ACQUISITION OF 40% EQUITY INTEREST IN A JOINT VENTURE ENTITY – GKE & MOHSENG PTE. 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 the Company has entered into a sale and purchase of shares agreement with Moh Seng Cranes Pte. Ltd. ("**MSC**") to acquire 40% equity interest in GKE & Mohseng Pte. Ltd. ("**GKEMS**"), for a consideration of S$1.00 ("**Purchase Consideration**") (the "**Proposed Acquisition**"). The Purchase Consideration will be satisfied in cash.

2. Background and Rationale

GKEMS was incorporated on 6 February 2013 as a joint venture, in which the Company and MSC hold 60.0% and 40.0% shareholding interest respectively. It was set up with a view to offer mobile crane rental services as part of a comprehensive package of services to potential customers in the logistics industry.

GKEMS has not been profitable. In view of the business outlook of GKEMS and its competitive business environment, the Company and MSC have decided to cease the operations of the Joint Venture, GKEMS.

3. The Proposed Acquisition

The Purchase Consideration for the Proposed Acquisition was arrived on a "willing buyer and willing seller" basis after taking into account, *inter alia*:

(i) The net tangible asset value of GKEMS; and
(ii) The losses incurred by GKEMS to date and its business outlook.

As at the date of this announcement, the net tangible asset value of GKEMS is approximately S$0.1 million and the Group's carrying amount of investment in GKEMS is approximately S$60,000 (equivalent to 60% of the interests in GKEMS).

The completion of the Proposed Acquisition has taken place on 28 April 2015. Upon completion of the Proposed Acquisition, GKEMS will be a wholly-owned subsidiary of the Company.

4. Financial effects

The Purchase Consideration will be funded from the Company's internal resources and the Proposed Acquisition is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Company for the financial year ending 31 May 2015.

5. Interests of Directors and Substantial Shareholders

None of the Directors, substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, save for their shareholding interest in the Company.

By Order of the Board

Neo Cheow Hui
Chief Executive Officer and Executive Director
28 April 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 detail of the contact person for the Sponsor is:-

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