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

PROPOSED PLACEMENT OF 100,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF GKE CORPORATION LIMITED AT A PLACEMENT PRICE OF S$0.07 PER SHARE

1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of GKE Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wish to inform Shareholders that the Company has on 3 May 2019 entered into the following subscription agreements (the "**Subscription Agreements**") for the allotment and issue of 100,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") with the following persons (collectively, the "**Subscribers**") (the "**Proposed Placement**"):

Name of Subscriber	**Number of Placement Shares**	**Total number of Shares held by the Subscriber as a percentage of the existing share capital excluding treasury shares of the Company before Proposed Placement(1)**	**Total number of Shares held by the Subscriber as a percentage of the enlarged share capital excluding treasury shares of the Company upon completion of Proposed Placement(2)**
Zhu Jun Wen	28,571,429	4.08%	7.18%
Li Ziyan	28,571,429	0.26%	3.85%
Chen Li Rong	42,857,142	2.26%	7.41%
Total	**100,000,000**	**6.60%**	**18.44%**

Notes:

*(1) Based on the number of shares in the Company ("**Shares**") held by the relevant Subscriber divided by the total number of issued Shares excluding treasury shares (being 688,531,890 Shares) before the Proposed Placement (adjusted for rounding).*

(2) Based on the number of Shares held by the relevant Subscriber divided by the enlarged number of issued Shares excluding treasury shares (being 788,531,890 Shares) upon completion of the Proposed Placement (adjusted for rounding).

1.2 The Subscribers have agreed to subscribe for the Placement Shares, at an issue price of S$0.07 per Placement Share (the "**Placement Price**"), amounting to an aggregate subscription amount of S$7,000,000 (the "**Aggregate Subscription Amount**"), and on the terms and conditions of the Subscription Agreements.

2. PROPOSED PLACEMENT

2.1 Placement Shares

The Placement Shares are intended to be issued pursuant to the general share issuance mandate ("**General Mandate**") obtained at the annual general meeting of the Company held on 28 September 2018 ("**2018 AGM**"), which authorised the Directors of the Company (the "**Directors**") to allot and issue Shares not exceeding 100% of the total number of issued Shares as at the date of the 2018 AGM, of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to the existing shareholders of the Company shall not exceed 50% (excluding treasury shares).

The number of issued Shares excluding treasury shares as at the date of the 2018 AGM was 688,531,890 Shares. Subsequent to the 2018 AGM and up to the date of this announcement, there has not been any issue of Shares pursuant to the General Mandate. As such, the maximum number of Shares to be issued other than on a *pro-rata* basis is 344,265,945 Shares.

The Placement Shares, when fully paid and issued, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the Completion Date (as defined below).

Pursuant to the allotment and issue of the Placement Shares, the Company's issued and paid-up share capital excluding treasury shares will increase from 688,531,890 Shares as at the date of this announcement, to 788,531,890 Shares. Such number of Placement Shares represents approximately 14.52% of the total number of Shares as at the date of this announcement, and approximately 12.68% of the enlarged number of Shares upon completion of the Proposed Placement.

2.2 Placement Price

The Placement Price represents a discount of 2.8% to the volume weighted average price of S$0.072 for trades done on the Shares on the Catalist board on 3 May 2019, being the full market day on which the Subscription Agreements were signed.

2.3 Conditions Precedent

Completion of the Proposed Placement is conditional upon, *inter alia*: –

(a) the receipt of the listing and quotation notice for the listing of and quotation for all the Placement Shares on the Catalist board being obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and

(b) the Company and the Subscribers not being in breach of any of the representations, warranties, undertakings and covenants in the Subscription Agreements as at the Completion Date (as defined below).

The Company's Sponsor will be submitting an additional listing application on behalf of the Company to the SGX-ST in due course for the listing of and quotation for the Placement Shares on the Catalist board of the SGX-ST and an announcement will be made to notify the Shareholders when the listing and quotation notice for the Placement Shares is obtained from the SGX-ST.

2.4 Completion

Completion of the Proposed Placement will occur within three business days after the Company's receipt of the Aggregate Subscription Amount from the Subscribers ("**Completion Date**").

3. INFORMATION ON THE SUBSCRIBERS AND RATIONALE FOR THE PROPOSED PLACEMENT

3.1 Details of the Subscribers are as set out below:

Name of Subscriber	Background of Subscriber
Zhu Jun Wen	Private investor and currently employed as Senior Manager of GKE Warehousing & Logistics Pte. Ltd., being a wholly-owned subsidiary of the Company. He is responsible for developing strategic plans and policies for GKE Warehousing & Logistics Pte. Ltd.
Li Ziyan	Private investor and currently employed as the Investment Manager with the Company. Li Ziyan joined the investment department of the Group in February 2012, and is responsible for the investment management of GKE Holding (HK) Co., Limited.
Chen Li Rong	Private investor.

3.2 All of the Subscribers are existing shareholders of the Company. Zhu Jun Wen and Li Ziyan are existing employees of the Group, and Chen Li Rong was introduced to the Group by the Group's Chairman, Mr. Chen Yong Hua. They have expressed an interest to invest in the Company and, as the Company understands, have entered into the Subscription Agreements for their respective financial investment purposes.

3.3 The Subscribers have confirmed that they are not persons falling within the categories of persons listed in Rule 812(1) of the Listing Manual of the SGX-ST (Section B: Rules of Catalist). In addition, the Company will not allot and issue the Placement Shares without the prior approval of the Company's shareholders in a general meeting if such allotment and issuance would bring about a transfer of controlling interest.

3.4 Save as disclosed, the Subscribers are investors who have no connection (including business relationships) with the Company, its Directors and substantial shareholders.

4. RATIONALE FOR PLACEMENT AND USE OF PROCEEDS

4.1 The Company has decided to undertake the Proposed Placement to strengthen its financial position in order to expand its business, which includes but not limited to the proposed investment in the construction of a new ready-mix cement plant in the People's Republic of China investment by the Company's wholly-owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd., and to meet anticipated general working capital requirements. For more information on the proposed investment in the new ready-mix cement plant, please refer to the Company's announcement dated on the same date as this announcement.

4.2 The net proceeds to be raised by the Company from the Proposed Placement (after deducting estimated expenses of S$50,000) are approximately S$6,950,000 (the "**Net Proceeds**"). The Company intends to utilise the Net Proceeds in the following manner:

(a) S$5,000,000 for expansion of business in the People's Republic of China;

(b) S$1,950,000 for the working capital requirements of the Group.

4.3 Pending deployment of the Net Proceeds, the Company intends to place the Net Proceeds from the Proposed Placement with banks and/or financial institutions or use the Net Proceeds for any other purposes on a short-term basis, as the Directors may deem fit.

4.4 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the interim and full year financial statements and the annual report of the Company. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

5.1 The table illustrates the financial effects of the Proposed Placement on (i) the net tangible asset value per Share (assuming the Proposed Placement had been completed at the end of that financial year); and (ii) the earnings per Share (assuming that the Proposed Placement had been completed at the beginning of that financial year) based on the audited financial statements of the Group for the full year ended 31 May 2018 are set out below:

	Before the Proposed Placement	**After the Proposed Placement**
Effect of the Proposed Placement on the net tangible asset value per Share	0.109	0.104
Effect of the Proposed Placement on the earnings per Share	(0.46)	(0.40)

5.2 The financial effects of the Proposed Placement on the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Group after the completion of the Proposed Placement.

6. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that after taking into consideration the Group's present banking facilities, the working capital available to the Group is sufficient to meet its present requirements.

7. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

There will not be any prospectus or offer information statement issued in connection with the Proposed Placement as the Proposed Placement will be made pursuant to exemption under Section 275 of the Securities and Futures Act, Chapter 289. No placement agent has been appointed in respect of the Proposed Placement. No commission or referral fees will be paid to any party.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Placement, other than through their shareholdings (if any) in the Company.

9. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to update Shareholders as and when appropriate.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements are available for inspection at the Company's office at 39 Benoi Road, #06-01 Singapore 627725 for three (3) months from the date of this announcement.

11. 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 Proposed Placement, 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 the 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.

BY ORDER OF THE BOARD

Neo Cheow Hui
Chief Executive Officer and Executive Director
6 May 2019

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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:

Name: Mr. Nathaniel C.V. (Registered Professional, RHT Capital Pte. Ltd.)
Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619
Tel: 6381 6757