PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP CAPITAL IN EVER FLOURISH DEVELOPMENT (HK) CO., LIMITED

1. Introduction

Pursuant to Rule 704(16) of the Listing Manual Section B: Rules of Catalist ("Catalist Rules"), the Board of Directors of GKE Corporation Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce that GKE Holdings (HK) Co., Limited ("GKE HK"), a wholly-owned subsidiary of the Group, has on 27 August 2013, entered into a sale and purchase agreement (the "Agreement") with Chen Ju (陈菊) (the "Vendor"), for the proposed acquisition by GKE HK of the entire issued and paid-up share capital in Ever Flourish Development (HK) Co., Limited, (香港融易发展有限公司), ("Ever Flourish") (the "Proposed Acquisition") at cash consideration amounting to RMB 11.77 million (equivalent to approximately S$2.495 million) (the "Consideration").

As the relative figures computed pursuant to Rule 1006 of the Catalist Rules do not exceed 5%, the Proposed Acquisition does not constitute a discloseable transaction pursuant to Chapter 10 of the Catalist Rules.

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$600,000 divided into 600,000 ordinary shares.

Ever Flourish holds 4,800,000 shares 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. The remaining 60% of the shareholding interest in Mao Ming is held by three other shareholders, namely, Liu Xin (刘新) (33.33%), Maoming City Heng Ji Concrete Co., Ltd (茂名市恒基混凝土有限公司) (16.67%) and Xu Mao Chun (许茂春) (10%) respectively.

Based on the unaudited financial statements of Ever Flourish, the net tangible asset value of Ever Flourish was approximately RMB 5.522 million as at 31 May 2013.

Mao Ming is the lessee for the land situated at Ni Qiao Pao Tai Ling Jiao, Qijing Town, Maogang District, Maoming City (茂名市茂港区七迳镇尼乔炮台岭脚), Guangdong Province, the PRC ("Property"). The lease for the Property expires on 17 June 2025. Mao Ming owns and operates a factory on the Property that produces and manufactures environmental friendly lightweight brick, building materials and cement products.

3. Consideration

The Consideration was arrived at on a "willing buyer willing seller" basis between the GKE HK and the Vendor, after taking into account, inter alia, the following factors:-

(a) the net tangible assets of Mao Ming; and
Pursuant to the terms of the Agreement, GKE HK shall, on completion of the Proposed Acquisition, deliver payment of the Consideration to the Vendor by telegraphic transfer of the amount payable to an account designated by the Vendor (and notified to the Purchaser not later than five (5) business days prior to the completion date) or a cashier’s order or banker’s draft and made out in favour of the Vendor, or in such other manner as may be agreed between the Vendor and GKE HK in writing.

4. Rationale

The Company is of the view that the Proposed Acquisition is in the best interests of the Group as it allows the Group to diversify its business and venture into infrastructure logistics, whereby the Group shall commence the production and manufacturing of environmental-friendly lightweight bricks, building materials and cement products and to tag into the growth in the cement industry in Maoming City and other parts of the PRC, which is experiencing an increased demand in cement due to rapid industrialization and urbanization.

5. Source of Fund and Financial Effects

The Proposed Acquisition will be funded through the Group’s internal resources and is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 May 2014.

6. Interest of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any direct or indirect interests in the Proposed Acquisition (other than through their shareholdings in the Company).

By Order of the Board

Neo Cheow Hui
Chief Executive Officer and Executive Director
27 August 2013

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:-

Name: Mr Wong Chee Meng Lawrence (Registered Professional, RHT Capital Pte. Ltd.)
Address: Six Battery Road, #10-01, Singapore 049909
Tel: 6381 6757