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

NEWS RELEASE

GKE TO ACQUIRE 100% STAKE IN PORT OPERATIONS & LOGISTICS SERVICE PROVIDER, TNS FOR S$9 MILLION

- **A strategic lateral expansion to GKE's logistics division that creates synergistic opportunities for growth in the long term**
- **Purchase consideration of S$9 million to be satisfied with 30% in cash and remaining with issuance of shares at S$0.12 per share**
- **Accretive earnings and stable income with profit guarantee of not less than S$3.5 million in aggregate for 3 years, provides immediate earnings boost to the Group**

SINGAPORE, 29 July 2016 – GKE Corporation Limited (锦佳集团有限公司), together with its subsidiaries ("**GKE**" or the "**Group**"), a leading integrated warehousing and logistics solutions provider, today announced that it has on 28 July 2016, entered into a legally binding Memorandum of Understanding (the "**MOU**") with the vendors of TNS Ocean Lines (S) Pte. Ltd. ("**TNS**") to acquire 100% stake in TNS for a purchase consideration of S$9.0 million (the "**Proposed Acquisition**").

Mr. Neo Cheow Hui (梁鹏飞), CEO and Executive Director of GKE said, "The Proposed Acquisition aligns with the Group's objectives to broaden and strengthen our earnings base. TNS is a strategic lateral expansion for GKE to extend our existing logistics services to the maritime logistics sector, particularly, in port operations. As an established port operations & logistics service provider, TNS is profitable and the Proposed Acquisition is earnings accretive. This will give an immediate boost to the Group's earnings base and will also create synergistic opportunities to drive growth in our warehousing & logistics business division in the long term."

Purchase Consideration of the Proposed Acquisition

GKE will acquire 2,416,000 ordinary shares in the capital of TNS, representing 100% stake in TNS for an aggregate purchase consideration of S$9.0 million (the "**Purchase Consideration**").

The Purchase Consideration shall be satisfied with S$2.7 million in cash amounting to 30% of the aggregate, and the remaining 70% amounting to S$6.3 million via issue of 52.5 million new shares or a transfer of treasury shares in the capital of GKE (the "**Consideration Shares**") through an

allotment of new shares or a transfer of treasury shares to the vendors at an issue price of S$0.12 per share upon fulfilment or waiver of the conditions precedent set out in the definitive sale and purchase agreement (the "**Definitive SPA**") of the Proposed Acquisition.

Upon completion of the Proposed Acquisition, TNS will become a wholly-owned subsidiary of GKE.

Completion of the Proposed Acquisition

The Proposed Acquisition is subject to the necessary due diligence on TNS, and fulfilment of the conditions precedent set out in Definitive SPA which include the following:

(i) Profit Guarantee for Three Years

The vendors (except for Tan Nam Seng and Sern Chia Lung)(1) have undertaken to guarantee that the cumulative net profit before tax ("**NPBT**") of TNS for three years, from the date of completion of the Proposed Acquisition, shall not be less than the aggregate amount of S$3.5 million ("**Profit Guarantee**").

In the event of any shortfall in the NPBT of the audited financial statements, the vendors (except for Tan Nam Seng and Sern Chia Lung) will be liable to compensate GKE in cash on the difference between the Profit Guarantee and the actual NPBT achieved.

(ii) Moratorium of Consideration Shares

The vendors (except for Tan Nam Seng and Sern Chia Lung) have provided a moratorium undertaking in respect of the 29,166,667 Consideration Shares for a period of three years or satisfaction of the Profit Guarantee, whichever is earlier. Upon the allotment and issuance or transfer of the Consideration Shares, the share certificates will be held in escrow during the moratorium period.

Note: (1) Tan Nam Seng and Sern Chia Lung are minority shareholders of TNS. They have provided a moratorium undertaking in respect of 13,035,750 Consideration Shares for one year after the completion date.

Investment Rationale and Benefits of the Proposed Acquisition

TNS is an operating business in the maritime logistics sector with track record and growth potential. The Proposed Acquisition is expected to enhance value for all shareholders of GKE as it:

i) enables the Group to have a stable stream of income and profits;

ii) presents an opportunity for the Group to acquire a profitable company with a viable business model and a good management team;

iii) presents an opportunity for the Group to work with TNS to venture overseas in port management and logistics services; and

iv) broadens GKE's existing logistics services spectrum in Singapore with TNS' established port management and maritime logistics capabilities.

The Group will update shareholders on the development of the Proposed Acquisition as and when appropriate.

About TNS Ocean Lines Pte Ltd

Established in 1995, TNS Ocean Lines (S) Pte. Ltd. (formerly known as Air Sea Consolidator Pte Ltd),
is principally engaged in the business of providing stevedoring and lighterage services, lashing, wharf operation services and transportation of mariner materials by sea. As an established port operations and logistics service provider, TNS offers a wide array of port operations and logistics services within PSA's Container Terminals & Multi Purposes Terminal and offers worldwide freight & logistics services through an integrated network of well-established agents and partners.

~~ End ~~

This news release is to be read in conjunction with the Company's announcement posted on the SGX website on 29 July 2016.

*This News Release has been prepared by GKE Corporation Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this News Release.*

This News Release has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this News Release, including the correctness of any of the statements or opinions made or reports contained in this News Release.

The contact person for the Sponsor is Ms. Amanda Chen (Telephone no.: (65) 6381 6757) at Six Battery Road, #10-01 Singapore 049909.

ABOUT GKE CORPORATION LIMITED

(Stock Codes – SGX: 595 | Bloomberg: GKEC SP | Thomson Reuters: GKEC.SI)

GKE Corporation Limited (锦佳集团有限公司) ("**GKE**" or together with its subsidiaries, the "**Group**") is a leading integrated warehousing and logistics solutions provider offering one-stop, door-to-door multi-modal solutions for supply chain management. The business activities of GKE classified into two broad categories: (i) warehousing & logistics, and (ii) strategic investments.

The Group's facilities host one of the best material handling equipment, and the most up-to-date safety and security features. It leverages on information technology to increase order visibility, maximise operational efficiency, minimise surplus inventory, and reduce overall supply chain costs for its customers.

GKE operates its third party warehousing and logistics business under the "**GKE**" brand name. It provides total integrated and comprehensive warehousing & logistics solutions and services that include general warehousing, inventory management, conventional transportation, container trucking, project logistics, international multi-modal sea and air freight forwarding services as well as non-ferrous metal storage. It is also a listed London Metal Exchange ("LME") warehouse operator. The Group recently expanded its capabilities into marine logistics and chemical warehousing with the acquisition of a 70% stake in Marquis Services Pte Ltd.

The Group's strategic investments include its marine and shipping logistics business through a 50% joint venture, Ocean Latitude Limited, has constructed an 83,000m^3 liquefied gas carrier vessel to ride on the demand for liquefied gas as a cleaner fuel for industrial and domestic uses. The liquefied gas carrier vessel is currently chartered and deployed in the Middle East and Far East regions.

Another strategic investment is the infrastructural materials and services business. This business is carried out through its wholly-owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd. (梧州星建混凝土有限公司) which is primarily engaged in the manufacturing and supplying of ready-mix concrete products to the domestic infrastructural and construction sector in Wuzhou City, China. It has commenced commercial production in June 2016.

For more information, please visit the company website at www.gke.com.sg.

Issued for and on behalf of **GKE CORPORATION LIMITED** by:

EQUITIQUE COMMUNICATIONS 远璟财经通讯

For more information, please contact:

Name: Ms. Rosalina Soh (苏沛熙)
Office: (65) 6221 8308
Email: rosalina.soh@eqtq.com.sg