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

GKE TO ACQUIRE 70% STAKE IN MARQUIS SERVICES FOR S$2.94 MILLION

- **Strategic acquisition of established marine logistics service provider and chemical warehouse operator to broaden GKE's range of logistics services and create synergistic opportunities for growth**
- **Net profit before tax guarantee of not less than S$2.8 million in aggregate for two years, is earnings accretive and provides stable and sustainable income in the long term**

SINGAPORE, 26 October 2015 – **GKE Corporation Limited** (锦佳集团有限公司), together with its subsidiaries ("**GKE**" or the "**Group**"), a leading integrated logistics solutions provider, today announced that it has entered into a definitive sale and purchase agreement (the "**Agreement**") with R W Marine Services Pte. Ltd. ("**RW**") (where GKE and RW are collectively known as the "**Purchasers**") and Goh Lay Nah ("**GLN**") and Choo Thean Swee ("**CTS**") (where GLN and CTS are collectively known as the "**Vendors**"), where GKE and RW will acquire 70% and 10% stakes in Marquis Services Pte Ltd ("**Marquis**") for S$2.94 million and S$0.42 million, respectively (the "**Proposed Acquisition**").

The Proposed Acquisition of Marquis is aligned with GKE's strategy: to offer customers across diverse industries total integrated and comprehensive third party logistics solutions throughout the entire supply chain. Enhanced by the Proposed Acquisition of Marquis, GKE will expand its core warehousing and logistics capabilities to offer marine logistics services and chemical warehousing.

Mr. Neo Cheow Hui (梁昭辉), Chief Executive Officer and Executive Director of GKE said, "**We are very pleased that this Agreement with the management of Marquis will not only bring an immediate boost to the Group's earnings with the profit guarantee for two years, but also strengthen GKE's core warehousing and**

logistics business capabilities, expanding our offerings into marine logistics services and chemical warehousing. We are confident that this acquisition will also create synergies for long-term sustainable growth for the Group."

Structure of the Proposed Acquisition

The Purchasers will acquire 40,000 ordinary shares in the capital of Marquis, representing an 80% stake in Marquis for an aggregate consideration of S$3.36 million.

Purchasers	Proportion for 80% in Marquis	Consideration Payable
GKE	87.5%	S$2.94 million
RW	12.5%	S$0.42 million

The Group will satisfy its portion of the consideration with S$2.315 million in cash and the remaining S$625,000 via the issue of 5.0 million ordinary shares in the capital of GKE ("**Consideration Shares**") through an allotment of new shares or a transfer of treasury shares to GLN at an issue price of S$0.125 per share upon fulfilment or waiver of the conditions precedent set out in the Agreement of the Proposed Acquisition. GLN has provided a moratorium undertaking, not to sell the Consideration Shares for three years after the completion of the Proposed Acquisition.

Upon completion of the Proposed Acquisition, Marquis will become a 70%-owned subsidiary of GKE.

The post-acquisition shareholding structure is as follows:

Shareholders	Shareholding in Marquis
GKE	70%
GLN	20%
RW	10%

CTS will resign from employment and cease to be a director of Marquis upon completion of the proposed acquisition. GLN will continue to run the day-to-day operations of Marquis post-acquisition, with GKE being actively involved in strategic decisions.

Completion of the Proposed Acquisition

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

(i) Profit Guarantee for Two Years

GLN has undertaken to guarantee that the actual net profit before tax, excluding depreciation of all assets except depreciation for the Property and non-recurring or extraordinary items of revenue or gain ("**NPBT**") of Marquis for two years, from financial period 1 December 2015 to 30 November 2017, shall not be less than the aggregate amount of S$2.8 million.

In the event of any shortfall in the NPBT of the audited financial statements, the Vendors will be liable to compensate the Purchasers in accordance with the compensation clauses as specified in the Agreement.

(ii) Marquis to Acquire Chemical Warehouse Property

Under the terms of the Agreement, the Vendors have undertaken that Marquis will acquire the chemical warehouse cum office property located at 7 Kwong Min Road Singapore 628710 (the "**Property**"), which it is currently using and managing, for S$5.4 million within three months after the completion of the Proposed Acquisition.

This Property will subsequently be 70%-owned by GKE.

Investment Rationale and Benefits of the Proposed Acquisition

The Proposed Acquisition is expected to enhance value for all shareholders of GKE in the following ways:

i) enable the Group to have a stable stream of revenue and profits;

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

iii) broaden GKE's existing logistics services spectrum in Singapore with Marquis' established marine logistics and chemical warehousing capabilities.

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

About Marquis Services Pte Ltd

Established in August 2001, Singapore-based Marquis Services Pte Ltd is primarily engaged in the business of providing chemical warehousing, stevedoring and lighterage services, freight forwarding, crating and transportation of marine materials by sea.

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This news release is to be read in conjunction with the Company's announcement posted on the SGX website on 26 October 2015.

*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 | 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 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) third party 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 logistics business under the "**GKE**" brand name. It provides total integrated and comprehensive logistics solutions and services that include general warehousing, 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 an approved London Metal Exchange ("LME") non-ferrous warehouse operator.

The Group's strategic investments include its shipping logistics business through a 50% joint venture which has entered into a shipbuilding contract to construct 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 vessel is a 53,800 deadweight tonnes liquefied gas carrier registered under Lloyds Register of Shipping. The vessel is expected to be completed by 2016.

Another strategic investment is the infrastructure materials 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 premix cement products to the domestic construction sector of the People's Republic of China (the "PRC").

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

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