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

GKE SIGNS MOU TO DIVEST NON-FERROUS METAL LOGISTICS AND WAREHOUSING BUSINESS FOR S$4.2 MILLION

- **Divestment allows the Group to free up resources for viable business opportunities with growth potential**

SINGAPORE, 18 January 2016 – **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 legally binding Memorandum of Understanding (the "MOU") with Hung Lin Holding Ltd (the "Purchaser") for the proposed sale of its 49% stake in GKE Metal Logistics Pte Ltd ("**GKEML**") for a consideration of S$4.2 million (the "**Proposed Sale**").

The market sentiment for non-ferrous metals remains negative amid the current global economic uncertainties and the slowdown in China's economic growth, one of the largest consumers and producers of non-ferrous metals. Based on the current market conditions where oil price has fallen to new lows, it is likely that metal prices will continue to trend lower.

Commenting on the Proposed Sale transaction, **Mr. Neo Cheow Hui (梁昭辉), CEO and Executive Director of GKE** said, "**The Group is mindful of the challenging business environment and its operational costs. In view of the adverse outlook of non-ferrous metals, the Group has seized the opportunity to free up resources to better focus on expanding in strategic business opportunities.**"

The Proposed Sale is conditional upon the satisfaction of conditions precedent including the approval of LD Commodities Metal Asia Pte Ltd, a subsidiary of Louis Dreyfus Commodities BV, which had acquired a 51% stake in GKEML for approximately S$8 million in 2012. The latest unaudited consolidated net tangible asset ("NTA") and the net book value ("NAV") of the 49% stake in GKEML as at 30 November 2015 were approximately S$2.5 million and S$7.6 million, respectively. The Proposed Sale would result in a net gain of approximately S$1.7 million over the NTA and a net loss of approximately S$3.4 million over the NAV.

Added Mr. Neo, "**This potential net loss mainly stems from the impairment of assets as the commodities market deteriorated over the past year, which will be a non-cash charge to the Group. The proceeds of S$4.2 million from the Proposed Sale will be an immediate boost to the Group's cash balance.**"

GKE, the Purchaser and Li Jing, the Guarantor, shall enter into a share purchase agreement ("**SPA**") in respect of the Proposed Sale within four (4) weeks. The transaction is expected to be completed upon the satisfaction of the conditions precedent within another four (4) weeks of signing the SPA.

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

Background of GKE Metal Logistics

GKE Metal Logistics Pte Ltd ("GKEML") was incorporated in Singapore on 12 April 1984. GKEML operates non-ferrous metal logistics services in Singapore and Shanghai, China. It is also an official London Metal Exchange ("LME") warehouse operator, which takes custody of non-ferrous metal traded on the LME.

GKEML owns a 65% stake in GKE (Shanghai) Metal Logistics Co., Ltd ("GKESH"), which together with its wholly-owned subsidiary, Shanghai GKE Logistics Co., Ltd ("SHGKE") are primarily involved in the business of storage, freight forwarding, warehousing, packing, removal and delivery services in China.

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This news release is to be read in conjunction with the Company's announcement posted on the SGX website on 18 January 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 | 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. 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 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 ready-mix 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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