CIRCULAR DATED 15 OCTOBER 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular is issued by GKE Corporation Limited (the "**Company**"). If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all of your shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") has not examined the contents of this Circular. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

This Circular has been prepared by 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 SGX-ST. The Sponsor has not independently verified the contents of this Circular.

The contact person for the Sponsor is Ms Amanda Chen (Registered Professional). Address: Six Battery Road #10-01 Singapore 049909, Tel: (65) 6381 6757.



GKE CORPORATION LIMITED

(Company Registration Number 200001941G)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

(A) THE PROPOSED SALE AND LEASEBACK OF THE PROPERTY LOCATED AT 30 PIONEER ROAD SINGAPORE 628502

(B) THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE: (I) MARINE AND SHIPPING LOGISTICS, AND (II) SUPPLY OF INFRASTRUCTURAL MATERIALS AND SERVICES

(C) THE PROPOSED SHARE BUY BACK MANDATE

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	28 October 2015 at 10:00 a.m.
Date and time of Extraordinary General Meeting	:	30 October 2015 at 10:00 a.m.
Place of Extraordinary General Meeting	:	30 Pioneer Road, Singapore 628502

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CONTENTS

		Page
DEFINITIONS		2
LETTER TO SHAREHOLDERS		6
1.	Introduction	6
2.	Proposed Sale and Leaseback	7
3.	Proposed Diversification of the Group's Business	13
4.	Proposed Share Buy Back Mandate	23
5.	Interests of Directors, Controlling Shareholders and Substantial Shareholders	34
6.	Directors' Recommendation	35
7.	Extraordinary General Meeting	35
8.	Action to be Taken by Shareholders	35
9.	Directors' Responsibility Statement	36
10.	Inspection of Documents	36
NOTICE OF EXTRAORDINARY GENERAL MEETING		37
PROXY FORM		

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

"ACRA"	:	Accounting and Corporate Regulatory Authority
"Act" or "Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"AGM"	:	Annual general meeting of the Company
"Associate"	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Associated Company"	:	A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries
"Articles"	:	The Articles of Association of the Company
"Board of Directors" or "Board"	:	The board of Directors of the Company as at the Latest Practicable Date
"Catalist"	:	The Catalist Board of the SGX-ST
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 15 October 2015
"CPF"	:	Central Provident Fund
"Company"	:	GKE Corporation Limited

"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises Control over the Company
"Directors"	:	The directors of the Company as at the date of this Circular
"EGM"	:	The extraordinary general meeting of the Company, notice of which is given on pages 37 to 40 of this Circular
"EPS"	:	Earnings per Share
"Existing Businesses"	:	The existing businesses of the Group, as more particularly described in paragraph 3.1 of this Circular
"FY"	:	Financial year of the Company ended or ending 31 May (as the case may be)
"GKE Warehousing"	:	GKE Warehousing & Logistics Pte Ltd
"Group"	:	The Company and its subsidiaries
"Latest Practicable Date"	:	25 September 2015, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	Section B: Rules of Catalist of the Listing Manual of the SGX-ST as amended, supplemented or modified from time to time
"Property"	:	The property located at 30 Pioneer Road Singapore 628502
"Proposed Diversification"	:	The proposed diversification of the Group's business to include the Proposed New Businesses
"Proposed New Businesses"	:	The proposed new businesses of the Group, as more particularly described in paragraph 3.2 of this Circular
"Proposed Share Buy Back Mandate"	:	The general mandate to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate
"Market Day"	:	A day on which SGX-ST is open for securities trading

"Memorandum"	:	The Memorandum of Association of the Company
"NTA"	:	Net tangible assets
"Securities Account"	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
"SFA" or "Securities and Futures Act"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shares"	:	Ordinary shares in the share capital of the Company
"Shareholders"	:	The registered holders of Shares in the register of members of the Company, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
"Takeover Code"	:	The Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended
"Treasury Shares"	:	Issued Shares of the Company which were (or are treated as having been) purchased or otherwise acquired by the Company in accordance with Sections 76B to 76G of the Act and are held by the Company in accordance with Section 76H of the Act

Currencies, Units and Others

"$" or "cents"	:	Singapore dollars and cents respectively
"%" or "per cent"	:	Per centum or percentage

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act. The term "subsidiary" shall have the meaning ascribed to it in Section 5 of the Companies Act. The term "Direct Account Holder" shall have the meaning ascribed to the term "account holder" in Section 130A of the Act. The term "Substantial Shareholder" shall have the meaning ascribed to it in Section 2(6) (read with Section 2(4)) of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

GKE CORPORATION LIMITED

(Company Registration Number 200001941G)
(Incorporated in the Republic of Singapore)

Directors:

Chen Yong Hua *(Executive Chairman)*
Neo Cheow Hui (*Chief Executive Officer, Executive Director*)
Qian Wen Hua (*Executive Director*)
Liu Ji Chun *(Non-Executive Director)*
Er Kwong Wah *(Independent Director)*
Ho Ying Ming *(Independent Director)*
Andrew Chua Thiam Chwee *(Independent Director)*
Wang Jian Ping *(Alternate Director to Qian Wen Hua)*

Registered Office:

30 Pioneer Road
Singapore 628502

15 October 2015

To: The Shareholders of GKE Corporation Limited

Dear Sir/Madam

(A) THE PROPOSED SALE AND LEASEBACK OF THE PROPERTY LOCATED AT 30 PIONEER ROAD SINGAPORE 628502

(B) THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE: (I) MARINE AND SHIPPING LOGISTICS, AND (II) SUPPLY OF INFRASTRUCTURAL MATERIALS AND SERVICES

(C) THE PROPOSED SHARE BUY BACK MANDATE

1. INTRODUCTION

1.1 EGM

The Directors are convening an EGM to be held on 30 October 2015 to seek Shareholders' approval for:

(a) the Proposed Sale and Leaseback;

(b) the Proposed Diversification; and

(c) the Proposed Share Buy Back Mandate,

(together, the "**Proposals**").

The Notice of the EGM is set out on pages 37 to 40 of this Circular.

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to the Proposals to be tabled at the EGM.

2. PROPOSED SALE AND LEASEBACK

2.1 Proposed Sale

On 28 August 2015, the Company announced that, GKE Warehousing, a subsidiary of the Company, has entered into a put and call option agreement (the "**Option Agreement**") with The Trust Company (Asia) Limited (the "**Purchaser**"), in its capacity as trustee of Viva Industrial Real Estate Investment Trust (the "**REIT**"), relating to the sale and purchase (the "**Proposed Sale**") of the Property together with the plant, mechanical and electrical equipment, fixtures and fittings which relate to the Property (the "**Mechanical and Electrical Equipment**"). The Property and the Mechanical and Electrical Equipment are currently used by GKE Warehousing as offices and warehousing facilities in connection with its general logistics business.

The Property has an approximate gross floor area of 280,000 square feet. Based on gross floor area, the Property accounts for approximately 27.7% of the total gross floor area of all the properties used by the Group for its general logistics business at the date of the Latest Practicable Date.

2.1.1 Purchase Price and Valuation

The purchase price of the Property and the Mechanical and Electrical Equipment is $45,000,000 (the "**Purchase Price**"), payable by the Purchaser on the completion of the Proposed Sale ("**Completion**"). The Purchase Price, which excludes an estimated upfront land premium for the balance of the Property's initial 30-year lease term of $6,100,000 (subject to final confirmation by JTC Corporation (the "**JTC**")), was arrived at on a willing-buyer and willing-seller basis, taking into account the independent valuation by Colliers International Consultancy & Valuation (Singapore) Pte Ltd obtained by the Purchaser. If required by the JTC, the upfront land premium will be paid by the Purchaser to the JTC.

Based on the REIT's announcement dated 28 August 2015 regarding its proposed acquisition of the Property, the "market value" of the Property as determined by REIT's independent valuer in its market valuation report dated 26 August 2015 (including an estimated upfront land premium for the balance of the initial 30-year lease term) is S$55,000,000 based on the discounted cash flow analysis, the income capitalisation method and the direct comparison method. As further disclosed in paragraph 2.2 of the aforesaid REIT's announcement, its estimated total acquisition costs relating to the Property comprises the Purchase Price, upfront land premium, fees and expenses for the acquisition transaction.

2.1.2 Put and Call Option

On the execution of the Option Agreement, the Purchaser paid the option fee of $1 (the "**Option Fee**"). GKE Warehousing also granted to the Purchaser an option to accept GKE Warehousing's offer to sell the Property and the Mechanical and Electrical Equipment at the Purchase Price on the terms and conditions of the Purchase Agreement (as defined below) (the "**Purchase Conditions**") (the "**Call Option**"). The Purchaser granted to GKE Warehousing an option to accept the Purchaser's offer to purchase the Property and the Mechanical and Electrical Equipment at the Purchase Price on the Purchase Conditions (the "**Put Option**") (the Call Option and the Put Option shall collectively be, the "**Option**").

The Option could be exercised as follows:

(a) in the case of the Purchaser, delivering to GKE Warehousing a call option exercise notice (the "**Call Option Exercise Notice**") during the period of 14 days commencing the day after the date GKE Warehousing gives to the Purchaser a fulfilment notice informing the Purchaser that the last of the Relevant Approvals (as defined below) has been obtained (the "**Call Option Exercise Period**"); and

(b) in the case of GKE Warehousing, delivering to the Purchaser a put option exercise notice (the "**Put Option Exercise Notice**") during the period of 14 days commencing on the day immediately after the expiry of the Call Option Exercise Period.

Upon delivery of the Call Option Exercise Notice or the Put Option Exercise Notice, the parties shall be deemed to have entered into a binding contract for the Proposed Sale (the "**Purchase Agreement**").

2.1.3 Relevant Approvals and Financing

The rights of each party to the Option Agreement ("**Party**") to issue the Call Option Exercise Notice, or as the case may be, the Put Option Exercise Notice are conditional upon the following:

(a) the Company having obtained not later than 10 December 2015 (the "**Target Date**") the approval of its Shareholders for the Proposed Sale (the "**Shareholders' Approval**");

(b) GKE Warehousing having obtained by the Target Date the approval of the JTC to the extension of the expiry date of the leasehold estate of the adjoining property at 39 Benoi Road Singapore 627725 (the "**Adjoining Property**") together with the building erected thereon to 15 February 2037 (the "**Lease Extension Approval**");

(c) GKE Warehousing having obtained by the Target Date the approval of the JTC (the "**JTC Approval**") to:

  (i) the sale of the Property; and

  (ii) the lease of the Property on Completion by the Purchaser or such other trustee of the REIT (as landlord) to GKE Warehousing (as tenant);

(d) the Purchaser having obtained funds to finance the acquisition of the Property (the "**Financing Condition**");

(e) if the manager of the REIT (the "**REIT Manager**") launches any equity fund raising exercises involving the issuance of new stapled securities in Viva Industrial Trust ("**Stapled Securities**"), no stop order having been issued by the Monetary Authority of Singapore or any judicial or regulatory body in relation to such exercises; and

(f) if the REIT Manager launches any equity fund raising exercises involving the issuance of new Stapled Securities, the in-principle approval of the SGX-ST for the listing and quotation of the new Stapled Securities not having been revoked or withdrawn.

The Shareholders' Approval, the Lease Extension Approval and the JTC Approval shall collectively be known as the Relevant Approvals.

2.1.4 Due Diligence

(a) The Purchaser shall conduct due diligence on the Property, the building erected on the Property and the Mechanical and Electrical Equipment and the financial condition of GKE Warehousing on or before the date of the Option Agreement.

(b) The Purchaser shall be entitled to update the above due diligence (the "**Update Investigations**").

2.1.5 Rescission

The Option Agreement can be rescinded:

(a) by GKE Warehousing, if the Shareholders' Approval, or the Lease Extension Approval is not obtained by the Target Date;

(b) by the Purchaser if:

(i) the Financing Condition is not met by the Target Date;

(ii) the Update Investigations reveal substantial and material adverse deviation from the results of the due diligence performed on or before the date of the Option Agreement; or

(iii) if prior to the exercise of the Option, there is material damage to the Property and/or the Mechanical and Electrical Equipment. If such damage is not material, GKE Warehousing shall at its own cost and expense repair the damage.

(c) by GKE Warehousing or the Purchaser, if the JTC Approvals are not obtained by the Target Date; or

(d) If either Party rescinds the Option Agreement, the Option Fee shall be refunded to the Purchaser without interest.

2.1.6 Rectification Works and Retention Sum

GKE Warehousing shall carry out all repair and rectification works in respect of the defects set out in the list of defects in Schedule 5 to the Option Agreement (the "**Rectification Works**"). If GKE Warehousing is unable to complete any Rectification Works by the date of Completion, the Purchaser can withhold from the Purchase Price a sum equivalent to the aggregate costs of such uncompleted Rectification Works (the "**Retention Sum**").

If any Rectification Works remain uncompleted 3 months after the date of Completion, the Purchaser can carry out the Rectification Works and apply the Retention Sum towards payment of the costs and expenses for completing such works. If the costs and expenses exceed the Retention Sum, GKE Warehousing has to pay the Purchaser the excess on demand. If the Retention Sum is more than the costs of completing such works, the Purchaser will refund the balance to GKE Warehousing.

2.1.7 Certain Terms of the Purchase Conditions

(a) *Representations and Warranties*

The Purchase Conditions contain limited representations and warranties by GKE Warehousing, including those relating to compliance with laws, litigation, title, property matters (such as structural defects), environmental laws and property tax.

(b) *Construction of Ramp and Link*

Subject to certain conditions, GKE Warehousing may redevelop the Adjoining Property. As part of the redevelopment, GKE Warehousing shall construct a 40-footer container ramp (the "**Ramp**") at the Adjoining Property. The Purchaser is entitled to construct a vehicular link (the "**Link**") to connect the Ramp to the Property so as to enable ingress and egress of 40-footer container trucks to and from the Property via the Ramp and Link.

GKE Warehousing shall be responsible for the cost of carrying out works relating to the construction of the Ramp (the "**Ramp Works**") and the Purchaser shall be responsible for the cost of carrying out works relating to the construction of the Link (the "**Link Works**").

Upon completion of the Ramp Works and Links Works, GKE Warehousing shall grant to the Purchaser access rights over parts of the Adjoining Property and the Ramp, in consideration of which, the Purchaser shall pay GKE Warehousing an upfront sum of $3,000,000. The Purchaser also has to pay a monthly maintenance fee to maintain, upkeep and repair the Ramp which will be computed based on 1/3 of the projected maintenance cost (on a reimbursement basis and without additional cost).

2.2 Proposed Leaseback

On Completion, GKE Warehousing and the Purchaser will enter into a master lease agreement (the "**Master Lease Agreement**") pursuant to which the Property will be leased back to GKE Warehousing for a term of 5 years from Completion (the "**Term**") with a rental escalation of 5% in the 3rd and 5th year of the Term as shown in the table below:

Year	Rent ($ Per Annum)	Rent ($ Per Month)
First Year	4,360,000.00	363,333.33
Second Year	4,360,000.00	363,333.33
Third Year	4,578,000.00	381,500.00
Fourth Year	4,578,000.00	381,500.00
Fifth Year	4,806,900.00	400,575.00

Pursuant to the Master Lease Agreement, for the duration of each year of the Term, GKE Warehousing will pay to and maintain with the Purchaser a security deposit for an amount which is 12 times the monthly rent for that year. This security deposit may be reduced in subsequent years of the Term if the financials of GKE Warehousing in the preceding year fulfil the Purchaser's tenant credit control test criteria, provided always that the security deposit in any year shall not be less than 6 times the monthly rent for that year.

2.3 Rationale for the Proposed Sale and Leaseback and Use of Proceeds

The Group has been exploring various expansion opportunities. The Proposed Sale will unlock cash for the Group to partake in these opportunities. At the Latest Practicable Date, the Group has not entered into any commitment or agreement for such expansion opportunities, other than to redevelop and expand the Adjoining Property disclosed below. The Group will utilise the net proceeds of the Proposed Sale to:

(a) redevelop and expand the Adjoining Property; and

(b) build up its cash reserves to explore strategic opportunities to grow its business further.

Based on the current plans and estimates of the management of the Company and barring unforeseen circumstances, the redevelopment of the Adjoining Property is targeted to be completed in approximately 2 and a half years from commencement of construction works. Once the Adjoining Property is ready for commercial use, the Group expects an increase in the total gross floor area of all the properties used by the Group by another approximately 280,000 square feet.

Although the Group is currently incurring loss and the Property is generating profits through its logistics business conducted thereon, the Group is merely disposing of the Property as an asset but not the business. The Group will continue to conduct its logistics business on the Property after Completion as it will leaseback the Property from the REIT for a term of 5 years after Completion for use for its existing operations. The Proposed Sale will unlock cash for the redevelopment of the Adjoining Property, which will provide synergistic benefits to the Group when the redevelopment works have been completed as the Adjoining Property is expected to maximise the usage of the Property based on the Group's proposed design plans, which will in turn bring greater benefits to the Group.

The excess of the proceeds over 31 July 2015's net book value of the Property and the Mechanical and Electrical Equipment is $12,726,000.

2.4 Net Profit and Gain

Based on the management accounts of GKE Warehousing, the net profit attributable to the Property and the Mechanical and Electrical Equipment by the Company for the 12-month period ended 31 May 2015 was $863,000. The gain on the Proposed Sale is $12,726,000 (based on the latest net book value of the Property as at 31 July 2015).

2.5 Financial Effects of the Proposed Sale

For illustrative purposes only, based on the latest audited consolidated financial statements of the Group for the financial year ended 31 May 2015, the financial effects of the Proposed Sale are set out below:

	Before the Proposed Disposal	After the Proposed Disposal
NTA per Share (cents)	11.50[1]	13.45[2]
Earnings/(Loss) Per Share (cents)	-0.78[3]	1.77[4]

Notes:

(1) This is based on the NTA of S$73,724,000 and 641,125,290 Shares.

(2) This is based on the NTA of S$86,203,000 and 641,125,290 Shares.

(3) This is based on the loss of S$3,821,000 attributable to the Shareholders of the Company and 489,963,030 weighted average number of Shares.

(4) This is based on the profit of S$8,658,000 attributable to the Shareholders of the Company and 489,963,030 weighted average number of Shares.

2.6 Relative Figures under Rule 1006 of the Listing Manual

The relative figures for the Proposed Sale computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Listing Rule	Content	Relative Figure
1006(a)	Net Asset Value Test	The net asset value of the Property and the Mechanical and Electrical Equipment as at 31 May 2015 is $32,071,000 and this represents approximately 39.04% of the Group's net asset value of $82,139,000 as at 31 May 2015.
1006(b)	Profits Test	The net profit attributable to the Property and the Mechanical and Electrical Equipment as at 31 May 2015 is $863,000 and this represents approximately -21.02% of the Group's net loss of $4,105,000 as at 31 May 2015.
1006(c)	Market Capitalisation Test	The Purchase Price of $45,000,000 represents approximately 94.85% of the Company's current market capitalisation of approximately $47,443,271 as at $0.074 (being the Market Day preceding the date of the Option Agreement).
1006(d)	Equity Securities Test	Not applicable as no equity securities are to be issued as consideration for The Proposed Sale.

As the relative figure under Rule 1006(c) of the Listing Manual exceeds 50%, the Proposed Sale will constitute a "Major Transaction" under Rule 1014 of the Listing Manual. Accordingly, the Proposed Sale is subject to the approval of Shareholders.

Upon the signing of the Option Agreement, GKE Warehousing will deliver to the Purchaser deeds of undertaking executed by some of the Shareholders warranting that these Shareholders will vote in favour of the Proposed Sale.

2.7 Directors' Service Contract

No person is proposed to be appointed as a director of the Company in connection with the Proposed Sale. Accordingly, there is no service contract proposed to be entered into between the Company and any such person.

3. PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS

The Company wishes to seek Shareholders' approval for the Proposed Diversification.

3.1 Existing Businesses

The Existing Businesses refer to the third party logistics business operated by the Group under the "GKE" brand name. The Group provides total integrated and comprehensive logistics solutions and services that include:

(a) general warehousing;

(b) conventional transportation;

(c) container trucking;

(d) project logistics;

(e) international multi-modal sea and air freight forwarding services;

(f) non-ferrous metal storage; and

(g) non-ferrous warehouse operation approved by the London Metal Exchange (the "**LME**").

As at the Latest Practicable Date, the active operating subsidiaries of the Company which are involved in the Existing Businesses and their principal activities are as follows:

Name of Subsidiary	Date and Country of Incorporation/ Registration	Effective Interest Held by the Group	Principal Activities
GKE Warehousing & Logistics Pte Ltd	8 May 1998 Singapore	100%	Provides end-to-end logistics solutions and services to its customers in consumer products, oil and gas and retail industries. It receives cargoes at destinations, provides storage at the Group's warehouse and delivers to recipients in Singapore and across the globe.
GKE Freight Pte Ltd	20 September 2004 Singapore	100%	Has a committed and responsive team that leverages on its multi-modal transportation in sea, air and land, as well as through its network of overseas agents, to meet the freight forwarding requirements of customers.
GKE Express Logistics Pte Ltd	16 January 1991 Singapore	100%	Offers heavy haulage and handling services, Out-of-Gauge ("**OOG**") transportation services and specialised project logistics management services with its own fleet of prime movers and trailers.

Metal logistics services are operated through the Group's Associated Company, GKE Metal Logistics Pte Ltd, which is also an approved LME warehouse service provider in Singapore and Shanghai. It acts as custodians for the storage and handling of non-ferrous metals that are traded on the LME, where strict criteria by the LME are to be met and adhered to, at all times.

3.2 Proposed New Businesses

The Proposed New Businesses refer to the following businesses which the Group has made initial foray into:

3.2.1 Marine and Shipping Logistics

The scope of the marine and shipping logistics business includes the business of investing in, acquiring, owning and leasing all kinds or types of ship vessels (both existing and newly built) for chartering, leasing and/or sale to third parties, the acquisition of vehicles and equipment for the transportation of goods and cargoes, the provision of logistics and other ancillary services, the provision of transportation services and other logistics services for the shipping and marine sector and other ancillary services. The marine and shipping logistics business is classified under the "**Shipping Logistics**" segment of the Group.

3.2.2 Supply of Infrastructural Materials and Services

The scope of the supply of infrastructural materials and services business includes the business of producing, manufacturing, sale and provision of infrastructure materials, such as commercial concrete, environmental friendly lightweight brick, building materials and cement products, acquisition of lands and properties to construct the facilities for the provision of the infrastructure materials and provision of warehousing and other logistics services, the acquisition of vehicles and equipment for the transportation of infrastructure materials and provision of logistics and ancillary services. The supply of infrastructural materials and supply business is classified under the "**Infrastructural Logistics**" segment of the Group.

3.3 Foray into Marine and Shipping Logistics

The Group made its foray into marine and shipping logistics with a joint venture in Steadfast (HK) Co., Limited ("**Steadfast**") (the "**Joint Venture**"). GKE Shipping Co., Limited, a wholly-owned subsidiary of the Company owns 50% of the entire issued share capital in Steadfast.

On 18 September 2013, Steadfast entered into a shipbuilding contract to construct an 83,000 cubic metres liquefied gas carrier vessel (the "**Vessel**"), which is expected to be completed by 2016. The Vessel is a 53,800 deadweight tonnes liquefied gas carrier registered under Lloyds Register of Shipping. This Vessel is expected to drive growth in the "Shipping Logistics" segment of the Group with the potential demand for natural gas as a cleaner fuel for power generation. The Group is currently pursuing a chartering contract for this Vessel.

3.4 Foray into Supply of Infrastructural Materials and Services

The Group made its foray into the supply of infrastructural materials and services by focusing on the infrastructure materials supply chain management in the construction sector in the People's Republic of China (the "**PRC**").

Wuzhou Xing Jian Readymix Co., Ltd (梧州市星建混凝土有限公司) ("**Wuzhou**"), a subsidiary of GKE Holdings (HK) Co., Ltd. which is in turn a wholly-owned subsidiary of the Company, is primarily engaged in the manufacturing of commercial concrete, environmentally-friendly lightweight bricks, building materials and cement products for supply to the domestic construction sector of the PRC.

On 25 July 2014, Wuzhou successfully tendered for a piece of land of 29,640 square metres at Wuzhou City, Guangxi Autonomous Region in the PRC, with a tender price of RMB7.35 million. This piece of land, intended for a cement mixing plant to produce and manufacture commercial concrete, environmentally-friendly lightweight bricks, building materials and cement products, is currently under construction.

3.5 Rationale for the Proposed Diversification

The Proposed Diversification is a corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth, by adding to the Group new revenue and earnings stream.

3.5.1 Marine and Shipping Logistics

The Group entered into the Joint Venture in order to expand its current logistics business to include marine and shipping logistics, particularly, for the transportation of liquefied gas to the PRC.

Based on a report published by RNCOS Industry Research Solutions on 8 February 2011, the PRC has become one of the top consumers of natural gas in the Asia-Pacific region, and is anticipated to overtake Japan by 2015. In 2009, natural gas consumption in the PRC rose to 88.7 billion cubic meters, up from 81.3 cubic meters in 2008.

Liquefied gas is shipped around the world in specially constructed seagoing vessels, such as the Vessel. To the best knowledge of the Company, the PRC government has approved the construction of liquefied gas terminals in Guangdong, southeast Fujian province, Shanghai and eastern Zhejiang province and is planning other constructions, which could in turn boost the market potential of owning, selling, leasing and chartering liquefied gas carriers. Accordingly, the Group believes that its investment in the Joint Venture and the acquisition of the Vessel by Steadfast is timely to allow the Group to tap into this potential.

3.5.2 Supply of Infrastructural Materials and Services

The completion of the cement mixing plant in Wuzhou City will strengthen the "Infrastructural Logistics" segment of the Group.

Commercial concrete can be broadly defined as concrete used to build or enhance business facilities, such as industrial buildings, warehouses, retail stores and restaurants. Commercial concrete has wide applications in a building, including its walls, floors, exterior walkways and pavements, and even its architectural details.

To the best knowledge of the Company, the production of commercial concrete has many years of history in the PRC, and in the last 10 years, the industry has seen rapid growth, with commercial concrete being used a key building material in major economically developed areas in the PRC, such as Beijing, Jiangsu, Shanghai, Guangdong.

The Group's diversification into the supply of infrastructural materials and services is an attempt for the Group to ride on the growth of the commercial concrete industry. This diversification will enable the Group to leverage on the long-term economic growth, continued industrialisation and urbanisation in the PRC.

3.5.3 Overall

In view of the above, the Company believes that the Proposed Diversification will provide the following benefits to the Group:

(a) the Proposed Diversification will reduce the Group's dependence on its Existing Businesses;

(b) the Proposed Diversification will provide the Group with diversified returns and contribute additional streams of revenue and earnings for the Group due to the Proposed Diversification; and

(c) the Proposed Diversification will help to diversify the risks involved in the Existing Businesses, such as risks relating to dependency on the LME approval warehouse company status, failure to maintain the Group's network of overseas logistics service providers and greater competition faced with LME approving additional delivery points in Asia.

3.6 Plans and Management Following the Proposed Diversification

The Group's future success depends substantially on the continued services of its key management personnel. As such, the management of the Proposed Diversification will continue to be spearheaded by the current management of the Company.

The Directors and senior management of the Group are consistently developing expertise internally, through external hires, and through collaborations with experienced companies by joint ventures. The Company, to the best of its abilities, trains its executives and staff by equipping them with the necessary skills to supplement the Proposed Diversification. Where necessary, the Group intends to engage either full-time and/or ad-hoc employees, consultants and advisers to assist its existing management teams in the Proposed Diversification.

The Group may, in the future, respond to new opportunities in the Proposed New Businesses. In doing so, the Group will closely monitor the varied political situations, market conditions and business culture of the relevant jurisdictions in which the New Businesses are operated. The Group will engage reputable and experienced professionals to carry out market research and analyse the risk exposure before undertaking any projects. Following the Proposed Diversification, if the Group is presented with opportunities for potential projects in the Proposed New Businesses, it intends to carefully consider its own internal capabilities and engage local partners and managing agents, where necessary, to provide specific business support and operating synergies. In selecting such partners and managing agents, the Group will consider the specific competencies required as well as the project track record, financial performance and experience of the local partners and managing agents.

Consequent to the Proposed Diversification, the Group may further partnerships and joint ventures with various third parties who have experience in the Proposed New Businesses as the Group builds its foothold in the Proposed New Businesses.

At the initial stage, the Group intends to embark on the Proposed New Businesses in the PRC. The Group does not plan to restrict the Proposed New Businesses to any specific geographical markets in the PRC, as each investment would be evaluated and assessed by the Board on its own merits. The Group may also explore joint venture and/or strategic alliances to carry out the Proposed New Business as and when the opportunity arises.

3.7 Funding for the Proposed Diversification

The Company believes that the Proposed Diversification will require a substantial amount of capital investments and/or cash outlay. The Company proposes to fund the Proposed Diversification through a combination of internal sources of funds and borrowings from financial institutions. When necessary and deemed appropriate, the Company may delve into secondary fund raising exercises by tapping the capital markets, including, but not limited to, rights issues, share placements and/or issuance of debt instruments.

3.8 Risk Factors Associated with the Proposed Diversification

The risks set out below are the material risks which the Group faces following the Proposed Diversification. If any of the following considerations, risks or uncertainties develops into actual events, the business, financial condition, results of operations, cash flow and prospects of the Group may be affected.

Shareholders should note that upon their approval of the Proposed Diversification, there will be a change in the Group's risk profile even though there will be no change in the Group's activities under its Existing Businesses. The Proposed Diversification involves a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risk factors could be material. To the best of the Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed decision on the Proposed Diversification have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed Diversification, this may have a material and adverse impact on the Proposed Diversification and consequently, the overall results of operations, financial condition and prospects of the Group could be similarly impacted. The risks described below are not intended to be exhaustive. New risk facts emerge from time to time, and it is not possible for the management to predict all risk factors, nor can the Group assess the impact of all factors of the Proposed Diversification

on the Existing Businesses or the extent to which any factor, or combination of factors, may affect the Existing Businesses. There may also be other risks associated with the entry into the Proposed New Businesses which are not presently known to the Group, or that the Group may currently deem immaterial and as such, have not been included in the discussion below.

The Group has limited record and operating history in the Proposed New Businesses covered by the Proposed Diversification

Other than those disclosed above, the Group does not have a proven track record in carrying out the Proposed New Businesses. There is no assurance that the Proposed Diversification will be commercially successful or will be able to derive sufficient revenue to offset the capital, start-up and financing costs as well as operating costs arising from implementing the Proposed New Businesses. The Proposed Diversification may also require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into the Proposed New Businesses.

The Proposed Diversification may also involve added business risks such as increased financial costs as well as costs of setting up new operations, greater capital investment and maintaining greater working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Proposed Diversification effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group may not have sufficient relevant expertise to ensure success of the Group in a particular country

The Group has to expand its operations to the PRC and possibly other new territories following its entry into the Proposed New Businesses. Operating in a new geographical location may cause the Group to face additional risks, uncertainties and problems commonly associated with the entry into any new country which it has no prior track record in.

The Proposed New Businesses are dependent on skilled expertise such as workers, supervisors and managerial staff with relevant industry experience. Any inadequacy in the availability of such labour resources will have an adverse effect on the operations of the Proposed New Businesses and eventually the Group's financial performance. The Group may also face limitations in recruiting the right personnel or gather sufficient expertise to successfully execute the Proposed New Businesses. The Group's ability to successfully implement the Proposed Diversification is further dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Proposed Diversification.

In addition, the Group's current management may not have the relevant expertise to ensure success in these areas. While the Group will seek to engage additional persons with the relevant expertise and experience for the Proposed New Businesses in new territories, there is no assurance that the Group will be able to attract and retain the right persons. If the Group is unable to attract and retain a sufficient number of suitably skilled and qualified personnel with detailed knowledge of operating in such territories, the Group's business and financial performance may be adversely affected.

There is no assurance that the Group's existing experience and expertise will be sufficient for the Proposed Diversification, or that the Group will be able to hire employees with the relevant experience and knowledge. The Group may not be able to successfully implement the Proposed Diversification and this may adversely affect the Group's financial performance and profitability.

The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances which it does not control and the manner in which it holds its investments and property interests

Depending on available opportunities, feasibility and market conditions, the Group's Proposed Diversification may involve acquisitions, joint ventures and/or strategic alliances with third parties in relation to the Proposed New Businesses. Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of management's attention from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. The successful implementation of the Group's growth strategy for the Proposed New Businesses also depends on the Group's ability to identify suitable partners and the successful integration of their operations with the Group. As the Group is expected to rely on its joint venture partners at the initial stage of its foray into the Proposed New Businesses; and there is a risk that if any of its joint venture partners is unable to deliver its obligations or commitments under the joint venture (such as failure to perform according to the expertise expected of the joint venture partner or meet its financial obligations), it may cause delay in the implementation of the Proposed Diversification and/or resulting in additional costs to the Group. Any delay in the implementation and integration of the acquired entities and expansion of operations would impair the Group's growth and ability to compete and the Group may fail to achieve acquisition synergies and may be forced to focus on integration of operations rather than on the Group's primary business.

Further, the Group may not hold investments through or make investments in entities that are not the Group's subsidiaries and over which the Group does not have majority control as part of the Proposed Diversification. There is no assurance that the Group will be able to influence the management, operation and performance of these entities through its voting rights, in a manner which would be favourable to the Group, or at all. In such events, the Group's financial performance may be adversely affected. Further, the Group might not be able to retain key employees and customers of the acquired entities. There can be no assurance that the Group will be able to execute growth strategies successfully and as such, the performance of any strategic alliances, acquisitions or investments could fall short of expectations.

The Group may not be able to compete successfully with competitors of the Proposed New Businesses

The Group has observed and through experience, believes that the Proposed New Businesses are competitive industries. As such, the Group may face intense competition from existing operators and new entrants in the Proposed New Businesses. Some of the Group's competitors may possess significant financial, managerial, marketing and other resources, as well as vast experience in the Proposed New Businesses. Competition is intense and may result in, amongst other things, increased costs of the acquisition of assets or raw materials, an increase in costs of operations and difficulty in obtaining high quality third party contractors and qualified employees. In addition, intense competition may lead

to an oversupply of products and/or services which may result in unhealthy price competition. Failure to secure buyers or significant reductions in prices due to price competition will have an adverse effect on the Group's revenue and profitability.

Also, the Proposed New Businesses may be subject to rapid change and fluctuations. If the Group cannot respond to changes in market conditions more swiftly or effectively than its competitors do, its ability to generate revenue and/or profits from the Proposed New Businesses and its financial condition and results of operations will be adversely affected.

The Group is subject to various government regulations in the Proposed New Businesses

The Proposed New Businesses are subject to the laws and regulations of the relevant territories in which the Proposed New Businesses are carried out. Laws and regulations governing business entities operating the Proposed New Businesses may be subject to a number of possibly conflicting interpretations, both by business entities and by the courts. From time to time, the relevant territories may adopt new laws and regulations which the Group may have to comply with. Any amendment or change in the applicable laws, regulations, policies or in the regulatory conditions of any relevant territory, could result in higher compliance costs and adversely affect the operations of the Group, including the Proposed Diversification. There is no assurance that any changes in the applicable laws and regulations will not have an adverse effect on the financial performance of the Group. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations and financial performance of the Group.

Licences, permits, certificates, consents or regulatory approvals may be required for, among other things, operations of the Proposed New Businesses. The Group must also comply with the appropriate regulations in relation to, amongst others, workplace health and safety, environmental public health and environmental pollution control. Failure to comply with the applicable laws and regulations may subject the Group to penalties or result in the Group having its licences or approvals revoked which could adversely affect the Group's operations and financial performance, including undertaking the relevant segment of the Proposed Diversification.

Changes in government regulations in relation to any of the Proposed New Businesses may also result in the Group being unable to complete any project, and/or sell any products and/or services in relation to the Proposed New Businesses. The implementation of short term, medium term and/or long term measures by the relevant authorities to regulate the Proposed New Businesses may affect consumer sentiments or demands. Accordingly, the Group's profitability and financial condition could be adversely affected.

The Group may be affected by adverse changes in the political, economic, or social conditions in the territories in which the Proposed New Businesses are operated

The Group will be governed by the laws, regulations and government policies in the states, countries and areas in which it operates the Proposed New Businesses. Following the Proposed Diversification, the Group's future growth will depend on the political, economic and social conditions in these countries. Any economic recession or changes in policies in the countries, currency and interest rate fluctuations, capital controls or capital restrictions, labour laws, changes in environmental protection and worksite safety laws and regulations, duties and taxation and limitations on imports and exports could materially and adversely affect the Group's operations, financial performance and future growth.

Wars, unsettled political conditions, social unrest, riots, terrorist attacks, piracy and government actions such as possible seizure of land and assets and import/export restrictions which are beyond the Group's control in countries where the Group may operate in the future could potentially affect the Group, adversely affecting the Group's business and financial performance. Such developments may also affect the ability of the Group's customers to meet their payment obligations to the Group and increase the insurance premium for its operations. This would adversely affect the Group's business and financial performance.

Terrorist activities, anti-terrorist efforts, piracy or other armed conflict involving countries in which the Proposed New Businesses are carried out may adversely affect such countries and global economies. If events of this nature occur and persist, the associated political instability and societal disruption could reduce overall demand for the Group's products and services, and adversely affect the business and financial performance of the Group. The Group's business and financial performance could be adversely affected if any infrastructure or property integral to its operations is destroyed or damaged by such an attack. Insurance coverage may become more difficult to obtain, if available at all.

The Group is susceptible to fluctuations in foreign exchange rates that could result in the Group incurring foreign exchange losses

The Group may be making investments in assets located in the countries in which the Proposed New Businesses are carried out which will be denominated in foreign currencies. The Group's revenue from engaging in the Proposed New Businesses will similarly be denominated in the currency of the respective country in which the relevant business is carried out. However, the Group maintains its financial statements in Singapore dollars, declares Singapore dollar dividends and the Company's share price is in Singapore dollars. A substantial proportion of the Group's expenses and liabilities are also denominated in Singapore dollars. The Group will therefore be exposed to risks associated with exchange rate fluctuations between the Singapore dollar and the currencies of the relevant countries.

Should the Singapore dollar appreciate in value against the relevant foreign currency, there may be a material adverse effect on the Group's net asset value, results of operations and profitability. While the Group may enter into hedging transactions to protect itself or its portfolio from, amongst other things, the effects of exchange rate fluctuations between the Singapore dollar and such relevant currency (such as entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements) these hedging activities may not have the desired beneficial impact on the results of operations or financial condition of the Group, and may not completely insulate the Group from the risks associated with changes in interest rates and exchange rates. In addition, hedging activities involve risks and costs, including transaction costs, which may reduce overall returns. The Group will regularly monitor the feasibility of engaging in such hedging transactions taking into account the cost of such transactions.

The Group may be affected by risks specific to the marine and shipping logistics business

The marine and shipping logistics business is dependent on the state of the oil and gas industry and requires substantial capital expenditure and investment costs. The Group may be faced with limited availability of funds, and if further financing is required for such

operations, the usual financing risks are accordingly imminent. In the event there is a financial crisis, the Group's ability to borrow may also be adversely affected. Further, any delays in the delivery of new vessels may affect the Group's operations and revenues.

The marine and shipping logistics business is exposed to potential liability resulting from accidents at sea, such as collision or oil spills. The Group may either not be able to obtain adequate insurance coverage for all such marine risks, or is required to pay a high premium to cover such risks as it will increase its operating costs substantially.

The marine and shipping logistics business is also subject to meeting prescribed appraisal and certification standards and requirements for seagoing vessels that are issued by independent certification authorities from time to time. Failure to meet such standards and requirements can interrupt the smooth operation of the Vessel and the Group's marine and shipping logistics business.

The Group may be affected by cost fluctuations in its business for the supply of infrastructural materials and services and other risks specific to such business

The supply of raw materials and commodity prices fluctuates from time to time, which could in turn affect the operating costs and profitability of the Group's supply of infrastructural materials and services. These fluctuations could also affect the construction of new cement plants, which will affect the availability of potential customers. In addition, the supply of infrastructural materials and services requires substantial capital expenditure and investment costs due to the need of land and facilities to conduct such business. The Group may face limited availability of funds and is also subject to usual financing risks. In addition, the Group may also face claims by purchasers, distributors, suppliers due to delays in delivery of products and the supply of defective products. As the supply of infrastructural material business is generally competitive, the Group may also face volatility in revenues and profitability for this business segment, especially in the face of competitive tender for projects.

3.9 Chapter 10 of the Listing Manual

As the Proposed New Business will involve new business areas which are substantially different from the Group's Existing Businesses, it is envisaged that the Proposed New Business will change the existing risk profile of the Group. Accordingly, the EGM will be convened by the Company to seek the Shareholders' approval to approve the Proposed Diversification.

Upon the approval by Shareholders of the Proposed Diversification, any investment or acquisition which is in, or in connection with, the Proposed Diversification, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Listing Manual. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Proposed Diversification which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek for Shareholders' approval as and when potential transactions relating to the Proposed Diversification arise, even where they cross the thresholds of a "major transaction". This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

Pursuant to Rule 1014 of the Listing Manual, a major transaction is a transaction (as defined in Rule 1002(1) of the Listing Manual) where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 75% but is less than 100%, in respect of an acquisition; or exceeds 50%, in respect of a disposal. A major transaction must be made conditional upon approval by Shareholders in a general meeting.

For the avoidance of doubt, notwithstanding the Proposed Diversification:

(a) where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 100% or results in a change in control of the issuer, Rule 1015 of the Listing Manual will still apply to such transactions and such transactions must be, among others, made conditional upon approval by Shareholders in general meeting;

(b) which constitutes an "interested person transaction" as defined under the Listing Manual, Chapter 9 of the Listing Manual will apply to such transaction and the Company will comply with the provisions of Chapter 9 of the Listing Manual; and

(c) which involves the expansion of the Proposed New Businesses into other territories outside the PRC which will result in a consequential change in the risk profile of the Company, the Company will make the relevant announcement(s) and seek the prior approval of the Shareholders at a general meeting before embarking on such projects, if required under Chapter 10 of the Listing Manual.

The Company does not expect to enter into any interested person transaction arising from the Proposed Diversification.

4. PROPOSED SHARE BUY BACK MANDATE

4.1 Mandate

Any purchase or acquisition of Shares by the Company would have to be made in accordance with and in the manner prescribed by, the Act and the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the EGM for a general and unconditional mandate to be given for the purchase or acquisition by the Company of its issued Shares.

If approved by Shareholders at the EGM, the authority conferred by the Proposed Share Buy Back Mandate will continue to be in force until the next AGM (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next AGM).

4.2 Rationale

The Proposed Share Buy Back Mandate will give the Directors the flexibility to purchase or acquire Shares of the Company if and when circumstances permit. The Directors believe that share buy backs provide the Company and its Directors with a mechanism to facilitate

the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. It also allows the Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves.

The buy back of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NTA per Share of the Company and the Group, and will only be made when the Directors believe that such buy back would benefit the Company and the Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Proposed Share Buy Back Mandate will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company.

4.3 Terms of the Mandate

The authority and limitations placed on purchases of Shares by the Company under the Proposed Share Buy Back Mandate are summarised below:

4.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired is limited to that number of Shares representing not more than 10% of the issued Shares as at the date of the EGM at which the Proposed Share Buy Back Mandate is approved (the "**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the relevant period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered. For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as Treasury Shares will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 641,125,290 Shares (excluding Shares held in treasury), and assuming that no further Shares are issued on or prior to the EGM, not more than 64,112,529 Shares (representing 10% of the issued Shares (excluding Shares held in treasury) as at that date) may be purchased or acquired by the Company pursuant to the Proposed Share Buy Back Mandate.

4.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

(a) the date on which the next AGM is held or is required by law to be held;

(b) the date on which the buy backs of Shares pursuant to the Proposed Share Buy Back Mandate are carried out to the full extent mandated; or

(c) the date on which the authority conferred in the Proposed Share Buy Back Mandate is varied or revoked.

The Proposed Share Buy Back Mandate may be renewed at each AGM or other general meeting of the Company.

4.3.3 Manner of Purchase of Shares

Purchases of Shares may be made by way of, *inter alia*:

(a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST; and/or

(b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act.

The Directors may impose such terms and conditions which are not inconsistent with the Proposed Share Buy Back Mandate, the Listing Manual and the Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). An Off-Market Purchase must, however, satisfy all the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded:

(1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(2) (if applicable) differences in consideration attributable to the fact that the offers relates to Shares with different amounts remaining unpaid; and

(3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed Share buy back;

(d) the consequences, if any, of Share buy back by the Company that will arise under the Takeover Code or other applicable take-over rules;

(e) whether the Share buy back, if made, could effect the listing of the Shares on Catalist; and

(f) details of any Share buy back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.

4.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, up to 120% of the Average Closing Price,

(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4.4 Status of Purchased Shares under the Share Buy Back Mandate

4.4.1 Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as Treasury Shares to the extent permitted under the Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that

Share will expire on cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares) will be automatically de-listed from Catalist, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

No acquisition by a company of its own shares whether to be held as Treasury Shares or for cancellation may be effected if, on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due.

4.4.2 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on treasury shares under the Act are summarised below:

(a) *Maximum Holdings*

The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares.

(b) *Voting and Other Rights*

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. A subdivision or consolidation of any Treasury Share into Treasury Shares of a smaller amount is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(c) *Disposal and Cancellation*

Where Shares are held as Treasury Shares, the Company may at any time (but subject always to the Takeover Code):

(1) sell the Treasury Shares for cash;

(2) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme;

(3) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(4) cancel the Treasury Shares; or

(5) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

4.5 Source of Funds for the Proposed Share Buy Back

In buying back Shares, the Company may only apply funds legally available for such purchase in accordance with its Memorandum and Articles, and the applicable laws in Singapore. The Company may not buy Shares on Catalist for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST. The buy back of Shares by the Company may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Act, the Company is solvent if at the date of payment in consideration of a Share buy back:

(a) there is no ground on which the Company could be found to be unable to pay its debts as they fall due in the normal course of business at the time of payment for the purchase of its shares, as well as during the period of twelve (12) months after the purchase; and

(b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and such value will not, after any buy back of Shares become less than the value of its liabilities (including contingent liabilities).

In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

When Shares are purchased or acquired, and cancelled:

(a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Share Buy Back Purchase Price**");

(b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Share Buy Back Purchase Price; or

(c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the consideration paid by the Company for the Share buy back.

The Company may use internal or external sources of funds to finance purchases of Shares pursuant to the Proposed Share Buy Back Mandate.

The Directors do not propose to exercise the Proposed Share Buy Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

4.6 Take-over Implications under the Takeover Code

4.6.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Takeover Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Takeover Code.

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30 per cent or more or, if they, together holding between 30 per cent and 50 per cent of the Company's voting rights, increase their voting rights in the Company by more than 1 per cent in any period of 6 months.

4.6.2 Persons Acting in Concert

Under the Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert with each other:

(a) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies. For this purpose, ownership or control of at least 20 per cent but not more than 50 per cent of the voting rights of a company will be regarded as the test of associated company status; and

(b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

(e) a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent (10%) or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners;

(h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purpose of voting rights.

Unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties increase to 30 per cent or more, or if the voting rights of such Directors and their concert parties fall between 30 per cent and 50 per cent of the Company's voting rights, the voting rights of such Directors and their concert parties increase by 1 per cent in any period of 6 months.

A Shareholder who is not acting in concert with directors will not be required to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30 per cent or more, or if the voting rights of such directors and their concert parties fall between 30 per cent and fifty per cent of the company's voting rights, the voting rights of such Shareholder would increase by more than one per cent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorizing the Share Buyback Mandate.

The Directors have confirmed that they are not aware of any facts or factors which suggest or imply that any particular persons and/or Shareholders are, or may be regarded as parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Takeover Code would ensue as a result of a Share buy-back.

Further details of the interests of the Directors and Substantial Shareholders of the Company in Shares as at the Latest Practicable Date are set out in Section 5 of this Circular.

The statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Takeover Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.

4.7 Financial Effects of the Proposed Share Buy Back Mandate

4.7.1 General

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2015 and are not

necessarily representative of future financial performance of the Group. Although the Proposed Share Buy Back Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares, the Company may not necessarily buy back or be able to buy back 10% of the issued Shares in full.

4.7.2 Financial Effects of the Proposed Share Buy Back Mandate

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Proposed Share Buy Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. The Directors do not propose to exercise the Proposed Share Buy Back Mandate to such an extent that it would have a material adverse effect on the financial position of the Company. The purchase of Shares will only be effected after considering relevant factors such as the Group's working capital requirement, the availability of financial resources to the Group, the Group's expansion and investment plans and the prevailing market conditions. The Proposed Share Buy Back Mandate will be exercised with a view to enhance the earnings and/or NTA value per Share of the Group. The financial effects presented in this Section of this letter are based on the assumptions set out below:

(a) *Information as at the Latest Practicable Date*

As at the Latest Practicable Date, the Company has 641,125,290 issued Shares (excluding Shares held in treasury).

(b) *Illustrative Financial Effects*

Purely for illustrative purposes, on the basis of 641,125,290 Shares (excluding Shares held in treasury) in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as Treasury Shares on or prior to the EGM, the purchase by the Company of 10% of its issued Shares (excluding Shares held in treasury) will result in the purchase of 64,112,529 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 64,112,529 Shares at the Maximum Price of $0.082 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 64,112,529 Shares is approximately $5,257,000.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 64,112,529 Shares at the Maximum Price of $0.094 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on Catalist

immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 64,112,529 Shares is approximately $6,027,000.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

(i) the Proposed Share Buy Back Mandate had been effective since 1 June 2011; and

(ii) such Share purchases are funded solely by internal resources and/or borrowings,

the financial effects on the audited consolidated financial results of the Group for FY2015, are set out below:

	Group			
	Market Purchase		Off-Market Purchase	
($'000)	**Before**	**After**	**Before**	**After**
As at 31 May 2015				
Share capital and Reserves	78,661	78,661	78,661	78,661
Treasury Shares	(848)	(6,105)	(848)	(6,875)
Total Shareholders' Equity	77,813	72,556	77,813	71,786
Net Tangible Assets attributable to owners of the Company	73,724	68,467	73,724	67,697
Current Assets	30,819	25,562	30,819	24,792
Current Liabilities	17,478	17,478	17,478	17,478
Working Capital	13,341	8,084	13,341	7,314
Total Borrowings	71,066	71,066	71,066	71,066
Number of shares ('000)	641,123	577,013	641,123	577,013
Weighted average number of shares	489,363	425,251	489,363	425,251
Financial Ratios				
NTA per share (cents)	11.50	11.87	11.50	11.73
Gearing (times)	0.91	0.98	0.91	0.99
Current Ratio (times)	1.76	1.46	1.76	1.42
Basic EPS (cents)	(0.78)	(0.90)	(0.78)	(0.90)

The financial effects set out above are for illustrative purposes only. Although the Proposed Share Buy Back Mandate would authorise the Company to purchase up to 10% of the issued Shares, the Company may not necessarily purchase or be able to purchase the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

4.8 Taxation

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

4.9 Interested Persons

The Company is prohibited from knowingly buying Shares on Catalist from an interested person, that is, a Director, the chief executive of the Company or Controlling Shareholder of the Company or any of their associate, and an interested person is prohibited from knowingly selling his Shares to the Company.

4.10 Reporting Requirements under the Companies Act

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. Within 30 days of a purchase of Shares on Catalist or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including *inter alia*, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

4.11 Listing Manual

As at the Latest Practicable Date, approximately 62.77% of the issued Shares of the Company are held in the hands of the public. Assuming that the Company repurchases the maximum of 10% of its issued Shares as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 58.64%.

The Listing Manual requires a listed company to ensure that at least 10% of its total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) must be held by public shareholders. The "public", as defined under the Listing Manual, are persons other than the Directors, Substantial Shareholders, chief executive officers or Controlling Shareholders of the Company and its subsidiaries, as well as associates of such persons. The Directors will use their best efforts to ensure that the Company does not effect buy back of Shares if the buy back of Shares will result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity, adversely affect the listing status of the Company or adversely affect the orderly trading of Shares.

Under the Listing Manual, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of shares over the last 5 Market Days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 4.3.4 of this Circular, conforms to this restriction.

Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement shall include, *inter alia*, details of the total number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the price paid per Share or (in the case of Market Purchases) the price paid per Share or the highest price and lowest price per Share, the total consideration (including stamp duties, clearing charges, etc) paid for the Shares and the number of issued Shares after purchase, in the form prescribed under the Listing Manual.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Proposed Share Buy Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing 2 weeks before the announcement of the Company's financial statements for each of the first 3 quarters of its FY, or 1 month immediately preceding the announcement of the Company's annual (full-year) results respectively.

4.12 Details of the Shares Bought by the Company in the Previous 12 Months

No purchases of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

5. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	No. of Shares	%[(1)]	No. of Shares	%[(1)]
Directors				
Chen Yong Hua	67,200,000	10.48	–	–
Neo Cheow Hui	10,000,000	1.56	17,445,300	2.72
Qian Wen Hua	56,760,000	8.85	–	–
Liu Ji Chun[(2)(3)]	–	–	33,997,600	5.30

	Direct Interest		Deemed Interest	
	No. of Shares	%(1)	No. of Shares	%(1)
Alternate Director				
Wang Jian Ping	–	–	18,897,200	2.94
Substantial Shareholder (other than Directors)				
Neo Kok Ching(4)	–	–	34,366,660	5.36
Wideshine Maritime Limited(2)(3)	–	–	33,997,600	5.30
Liu Ya Ping(2)(3)	–	–	33,997,600	5.30

Notes:

(1) The percentage of issued share capital is calculated based on 641,125,290 Shares.

(2) Liu Ji Chun and Liu Ya Ping are deemed to be interested in 33,997,600 Shares held by Wideshine Maritime Limited through Citibank Nominees Singapore Pte Ltd, which is jointly owned by Liu Ji Chun and his spouse Liu Ya Ping.

(3) The Shares are registered in the name of Citibank Nominees Singapore Pte Ltd, where Wideshine Maritime Limited has beneficial interest.

(4) Neo Kok Ching is deemed to be interested in 3,306,660 Shares held by his spouse, Teng Beng Hua and 31,060,000 Shares registered in the names of Maybank Nominees (S) Pte Ltd and Far Eastern Bank Nominees Pte Ltd.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Sale and Leaseback. As at the Latest Practicable Date, based on information in the Register of Substantial Shareholders maintained by the Company pursuant to Section 137C of the SFA, the Company does not have any Controlling Shareholders.

6. DIRECTORS' RECOMMENDATION

The Directors, having carefully considered the Proposals, are of the opinion that the Proposals are in the best interests of the Company and they recommend that Shareholders vote in favour of the Ordinary Resolutions relating to the Proposals.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 37 to 40 of this Circular, will be held at 30 Pioneer Road, Singapore 628502 on 30 October 2015 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at 30 Pioneer Road, Singapore 628502 not less than 48 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a

Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a shareholder of the Company and is not entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

CPF investors may wish to check with their CPF approved nominees on the procedure and deadline for the submission of their written instructions to their CPF approved nominees to vote on their behalf.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 the Circular in its proper form and context.

10. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 30 Pioneer Road, Singapore 628502 during normal business hours from the date of this Circular up to the date of the EGM:

(a) the Memorandum and Articles of Association of the Company;

(b) the annual report of the Company for FY2015;

(c) the Option Agreement; and

(d) the Master Lease Agreement.

In relation to the Option Agreement and the Master Lease Agreement, these are available for inspection for a period of 3 months from 28 August 2015.

Yours faithfully
For and on behalf of the Board of Directors
GKE Corporation Limited

Neo Cheow Hui
Chief Executive Officer and Executive Director

GKE CORPORATION LIMITED

(Company Registration Number 200001941G)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **GKE Corporation Limited** (the "**Company**") will be held at 30 Pioneer Road, Singapore 628502 on 30 October 2015 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions as set out below:

RESOLUTION 1: ORDINARY RESOLUTION
THE PROPOSED SALE AND LEASEBACK OF THE PROPERTY LOCATED AT 30 PIONEER ROAD SINGAPORE 628502

Noted That:

Capitalised terms not defined in this Resolution shall bear the meanings ascribed to them in the Circular dated 15 October 2015.

Resolved That:

(a) the proposed sale by GKE Warehousing & Logistics Pte Ltd, a subsidiary of the Company of the property located at 30 Pioneer Road Singapore 628502 (the "**Property**") with the plant, mechanical and electrical equipment, fixtures and fittings which relate to the Property to The Trust Company (Asia) Limited, in its capacity as trustee of Viva Industrial Real Estate Investment Trust at the purchase price of $45,000,000 (the "**Proposed Sale**") be and is hereby approved; and

(b) the Directors be and are hereby authorised to complete and to take such steps, do such acts and things and exercise such discretions as they may in their absolute discretion consider necessary, desirable or expedient pursuant to, in connection with and/or incidental to the Proposed Sale, GKE Warehousing's entry into the Option Agreement and the Master Lease Agreement and/or any transaction(s) thereby contemplated and their completion, including approving and executing all agreements and documents relating to or in connection with any of the abovementioned matters and making any amendments to the terms and conditions of the Proposed Sale and the Master Lease Agreement.

RESOLUTION 2: ORDINARY RESOLUTION
THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE: (I) MARINE AND SHIPPING LOGISTICS, AND (II) SUPPLY OF INFRASTRUCTURAL MATERIALS AND SERVICES

Resolved That:

(a) approval be and is hereby given for the diversification by the Company and its subsidiaries (the "**Group**") of the Group's business to include marine and shipping logistics described in paragraph 3.2.1 of the Circular dated 15 October 2015 and the supply of infrastructural materials and services described in paragraph 3.2.2 of the Circular dated 15 October 2015;

(b) approval be and is hereby given for the Group to engage in any and all activities relating to the above proposed new businesses;

(c) the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any and all assets, investments and securities in any entity that is involved in one or more of the Proposed New Businesses on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and

(d) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this Ordinary Resolution as they or he may think fit.

RESOLUTION 3: ORDINARY RESOLUTION
THE PROPOSED SHARE BUY BACK MANDATE

Resolved That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable (the "**Share Buy Back Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy Back Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next annual general meeting of the Company ("**AGM**") is held or is required by law to be held;

(ii) the date on which the buy backs of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred in the Share Buy Back Mandate is varied or revoked;

(d) for purposes of this Resolution:

"**Prescribed Limit**" means 10% of the issued Shares as at the date of the passing of this Resolution unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the number of issued Shares shall be taken to be the number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is earlier, after the date of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price (as hereinafter defined); and

(ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last 5 market days, on which transactions in the Shares were recorded, preceding the day of the market purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(e) any of the Directors be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

By Order of the Board
GKE Corporation Limited

Neo Cheow Hui
Chief Executive Officer and Executive Director

15 October 2015

Notes:

(1) A shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company (**"EGM"**) may appoint not more than 2 proxies to attend and vote in his/her stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.

(2) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 30 Pioneer Road, Singapore 628502 not later than 48 hours before the time appointed for the holding of the EGM.

(3) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(4) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 48 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

PROXY FORM

GKE CORPORATION LIMITED

(Company Registration Number 200001941G)
(Incorporated in the Republic of Singapore)

Important:

1. For investors who have used their CPF monies to buy shares in the capital of GKE Corporation Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Extraordinary General Meeting

I/We* _____ (Name) NRIC/Passport number* _____

of _____ (Address)

being a shareholder/shareholders* of GKE Corporation Limited (the "**Company**") hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

and/or*

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

or failing him/her, the Chairman of the Extraordinary General Meeting (the **"EGM"**) of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf and, if necessary, to demand a poll at the EGM of the Company to be held at 30 Pioneer Road, Singapore 628502 on 30 October 2015 at 10:00 a.m., and at any adjournment thereof.

Ordinary Resolution	**Number of Votes For****	**Number of Votes Against****
To approve the proposed sale and leaseback of the property located at 30 Pioneer Road Singapore 628502		
To approve the proposed diversification of the Group's business to include (i) marine and shipping logistics, and (ii) supply of infrastructural materials and services		
To approve the proposed share buy back mandate		

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against", please indicate an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the EGM

Dated this _____ day of _____ 2015

Total Number of Shares Held

_____

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter. 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.

2. A shareholder entitled to attend and vote at the EGM is entitled to appoint not more than 2 proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.

3. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 30 Pioneer Road, Singapore 628502 not less than 48 hours before the time appointed for the EGM.

4. Where a shareholder appoints more than 1 proxy, he shall specify the proportion of his shareholding to be represented by each proxy and, if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50.

8. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.