



**GKE CORPORATION LIMITED**

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## NEWS RELEASE

### **GKE DIVESTS STAKE IN LIQUEFIED GAS CARRIER VESSEL JOINT VENTURE**

- **Divestment allows the Group to free up resources to focus on operating business opportunities with good growth potential**

**SINGAPORE, 15 December 2017 – GKE Corporation Limited (锦佳集团有限公司)**, together with its subsidiaries (“**GKE**” or the “**Group**”), a leading integrated warehousing and logistics solutions provider, today announced the divestment of its 50% stake in Ocean Latitude Limited (“**Ocean Latitude**”), which in turn holds the liquefied gas carrier vessel under its sole wholly-owned subsidiary, Gas Aries Limited, to its joint venture partner, Sunrise Marine Limited (“**Sunrise Marine**”) for a cash consideration of US\$1.08 million (“**Proposed Divestment**”).

The Proposed Divestment was arrived at a willing-buyer-willing-seller basis taking into account the value of the major assets in Ocean Latitude as well as its loss-making position amidst the challenging operating environment of the oil and gas industry. The volatility of chartering rates continues to weigh on the profitability of the Group’s liquefied gas carrier vessel against the backdrop of new vessels supply overhang and the prospect of a prolonged downturn in the sector.

The Group had provided a shareholder loan of US\$4.4 million to Ocean Latitude (the “**Shareholder Loan**”) for the maintenance of the liquefied gas carrier vessel when the charter rate and/or demand for the vessel declined. This amount shall be repaid in four instalments and for up to a year following the completion of the Proposed Divestment. Mr. Liu Ji Chun, who owns 100% of Sunrise Marine is also a Non-Executive Director of GKE, will provide a personal guarantee in favour of the Group to secure full repayment of the Shareholder Loan.

Mr. Neo Cheow Hui (梁鹏飞) Chief Executive Officer of GKE Group said, “***The Board is of the view that it is in the best interest of the Group to proceed with the Proposed Divestment, freeing up resources for investment in operating businesses with good growth potential. These new business opportunities could potentially enhance value for the Group and our shareholders alike.***”

The Group will recognise a net loss of approximately S\$6.9 million from the Proposed Divestment. However, the Proposed Divestment, along with the cash consideration and repayment of the Shareholder Loan, will free up GKE's financial obligation and improve the Group's cashflow.

The Group is in consultation with the Sponsor on whether shareholders' approval is required for the Proposed Divestment and will further update shareholders on the progress of the Proposed Divestment as and when appropriate.

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*This news release is to be read in conjunction with the Company's announcement posted on the SGX website on 15 December 2017.*

**ABOUT GKE CORPORATION LIMITED**

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

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

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

GKE operates its third-party warehousing & logistics business under the “**GKE**”, “**Marquis**” and “**TNS**” brand names. The Group provides total integrated and comprehensive warehousing & logistics solutions and services that include general warehousing, dangerous goods cargo storage (Class 2 and 3), conventional transportation, container trucking, project logistics, international multi-modal sea and air freight forwarding services as well as non-ferrous metal storage. It is also an approved London Metal Exchange (“**LME**”) non-ferrous warehouse operator. It has expanded its capabilities into marine logistics and chemical warehousing through its 70% stake in Marquis Services Pte Ltd, and extended its logistics services through its wholly-owned TNS Ocean Lines (S) Pte Ltd, an established port operations and maritime logistics service provider, to enhance its logistics value chain as port operations is the first and last landing points for the import and export of goods.

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

For more information, please visit the company website at [www.gke.com.sg](http://www.gke.com.sg).

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

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

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

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