

Issuer: GKE Corporation Limited
Security: GKE Corporation Limited

Meeting details:

Date: 28 September 2017

Time: 10.00 a.m.

Venue: 30 Pioneer Road, Singapore 628502

Company Description

GKE Corporation Limited, an investment holding company, provides logistic services in Singapore and the People's Republic of China. Its Third Party Logistics segment offers various logistics services, including non-ferrous metal storage, general warehousing, containers trucking, conventional transportation, project logistics, and international multimodal sea and air freight forwarding services. The company's Shipping Logistics segment is involved in building and chartering of vessels. Its Infrastructural Logistics segment produces and sells environmental friendly lightweight bricks, building materials, and cement products. The company was formerly known as Van der Horst Energy Limited and changed its name to GKE Corporation Limited in April 2012. GKE Corporation Limited was founded in 1995 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=595)

Q1. Can management provide better visibility into the operations of the group? Specifically:

- a) **Wuzhou Xing Jian Readymix Co., Ltd:** What was the utilisation rate of the automated ready-mix concrete manufacturing plant in the last quarter? What are management’s target for the utilisation of the 800,000 m³ plant in the new financial year?
- b) **Benoi Road Property:** With the redevelopment of the 39 Benoi Road warehouse completed, how is the group looking to drive up the utilisation of the increased floor space?
- c) **TNS Ocean Lines (S) Pte Ltd (“TNS”):** Since the acquisition of TNS in November 2016, are there efforts to integrate TNS into the group or does TNS operate independently?
- d) **Liquefied gas carrier vessel, Gas Aries:** What are management’s plans for the 83,000 m³ liquefied gas carrier vessel given that the chartering rate is substantially lower? Can shareholders understand why there are higher loan receivables due from its joint venture, Gas Aries Limited (page 13)?

Q2. Shareholders have the following questions on the directors of the company. Specifically:

Mr. Liu Ji Chun: Mr. Liu is retiring pursuant to Regulation 107 of the Constitution of the Company at the Annual General Meeting. The Nominating committee has recommended to the board that Mr. Liu Ji Chun be nominated for re-election at the forthcoming AGM. Mr. Liu had attended 2 out of the 4 board meetings held during the financial year ended 31 May 2017 (page 21). From the previous two financial years, Mr. Liu had attended just 3 out of 4 board meetings in 2016 and 1 out of 4 board meetings in 2015.

- a) **Can Mr. Liu help shareholders understand his contributions to the effectiveness of the board?**
- b) **Would the nominating committee disclose the deliberations it had in recommending the nomination for re-election of Mr. Liu?**
- c) **How can the company and the directors improve the scheduling of board meetings so that all the directors can contribute to the effectiveness of the board on a regular basis?**

Mr. Er Kwong Wah: Mr. Er was first appointed to the board on 16 April 2007 and was appointed as the Lead Independent Director on 4 August 2016. In addition to his directorship in the company, Mr. Er sits on the boards of the following companies:

- (a) COSCO Shipping International (Singapore) Co., Ltd.
- (b) The Place Holdings Limited
- (c) China Sky Chemical Fibre Co., Ltd
- (d) CFM Holdings Ltd
- (e) Ecowise Holding Ltd
- (f) China Environment Ltd.
- (g) Success Dragon Intern Holdings Ltd

In the company, Mr. Er is the Chairman of the Audit Committee, Chairman of the Remuneration Committee and a Member of the Nominating Committee. In the other companies, Mr. Er sits on multiple board committees as well. For example, Mr. Er chairs the Remuneration Committee and is a member of the Audit, Nominating, Enterprise Risk Management and Strategic Development Committee of COSCO Shipping International (Singapore) Co., Ltd..

Guideline 4.4 of the 2012 Code of Corporate Governance (Code) issued by the Monetary Authority of Singapore states that “the Board should determine the maximum number of listed company board representations which any director may hold, and disclose

this in the company's Annual Report”.

In the Report of Corporate Governance, the company has disclosed that “the Board has not determined the maximum number of listed Board representations which any Director may hold. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deem fits” (page 25).

- d) **Can the Nominating Committee elaborate further on when it might deem fit to determine a maximum number of listed board representations for its directors?**
- e) **Could Mr. Er let shareholders know how he ensures that sufficient time, attention and energy is given to the affairs of the company?**

Q3. Guideline 9.4 of the Code states that:

“For transparency, the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S\$50,000. The company need only show the applicable bands”.

In the Report of Corporate Governance (page 31), the company has disclosed that Ms. Neo Hwee Lee, Marina is the sister of Mr. Neo Cheow Hui, the Chief Executive Officer and Executive Director of the company.

Ms. Neo Hwee Lee, Marina’s remuneration is disclosed as “S\$250,000 to S\$500,000”.

- a) **Has the remuneration committee deliberated on Guideline 9.4 of the Code and would the company consider it to be in compliance with the guideline?**
- b) **If not in compliance, would the company comply with the Code and disclose the remuneration in incremental bands of S\$50,000? If not, please explain why it had deviated from the guideline.**