

## **GKE broadens chemical warehousing and business capabilities with the proposed acquisition of Fair Chem Industries for S\$12.5 million**

- **A strategic acquisition of established specialty chemicals warehouse operator with tolling and specialty chemical manufacturing capabilities in Singapore**
- **To further strengthen the Group's specialty chemicals storage and capabilities with a broadened customer base in the chemical sector**

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**For Immediate Release**

**SINGAPORE, 21 December 2021 – GKE Corporation Limited 锦佳集团 (“GKE”** and together with its subsidiaries, the **“Group”**), a leading integrated warehousing and logistics solutions provider with strategic investments in infrastructural materials and services business in China, entered into a definitive sale and purchase agreement (the **“Agreement”**) with Leow Kim Siang and Ng May Choo (where both are collectively known as the **“Vendors”**), where GKE will acquire a 100% stake in Fair Chem Industries Pte Ltd (**“FCI”**) for S\$12.5 million (the **“Proposed Acquisition”**).

The Proposed Acquisition comprises premises with a gross floor area of approximately 8,766 square metres and a lease expiry in end April 2038, as well as machinery and equipment, and inventory related to the tolling and specialty chemical manufacturing business. The facility is fully equipped with a complete range of equipment and machinery capable of blending and manufacturing specialty chemicals and products according to customers' specifications and formulations.

Mr. Neo Cheow Hui (梁鹏飞), CEO and Executive Director of GKE said, **“Having built our chemical warehousing capabilities including dangerous cargo storage (Class 2, 3, 4, 5.1, 6.1, 8, and 9) over the last few years, the Proposed Acquisition opens the Group to another level of growth with an established and stable business, as well as more storage space for specialty chemicals. We have been on the lookout for growth opportunities in our core warehousing and logistics business capabilities in Singapore, especially after our warehouses achieved optimal occupancy. Hence, we are delighted to chance upon this Proposed Acquisition that could potentially increase our warehousing storage space, broaden our business capabilities in the chemicals sector, and improve our financial performance.”**

The Group will satisfy the purchase consideration of the Proposed Acquisition in cash through internal resources and bank borrowings. Upon completion of the Proposed Acquisition, FCI will become a 100%-owned subsidiary of GKE.

**Investment rationale and benefits of the Proposed Acquisition**

The Proposed Acquisition is expected to enhance value for all shareholders of GKE as follows:

- i) enables the Group to acquire deeper technical expertise in the tolling and specialty chemical manufacturing business, to capture a larger market segment of customers in the specialty chemical industry;
- ii) presents an opportunity for the Group to acquire a profitable company with established operations that generates a stable stream of revenue and profit; and
- iii) strategic fit to further strengthen GKE's core warehousing and logistics operations, in particular, in the specialty chemicals segment in Singapore.

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

**About Fair Chem Industries Pte Ltd ("FCI")**

Fair Chem Industries Pte Ltd is established in 1986 and continues its commitments to servicing the chemical and industrial sectors. As a pioneer in toll blending, FCI has benefited from the transfer of technology and expertise from prominent global chemical companies which outsource their manufacturing needs to toll blending companies.

FCI is one of the very few toll blending facilities in Singapore that has the capabilities to provide integrated services including chemical blending, hot and cold liquid blend, powder blend, decanting services, supply of raw and packaging materials, as well as warehousing and logistics for customers.

FCI is accredited with ISO 9001:2015 Quality Management Systems ("**QMS**") and ISO 14001:2015 Environmental Management System ("**EMS**") for its toll blending and contract manufacturing services as well as its manufacturing of chemicals including new product design and development.

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*This media release is to be read in conjunction with the Company's announcement posted on the SGX website on 21 December 2021.*

**About GKE Corporation Limited**

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

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**GKE Corporation Limited** 锦佳集团 (“**GKE**” or the “**Company**” and, together with its subsidiaries, 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, with strategic investments in infrastructural materials and services business in China and agri-tech. The main 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 systems, with the most up-to-date safety and security features. It leverages information technology to increase order visibility, maximise operational efficiency, effective inventory management, and reduce overall supply chain costs for its customers.

The Group provides total integrated and comprehensive warehousing and logistics solutions and services that include general cargo storage, dangerous cargo storage (Class 2, 3, 4, 5.1, 6.1, 8, and 9), bonded and license warehousing services, conventional transportation, container trucking, project logistics, international multi-modal sea, and air freight forwarding services, marine logistics and chemical warehousing. The Group has also established its support services at the port operations to further enhance the logistics value chain.

The Group’s strategic investments focusing on infrastructural materials and services business in the Republic of China have diversified to include the agri-tech business, specifically indoor cultivation of vegetables in Singapore, in early 2021. The strategic investments under infrastructural materials and services are broadened through its wholly-owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd. 梧州市星建混凝土 (“**Wuzhou Xing Jian**”), which is primarily engaged in the manufacturing and supplying of ready-mix concrete products to the infrastructural development and construction sector in Wuzhou City since June 2016. The ongoing urbanisation plans in China spurred the Group to expand its automated ready-mix concrete manufacturing business to Cenxi City. Through Wuzhou Xing Jian, the Group has also extended its investments to (i) construction material waste recycling in Cenxi City, and (ii) the mining and production of limestone products in Cangwu County, where Wuzhou Xing Jian holds the mining rights of a limestone mine.

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 Octave FinComm Private Limited:

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*This media release 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 Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this media release.*

*This media release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made or reports contained in this media release.*

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