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MANDATORY CONDITIONAL CASH OFFER

by

TRIPLE VISION PTE. LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No.: 201812334H)

to acquire all the issued and paid-up ordinary shares in the capital of



FABCHEM CHINA LIMITED

FABCHEM CHINA LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200413128G)

other than those already owned, controlled or agreed to be acquired by Triple Vision Pte. Ltd.

OFFER ANNOUNCEMENT

1. INTRODUCTION

1.1 The Offer

Triple Vision Pte. Ltd. (the “**Offeror**”) wishes to announce that it intends to make a mandatory conditional cash offer (the “**Offer**”) for all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of Fabchem China Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”),¹ other than those already owned, controlled or agreed to be acquired by the Offeror as at the date of this Announcement (the “**Offer Announcement Date**”), but including Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (the “**Concert Parties**”).

1.2 The Acquisition

The Offeror has today, 15 March 2019, acquired an aggregate of 13,993,200 Shares from a substantial shareholder of the Company, DNX Australia Pty Limited, at S\$0.158 per Share (the “**Acquisition**”), representing 29.90% of the total number of Shares. The Acquisition was completed by way of a sale and purchase agreement.

As a consequence of the Acquisition, the aggregate interest of the Offeror and its Concert Parties has increased from 4,513,000 Shares², representing approximately 9.65% of the Shares, to 18,506,200 Shares, representing approximately 39.55% of the Shares.

¹ As at the Offer Announcement Date, based on the Accounting and Corporate Regulatory Authority of Singapore business profile of the Company extracted on 13 March 2019 (“**ACRA Search**”), the Company has 46,800,000 Shares and does not hold any treasury shares.

² Held by the Offeror’s Concert Parties. Please see Appendix for shareholding breakdown.

1.3 **Mandatory Offer**

As a result of the Acquisition and in accordance with Rule 14 of the Singapore Code on Takeovers and Mergers (the “**Code**”), the Offeror is required to make a mandatory general offer for all the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror.

2. **THE OFFER**

2.1 **Terms of the Offer**

Subject to the terms and conditions set out in the formal document in relation to the Offer to be issued by the Offeror (the “**Offer Document**”), the Offeror will make the Offer for all the Offer Shares (as defined in paragraph 2.1.2 below) on the following basis:

2.1.1 **Offer Price.**

The offer price for each Offer Share: S\$0.158 in cash (the “Offer Price**”).**

2.1.2 **Offer Shares.**

- (a) The Offer, when made, will be extended to all Shares other than those already owned, controlled or agreed to be acquired by the Offeror as at the Offer Announcement Date (the “**Offer Shares**”).
- (b) For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by the Concert Parties.

2.1.3 **Rights and Encumbrances.** The Offer Shares will be acquired (i) fully paid-up, (ii) free from all claims, charges, pledges, mortgages, encumbrances, liens, options, equity, power of sale, declarations of trust, hypothecation, retention of title, rights of pre-emption, rights of first refusal, moratoriums or other third party rights or interests of any nature whatsoever, and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and hereafter attaching thereto, including but not limited to all voting rights and the right to receive and retain all dividends, rights, distributions, returns of capital and/or other entitlements (if any) (“**Distributions**”) which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date, together with all interest accrued thereon.

2.1.4 **Adjustment for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date to a shareholder of the Company (“**Shareholder**”) who validly accepts the Offer (the “**Accepting Shareholder**”), the Offer Price payable to such Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by the Accepting Shareholder falls, as follows:

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or
- (b) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the “**Adjusted Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

2.1.5 **Minimum Acceptance Condition.** The Offer will be conditional upon the Offeror having received, by the closing date of the Offer (“**Closing Date**”), valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise), would result in the Offeror and its Concert Parties holding such number of Shares carrying more than 50% of the total voting rights attributable to the issued Shares (excluding treasury shares).

The Offer is not subject to any other condition.

2.1.6 Further information on the Offer and the terms and conditions upon which the Offer will be made will be set out in the Offer Document.

3. INFORMATION ON THE OFFEROR

The Offeror was incorporated in Singapore on 12 April 2018 as a management consultancy service company. As at the Offer Announcement Date, the Offeror has an issued and paid-up share capital of S\$10.00 comprising 10 ordinary shares. The Offeror’s registered address is at 3 Temasek Boulevard, #02-381 Suntec City Mall, Singapore 038983.

The sole shareholder of the Offeror is Mr. Wee Henry, who is a Singaporean businessman. The director and secretary of the Offeror are Mr. Wee Henry and Yang Qihui, respectively.

4. INFORMATION ON THE COMPANY

Based on publicly available information, the Company was incorporated in Singapore on 12 October 2004. The Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 17 April 2006. The Company’s principal business activity is in the production and sale of commercial explosive products, comprising explosive devices, initiators and detonators.

As at the Offer Announcement Date, the directors of the Company are Mr. Wee Phui Gam (Acting Chairman and Lead Independent Director), Mr. Bao Hongwei (Managing Director), Mr. Sun Bowen (Non-Executive Non-Independent Director) and Professor Jiang Rongguang (Independent Director).

As at the Offer Announcement Date, the Company has an issued and paid-up share capital of S\$25,880,000 comprising 46,800,000 Shares, and does not hold any treasury shares³.

5. RATIONALE FOR THE OFFER

5.1 Compliance with the Code

As a result of the Acquisition as described in paragraph 1.2 above, the Offeror is required to make the Offer in compliance with the requirements of the Code.

5.2 Opportunity for Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity

The historical trading liquidity of the Shares on the SGX-ST has been low. The average daily trading volume of the Shares over the last one (1)-month, three (3)-month, six (6)-month and 12-month periods up to and including the Last Trading Day (as defined herein) are detailed in the table below.

	Average Daily Trading Volume ("ADTV") ⁽¹⁾	ADTV as a percentage of total number of issued shares ^{(3),(4)}
One (1)-month period up to and including 1 March 2019, being the last trading day of the Shares prior to the Offer Announcement Date (the "Last Trading Day")	38,000	0.08%
Three (3)-month period up to and including the Last Trading Day	24,300	0.05%
Six (6)-month period up to and including the Last Trading Day	14,725	0.03%
12-month period up to and including the Last Trading Day	10,057	0.02%

Notes:

- (1) The figures set out in the table above are based on data extracted from Bloomberg L.P. The average daily trading volume is computed based on the total trading volume of the Shares divided by the number of Market Days⁽²⁾ with respect to the relevant period immediately prior to and including the Last Trading Day.
- (2) A day on which the SGX-ST is open for the trading of securities.
- (3) Calculated using the average daily total volume of Shares traded divided by the total number of issued Shares.
- (4) Rounded to the nearest two (2) decimal places.

³ Based on the ACRA Search.

5.3 **Offer Price at a premium to traded prices at different time periods over the last 12 months**

When compared to the benchmark prices of the Shares prior to the Last Trading Day, the Offer Price represents a premium of approximately 23.92%, 23.73%, 20.43% and 6.76% over the volume weighted average price (“VWAP”) per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, respectively.

The Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over historical trading prices of the Shares without incurring brokerage and other trading costs.

5.4 **Opportunity for Shareholders who are not prepared to bear the risks associated with the Company to realise their investment in cash**

The Company has been placed on the SGX watch-list with effect from 5 June 2017 due to the Minimum Trading Price Entry Criteria under the Listing Rules of the SGX-ST, as announced by the Company on 5 June 2017. The Company has 36 months from 5 June 2017 to record a VWAP of at least S\$0.20 and an average daily market capitalisation of S\$40 million or more over the last six (6) months.

Shareholders who are not prepared to bear the risks associated with the Company being placed on the watch-list (which may subsequently result in the SGX-ST delisting the Company or suspending trading in the Company’s shares with a view to delisting the Company), will benefit from the cash exit provided through the Offer.

6. **THE OFFEROR’S INTENTIONS FOR THE COMPANY**

Following the close of the Offer, the Offeror will conduct a comprehensive review of the operations, management, and financial position of the Group, and will evaluate various strategic options. The Offeror also retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

Pending the above review, the Offeror intends for the Company to continue with its existing activities and has no current intention of (a) making material changes to the Group’s existing business, (b) re-deploying the Group’s fixed assets, or (c) discontinuing the employment of the employees of the Group, other than in the ordinary course of business.

7. **LISTING STATUS AND COMPULSORY ACQUISITION**

7.1 **Listing Status**

Under Rule 1105 of the Listing Manual of the SGX-ST (the “Listing Manual”), upon the announcement by the Offeror that valid acceptances have been received pursuant to the Offer that bring the holdings of the Shares owned by the Offeror and its Concert Parties to above 90% of the total number of issued Shares (excluding any treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury

shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares at the close of the Offer.

Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public. In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted.

In the event the Company does not meet the free float requirements of the Listing Manual, the Offeror does not intend to maintain the present listing status of the Company and does not intend to take any steps for any trading suspension in the securities of the Company to be lifted.

7.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), if the Offeror receives valid acceptances of the Offer or acquires or agrees to acquire such number of Offer Shares during the Offer period otherwise than through valid acceptances of the Offer in respect of not less than 90% of the total number of issued Shares (excluding treasury shares), other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer, the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer.

In such an event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with any treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the final closing date of the Offer. **Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90% threshold under Section 215(3) of the Companies Act does not exclude treasury shares or Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.

8. FINANCIAL ASPECTS OF THE OFFER

The Offer Price represents the following premia over the historical market prices of the Shares over various periods:

	Benchmark Price ⁽¹⁾⁽²⁾	Premium of Offer Price over
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		Benchmark Price⁽³⁾
Last traded price per Share as quoted on the SGX-ST on the Last Trading Day	S\$0.1580	0.00%
VWAP of the Shares as quoted on the SGX-ST for the one (1)-month period up to and including the Last Trading Day	S\$0.1275	23.92%
VWAP of the Shares as quoted on the SGX-ST for the three (3)-month period up to and including the Last Trading Day	S\$0.1277	23.73%
VWAP of the Shares as quoted on the SGX-ST for the six (6)-month period up to and including the Last Trading Day	S\$0.1312	20.43%
VWAP of the Shares as quoted on the SGX-ST for the 12-month period up to and including the Last Trading Day	S\$0.1480	6.76%

Notes:

- (1) The figures set out in the table above are based on data extracted from Bloomberg L.P. Calculated by using total value of Shares over the total volume of Shares traded for the relevant period.
- (2) Computed based on the Share prices rounded to the nearest four (4) decimal places.
- (3) Percentages rounded to the nearest two (2) decimal places.

9. DISCLOSURE OF HOLDINGS, DEALINGS AND OTHER ARRANGEMENTS IN COMPANY SECURITIES

9.1 Holdings, Dealings and other Arrangements

- (a) **Holdings of Company Securities.** As at the Offer Announcement Date, save as set out in this Announcement and the Appendix, none of (i) the Offeror, and (ii) the Concert Parties of the Offeror (each, a "**Relevant Person**") own, control or have agreed to acquire any (a) Shares, (b) Options, (c) other securities which carry voting rights in the Company, or (d) convertible securities, warrants, options, awards or derivatives in respect of the Shares or other securities which carry voting rights in the Company (collectively, the "**Company Securities**").
- (b) **Dealings.** Save as disclosed in this Announcement (including the Appendix hereto) and based on the latest information available to the Offeror, none of the Relevant Persons has dealt for value in any Company Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Offer Announcement Date (the "**Reference Period**").
- (c) **Other Arrangements.** Save as disclosed in this Announcement, as at the Offer Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:
- (i) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any Company Securities which might be material to the Offer;

- (ii) received any irrevocable commitment to accept the Offer in respect of any Company Securities;
- (iii) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (iv) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (v) lent any Company Securities to another person.

9.2 **No Irrevocable Commitments.**

As at the Offer Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has received any irrevocable commitment from any party to accept or reject the Offer.

9.3 **Confidentiality**

In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons after the Offer Announcement Date and the relevant disclosures will be made in due course and in the Offer Document.

10. **CONFIRMATION OF FINANCIAL RESOURCES**

UBS AG has confirmed that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer Shares tendered in acceptance of the Offer by Shareholders on the basis of the Offer Price.

11. **DESPATCH OF THE OFFER DOCUMENT**

Further information on the Offer will be set out in the Offer Document. The Offer Document, which will contain the terms and conditions of the Offer, and enclose the appropriate form(s) of acceptance, will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date. The Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document. **Shareholders are advised to exercise caution when dealing in the Shares.**

12. **OVERSEAS SHAREHOLDERS**

12.1 **Overseas Persons**

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or purchase any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law.

The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom the Offer Document and the relevant form(s) of acceptance may not be sent.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or in the records of The Central Depository (Pte) Limited (as the case may be) (each, an “**Overseas Persons**”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Persons should inform themselves about, and observe, any applicable requirements in the relevant overseas jurisdictions. Further details in relation to Overseas Persons will be contained in the Offer Document.

12.2 Copies of the Offer Document

Where there are potential restrictions on sending the Offer Document to any overseas jurisdictions, the Offeror reserves the right not to send the Offer Document to such overseas jurisdictions. Alternatively, an affected Overseas Persons may write to the Company’s share registrar to request the Offer Document to be sent to an address in Singapore by ordinary post at his own risk.

13. RESPONSIBILITY STATEMENT

The director of the Offeror (notwithstanding that he may have delegated detailed supervision of this Announcement (as relevant)) has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and accepts responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, information in relation to the Company or the Group), the sole responsibility of the Offeror’s director has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by
TRIPLE VISION PTE. LTD.

15 March 2019

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known

and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of the Company and/or any other person should not place undue reliance on such forward-looking statements, and the Offeror does not undertake any obligation to update publicly or revise any forward-looking statements.

APPENDIX

DISCLOSURES OF SECURITY HOLDINGS AND DEALINGS

1. Holdings of Company Securities of the Relevant Persons

The holdings of Company Securities of the Relevant Persons as at the Offer Announcement Date are set out below:

No.	Name	Direct Interest	
		No. of Shares	% ⁽¹⁾
1.	Offeror	13,993,200 ⁽²⁾	29.90
Concert Parties			
2.	Fivestar Limited ⁽³⁾	3,666,800	7.84
3.	Tan Geok Bee ⁽⁴⁾	846,200	1.81
Total		18,506,200	39.55

Notes:

- (1) Calculated based on 46,800,000 Shares and rounded to the nearest two (2) decimal places.
- (2) Shares acquired pursuant to the Acquisition.
- (3) Fivestar Limited is 50.0% owned and controlled by Mdm Tan Geok Bee and is therefore a concert party of the Offeror.
- (4) Mdm Tan Geok Bee is the wife of Mr. Wee Henry, the sole shareholder and director of the Offeror and is therefore a concert party of the Offeror.

2. Dealings in Shares by the Relevant Persons

The dealings in Shares by the Relevant Persons (if any) during the Reference Period are set out below:

Name	Date	No. of Shares Acquired	No. of Shares Disposed	Transaction Price per Share (S\$)
Offeror	15 March 2019	13,993,200 ⁽¹⁾	-	0.158

Note:

- (1) Shares acquired pursuant to the Acquisition via a sale and purchase agreement.