



Fabchem China Limited

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

The Board of Directors (the “**Board**”) of Fabchem China Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its announcement dated 4 December 2018 (“**Announcement**”) in relation to the notification of inclusion on the Watch-list due to the Financial Entry Criteria (as detailed in the Announcement) with effect from 5 December 2018.

Pursuant to Rule 1313(2) of the Listing Manual of the SGX-ST (“**Listing Rules**”), the Company must, for the period in which it remains on the Watch-list, provide the market with a quarterly update on its efforts and the progress made in meeting the exit criteria of the Watch-list.

Please refer to the Company’s announcement on 27 August 2021 on the unaudited financial statements of the Group for the 15-month period ended 30 June 2021 for an update on the Group’s financial position.

On 19 March 2021, the Company announced that it had entered into a sale and purchase agreement with Triple Vision Pte Ltd (“**Triple Vision**”) to sell to Triple Vision (“**Disposal Agreement**”), the Company’s ownership of the aggregate RMB156 million registered capital of Shandong Yinguang Technology Co., Ltd (山东银光科技有限公司) (“**Yinguang Technology**”), representing 100% of the entire fully-paid registered capital of Yinguang Technology, in exchange for payment of S\$18.0 million in cash by Triple Vision (“**Disposal**”).

Subsequent to the Disposal, the Company intends to undertake a capital reduction exercise (“**Proposed Capital Reduction**”) pursuant to and subject to compliance with Section 78A read with 78C of the Companies Act (Cap 50) of Singapore, for a cash distribution, *pro-rata*, to all shareholders of the Company (“**Shareholders**”) of S\$0.368 for each ordinary share in the equity capital of the Company (“**Share**”) held by Shareholders as at a books closure date to be determined by the Directors in their sole and absolute discretion for the purpose of determining the entitlement of the Shareholders to the cash distribution pursuant to the Proposed Capital Reduction.

The Disposal is an interested person transaction under Chapter 9 of the Listing Rules and the Disposal and Proposed Capital Reduction were approved by the Shareholders at the extraordinary general meeting of the Company (“**EGM**”) held on 14 October 2021.

On 5 November 2021, the Company announced the completion of the Disposal through the transfer of the Company’s shares in Yinguang Technology to Triple Vision on 4 November 2021 and the Company’s receipt of the Net Disposal Proceeds (as defined in the Company’s circular to Shareholders issued in SGXNET on 22 September 2021 (“**Circular**”)) from Triple Vision on 18 October 2021. With the completion of the Disposal, the Company has ceased to have any operating business and will be deemed as a cash company under Rule 1018 of the Listing Manual of the SGX-ST. The Company will comply with the requirements of Rule 1018 for a cash company.

Please refer to the Circular and the Company’s announcements on 14 October 2021 and 5 November 2021 for more information on the Disposal and Proposed Capital Reduction.





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On 22 April 2021, the Company announced that it had entered into a sale and purchase agreement (“**Acquisition Agreement**”) with Tan Jit Meng, Soh Loong Chow Jackie and Tan Chee Khoo (collectively the “**Vendors**” and each a “**Vendor**”) to acquire 100.0% of the shares in the entire issued and paid-up share capital of Lincotrade & Associates Pte Ltd (“**Proposed Acquisition**”) in consideration for the allotment and issuance of an aggregate 113,636,363 new Shares by the Company, credited as fully paid-up, to the Vendors (“**Consideration Shares**”), at an issue price of S\$0.22 per Consideration Share.

In connection with the Proposed Acquisition, the Company will also seek to transfer the listing and quotation of its Shares from the Mainboard of the SGX-ST to the Catalist board of the SGX-ST (“**Catalist**”) pursuant to Rule 410 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), subject to receipt of the required approvals (“**Proposed Transfer to Catalist**”).

The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse take-over of the Company under Chapter 10 of the Listing Rules and the Proposed Acquisition, Proposed Transfer to Catalist and other related transactions in connection with the Proposed Acquisition, are subject to, *inter alia*, satisfaction of conditions precedent set out in the Acquisition Agreement and receipt of all relevant approvals, including that of the SGX-ST, the Securities Industry Council and Shareholders. The Company will convene a separate EGM for the Proposed Acquisition, Proposed Transfer to Catalist and other related transactions in connection with the Proposed Acquisition, and issue a circular to Shareholders with the notice of EGM in due course.

Please refer to the Company’s announcement on 22 April 2021 for more information on the Proposed Acquisition.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company as there is no certainty or assurance as at the date of this announcement that the Proposed Capital Reduction, Proposed Acquisition and Proposed Transfer to Catalist will proceed to completion. The Proposed Capital Reduction is still subject to no application having been made for the cancellation of the Special Resolution by the Shareholders approving the Proposed Capital Reduction by any creditor of the Company during the period of 6 weeks beginning with the date of the EGM, and, if such application was made, the withdrawal of such application or dismissal thereof by the High Court of Singapore, as set out in Section 10.8(g) of the Circular. Completion of the Proposed Acquisition and Proposed Transfer to Catalist are subject to, *inter alia*, completion of the Proposed Capital Reduction, the fulfilment of all the conditions precedent in the Acquisition Agreement and receipt of the relevant approvals. Shareholders and potential investors of the Company are advised to read the Circular and the Company’s announcements on 14 October 2021 and 5 November 2021, any further announcements by the Company and the relevant circulars to Shareholders to be issued by the Company carefully and in their entirety. Shareholders and potential investors of the Company should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the actions they should take.

Other than the above, there is no other material development that may have a significant impact on the movement of the Company’s share price that would affect its position on the Watch-list. The Company will continue to explore to seek growth through other strategic acquisitions, joint ventures and alliances in addition to organic growth, as and when suitable opportunities arise.

By Order of the Board

Wee Phui Gam
Acting Chairman and Lead Independent Director
12 November 2021

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