



Fabchem China Limited

Fabchem China Limited

(Company Registration Number: 200413128G)

Condensed Interim Financial Statements for the 6-month period ended 31 December 2021

Table of Contents

A.	Condensed interim statement of profit or loss and other comprehensive income	3
B.	Condensed interim statements of financial position	4
C.	Condensed interim statements of changes in equity	5
D.	Condensed interim statements of cash flows	5
E.	Notes to the condensed interim financial statements	6
F.	Other information required pursuant to Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual	14

Fabchem China Limited

Condensed Interim Financial Statements for the 6-month period ended 31 December 2021

Change of Financial Year-End

On 28 January 2021, Fabchem China Limited (the “**Company**”) announced a change of financial year end from 31 March to 30 June. The unaudited financial statements of the Company presented in this announcement covers a 6-month period from 1 July 2021 to 31 December 2021 (“**HY2022**”). For the purposes of providing a more meaningful comparison and better understanding of the financial results of the Company, the Company has also included the unaudited financial statements for the 6-month period from 1 July 2020 to 31 December 2020 (“**HY2021**”) as comparative figures for the condensed interim consolidated statement of profit or loss and other comprehensive income and the condensed interim consolidated statements of cash flows.

Disposal of Operating Subsidiary

On 5 November 2021, the Company announced the completion of the disposal of Shandong Yinguang Technology Co. Ltd and its subsidiaries (“**Yinguang Technology**” or “**Disposal Group**”) to Triple Vision Pte Ltd, a Controlling Shareholder of the Company (“**Disposal**”). Following the Disposal, the Company completed the Capital Reduction on 29 November 2021 and Cash Distribution on 21 December 2021 (both as defined in the Company’s circular of 22 September 2021). Please refer to the Company’s Circular dated 22 September 2021 and the Company’s announcements on 5 November 2021 and 29 November 2021 for further information on the Disposal, Capital Reduction and Cash Distribution. As such, the Company has no subsidiary as at 31 December 2021 and the comparative for this condensed interim financial statements only reflects the results of the Company. This condensed interim financial statement is presented in Singapore dollar (“**S\$**”) which is the Company’s functional currency.

A. Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

		Company		
	Note	Unaudited 6 months from 1 Jul 2021 to 31 Dec 2021 S\$'000	Unaudited 6 months from 1 Jul 2020 to 31 Dec 2020 S\$'000	Increase/ (Decrease) %
Dividend income	5	936	613	52.7%
Interest income		7	-	N.M.
Other gains	7	6	-	N.M.
Administrative expenses		(701)	(594)	18.0%
Financial costs	8	(1)	(2)	(50.0%)
Other losses	7	-	(4)	N.M.
Profit before tax		247	13	1800.0%
Income tax expense	10	(47)	(31)	51.6%
Profit / (Loss) for the year and total comprehensive income / (loss)		200	(18)	N.M.
Earnings/(Loss) per share		S\$ cents	S\$ cents	
Basic and diluted	11	0.43	(0.04)	N.M.

Fabchem China Limited

Condensed Interim Financial Statements for the 6-month period ended 31 December 2021

B. Condensed Interim Statements of Financial Position

		Company	
		Unaudited	Audited
		31 December	30 June
		2021	2021
Note		S\$'000	S\$'000
ASSETS			
Non-current assets :			
	Right-of-use assets	17	38
	Investment in subsidiaries	-	-
	Total non-current assets	17	38
Current assets :			
	Assets held-for-sale	-	18,000
	Other receivables	103	195
	Other assets	24	25
	Cash and cash equivalents	567	142
	Total current assets	694	18,362
	Total assets	711	18,400
EQUITY AND LIABILITIES			
Capital and reserves :			
	Share capital	6,237	23,459
	Accumulated losses	(5,712)	(5,912)
	Total equity	525	17,547
Current liabilities :			
	Trade and other payables	168	513
	Other financial liabilities	-	300
	Lease liability	18	40
	Total current liabilities	186	853
	Total liabilities	186	853
	Total liabilities and equity	711	18,400

Fabchem China Limited

Condensed Interim Financial Statements for the 6-month period ended 31 December 2021

C. Condensed Interim Statements of Changes in Equity

Company (S\$'000)	Total equity	Share capital	Accumulated losses
Balance at 1 July 2021	17,547	23,459	(5,912)
Capital reduction ⁽¹⁾	(17,222)	(17,222)	-
Total comprehensive gain for the period	200	-	200
Balance at 31 December 2021	525	6,237	(5,712)
Balance at 1 July 2020	22,162	23,459	(1,297)
Total comprehensive loss for the period	(18)	-	(18)
Balance at 31 December 2020	22,144	23,459	(1,315)

⁽¹⁾ Refer to Note 20 to the condensed interim financial statements

D. Condensed Interim Statements of Cash flows

	Company	
	Unaudited 6 months from 1 Jul 2021 to 31 Dec 2021 S\$'000	Unaudited 6 months from 1 Jul 2020 to 31 Dec 2020 S\$'000
Cash flows from operating activities		
Profit before tax	247	13
Adjustments for :		
Depreciation of right-of-use assets	21	21
Interest expenses	1	2
Interest income	(7)	-
Operating cash flows before changes in working capital	262	36
Other receivables	92	171
Other assets	1	1
Trade and other payables	(345)	(158)
Net cash flows from operations	10	50
Income taxes paid	(47)	(31)
Net cash flows (used in) / from operating activities	(37)	19
Cash flows from investing activities		
Proceeds from disposal of assets held-for-sale, net	17,700	-
Interest received	7	-
Net cash flows from investing activities	17,707	-
Cash flows from financing activities		
Cash distribution to shareholders	(17,222)	-
Lease payments	(23)	(23)
Net cash flows used in financing activities	(17,245)	(23)
Net increase / (decrease) in cash and cash equivalents	425	(4)
Cash and cash equivalents at beginning of the period	142	23
Cash and cash equivalents at end of the period	567	19

Fabchem China Limited
Condensed Interim Financial Statements for the 6-month period ended 31 December 2021

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

Fabchem China Limited (the “Company”) is incorporated and domiciled in Singapore with limited liability. The Company is incorporated in Singapore and its registered office is at 8 Robinson Road #03-00, ASO Building Singapore 048544. The Company is an investment holding company and its principal activity is that of investment holding. It is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Company was placed on the Watch-List of the SGX-ST due to the Financial Entry Criteria with effect from 5 December 2018. On 24 November 2021, SGX-ST informed the Company that it had no objections to granting the Company an extension of time of five (5) months from the original deadline of 4 December 2021 to 4 May 2022 to satisfy the criteria needed to exit the Watch-List

As announced on 28 January 2021, the Company changed its reporting year end from 31 March to 30 June in February 2021. Therefore, the current reporting period is a 6-month period from 1 July 2021 to 31 December 2021 (“HY2022”).

The COVID-19 pandemic has no significant adverse effect on the Company’s financial position and results for the current financial period reported on.

2. Basis of Preparation

The condensed interim financial statements for the 6-month period from 1 July 2021 to 31 December 2021 (“HY2022”) have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance of the Company since the last annual financial statements for the financial period ended 30 June 2021.

The condensed interim financial statements are presented in Singapore dollars (“S\$”).

The accounting policies adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for the 15-month financial period ended 30 June 2021, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 to the condensed interim financial statements below.

2.1. New and amended standards adopted by the Company

A number of amendments to Standards have become applicable for the current reporting period. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the financial period ended 30 June 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Fabchem China Limited
Condensed Interim Financial Statements for the 6-month period ended 31 December 2021

E. Notes to the Condensed Interim Financial Statements (Cont'd)

2. Basis of Preparation (Cont'd)

2.2. Use of judgements and estimates (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the condensed interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Classification and measurement of disposal group held for sale

As a result of the disposal of subsidiaries as disclosed in Note 14 to the condensed interim financial statements, the Company reclassified the assets and liabilities pertaining to those activities to held for sale in accordance with SFRS(I) 5 *Non-Current Assets Held For Sale And Discontinued Operations*. In distinguishing between the assets and liabilities pertaining to continuing operations and those pertaining to discontinued operations judgment had to be applied, as a part of those assets and liabilities are used by these subsidiaries.

The Company on date of classification re-measured the carrying amounts of the disposal group classified as held for sale to its fair value less costs to sell based on the consideration for the disposal and impairment loss of S\$4.5 million was made accordingly during the 15-month period ended 30 June 2021. Please refer to Note 16 to the condensed interim financial statements.

3. Seasonal operations

The Company's businesses are not affected significantly by seasonal or cyclical factors during the financial period reported on.

4. Segment and revenue information

Business segments

The Company has no business segment and all assets and liabilities are in Singapore.

5. Dividend income

Dividend income relates to dividend income declared by Yinguang Technology before the Disposal.

Fabchem China Limited
Condensed Interim Financial Statements for the 6-month period ended 31 December 2021

E. Notes to the Condensed Interim Financial Statements (Cont'd)

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Company as at 31 December 2021 and 30 June 2021:

	Company	
	Unaudited 31 Dec 2021 S\$'000	Audited 30 Jun 2021 S\$'000
Financial assets		
- Cash and cash equivalents	567	142
- Trade and other receivables	103	195
Financial assets at amortised cost	670	337
Financial liabilities		
- Trade and other payables	168	513
- Other financial liabilities	-	300
- Lease liabilities	18	40
Financial liabilities at amortised cost	186	853

7. Other Gains / (Losses)

	Company		
	Unaudited 6 months from 1 Jul 2021 to 31 Dec 2021 S\$'000	Unaudited 6 months from 1 Jul 2020 to 31 Dec 2020 S\$'000	Increase/ (Decrease) %
Foreign exchange adjustment gains/(losses)	6	(4)	N.M.
	<u>6</u>	<u>(4)</u>	N.M.
Disclosed as:			
Other gains	6	-	N.M.
Other losses	-	(4)	N.M.
	<u>6</u>	<u>(4)</u>	N.M.

8. Finance costs

	Company		
	Unaudited 6 months from 1 Jul 2021 to 31 Dec 2021 S\$'000	Unaudited 6 months from 1 Jul 2020 to 31 Dec 2020 S\$'000	Increase/ (Decrease) %
Finance costs			
Interest on lease liabilities	(1)	(2)	(50.0%)
Total finance costs	<u>(1)</u>	<u>(2)</u>	(50.0%)

Fabchem China Limited**Condensed Interim Financial Statements for the 6-month period ended 31 December 2021****E. Notes to the Condensed Interim Financial Statements (Cont'd)****9. Related party transactions**

Company	
6 months from 1 Jul 2020 to 31 Dec 2021 S\$'000	6 months from 1 Jul 2020 to 31 Dec 2020 S\$'000

Advisory fees paid to ultimate controlling party	(19)	(23)
Disposal of subsidiary to Triple Vision Pte Ltd	18,000	-

Related parties refer to companies in which a director or his immediate family has significant or controlling interest over the entity.

10. Income tax expenses

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim statement of profit or loss are:

Company	
6 months from 1 Jul 2020 to 31 Dec 2021 S\$'000	6 months from 1 Jul 2020 to 31 Dec 2020 S\$'000

Current income tax expense	47	31
Total income tax expenses	47	31

Income tax expenses relate to withholding tax paid in China for dividend declared by Yinguang Technology and remitted to Singapore holding company before the Disposal.

11. Earnings/(Loss) per share

Company	
Unaudited 6 months ended 31 Dec 2021 S\$ cents	Unaudited 6 months ended 31 Dec 2020 S\$ cents

Earnings/(Loss) per ordinary share for the period based on net profit/(loss) attributable to shareholders :

Based on weighted average number of ordinary shares in issue

Total

Weighted average number of ordinary shares in issue for basic earnings/(loss) per share

There is no dilution of shares as there are no shares under option.

Fabchem China Limited**Condensed Interim Financial Statements for the 6-month period ended 31 December 2021****E. Notes to the Condensed Interim Financial Statements (Cont'd)****12. Net Asset Value**

	Company	
	Unaudited 31 Dec 2021	Audited 30 Jun 2021
	S\$ cents	S\$ cents
Net asset value per ordinary share based on the issued shares at the end of the financial year	1.1	37.5
Number of issued shares use in calculating net asset value	46,800,000	46,800,000

13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total annual dividend

	Company	
	Unaudited 6 months ended 31 Dec 2021	Unaudited 6 months ended 31 Dec 2020
	S\$'000	S\$'000
Ordinary	-	-
Preference	-	-
Total	-	-
Dividend per share (net of tax)	-	-

14. Assets held-for-sale

On 19 March 2021, the Company entered into a sale and purchase agreement with Triple Vision Pte Ltd for the Disposal of Yinguang Technology for a consideration (“**Disposal Consideration**”) of S\$18.0 million. The Disposal was approved by shareholders during an Extraordinary General Meeting (“**EGM**”) held on 14 October 2021.

As at 30 June 2021, the investment in subsidiaries are presented in the condensed interim statements of financial position as “Assets held-for-sale”.

The assets held-for-sale as at 30 June 2021 are as follows:

	S\$'000
Investment in subsidiaries	<u>18,000</u>

On 5 November 2021, the Company announced the completion of the Disposal Group on 4 November 2021 and the Company received the net proceeds of the Disposal on 18 October 2021. Please refer to the Company’s announcement on 5 November 2021 for more information.

Fabchem China Limited**Condensed Interim Financial Statements for the 6-month period ended 31 December 2021****E. Notes to the Condensed Interim Financial Statements (Cont'd)****15. Right-of-use assets**

There are no acquisitions or disposal of right-of-use assets of the Company during the 6-month period from 1 July 2021 to 31 December 2021. The decrease is due to the depreciation of the right-of-use assets of the Company.

16. Investment in subsidiaries

Company	
Unaudited 31 Dec 2021 S\$'000	Audited 30 June 2021 S\$'000

Carrying value comprising

Unquoted equity shares at cost

- -

Movement in carrying value

At beginning of period

- 22,542

Impairment allowance for the period

- (4,542)

Reclassified to disposal group held-for-sale

- (18,000)

At end of period

- -

During the 15-month period ended 30 June 2021, an impairment loss of S\$4.5 million was recognised based on the Disposal Consideration of S\$18.0 million as disclosed under Note 14 to the condensed interim financial statements.

Pursuant to the sales and purchase agreement as stated in Note 14 to the condensed interim financial statements, investment in subsidiaries attributable to the Disposal Group of approximately S\$18.0 million have been reclassified to assets of disposal group classified as held-for-sale as at 30 June 2021.

17. Other receivables

Company	
Unaudited 31 Dec 2021 S\$'000	Audited 30 Jun 2021 S\$'000

Other receivables

103 195

103 195

18. Trade and other payables

Company	
Unaudited 31 Dec 2021 S\$'000	Audited 30 June 2021 S\$'000

Trade payables and accruals

47 342

Other payables

121 171

168 513

Fabchem China Limited
Condensed Interim Financial Statements for the 6-month period ended 31 December 2021

E. Notes to the Condensed Interim Financial Statements (Cont'd)

19. Other financial liabilities

Company	
Unaudited 31 Dec 2021 S\$'000	Audited 30 June 2021 S\$'000
Loan from a shareholder	300
-	300

On 23 February 2021, the Company entered into a loan agreement with Triple Vision Pte. Ltd. up to an aggregate amount of S\$1.0 million (“**Loan**”) at any time. Any disbursement will be used for the payment of professional fees and expenses of the Company’s corporate actions. The loan is unsecured, interest-free and is repayable at the earlier of the date falling (i.) on 30 November 2021, or (ii.) on the completion of the Disposal, or (iii.) on any other date as may be agreed upon in writing by the Parties.

As at 30 June 2021, the Company had drawn down S\$300,000. The Company completed the Disposal during HY2022 and the loan of S\$300,000 was used to offset against the Disposal Consideration.

Bank borrowings

Amount repayable in one year or less, or on demand

(S\$'000)

31 December 2021		30 June 2021	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

(S\$'000)

31 December 2021		30 June 2021	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Fabchem China Limited
Condensed Interim Financial Statements for the 6-month period ended 31 December 2021

E. Notes to the Condensed Interim Financial Statements (Cont'd)

20. Share capital

	Company	
	Number of shares issued	Share capital S\$
Ordinary shares of no par value:		
At 1 July 2020 and 30 June 2021	46,800,000	23,458,985
Capital reduction	-	(17,222,400)
At 31 December 2021	46,800,000	6,236,585

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

On 29 November 2021, the Company announced that it had complied with the publicity requirements under section 78C(1)(c), and the solvency requirements under sections 78C(1)(b) and 78C(3) of the Act, and that no application has been made under section 78D(2) of the Act for the cancellation of the Special Resolution of the Shareholders approving the Capital Reduction at the EGM that was held on 14 October 2021, during the 6 weeks beginning with the date of the Special Resolution. The Company had accordingly lodged with the Accounting and Corporate Regulatory Authority of Singapore, the statements from the Directors pursuant to section 78E(2) of the Act confirming the above, together with a notice containing the reduction information, on 29 November 2021. Following lodgement, the Capital Reduction had taken effect on 29 November 2021 (“**Effective Date**”).

The Company has no shares that may be issued on conversion of outstanding convertibles as at the end of the current financial period reported on, i.e 31 December 2021 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2021.

The Company has neither treasury shares nor subsidiary holdings as at the end of the current financial period reported on, i.e. 31 December 2021 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2021.

The Company’s subsidiaries do not hold any shares in the Company as at 30 June 2021 and the Company does not have any subsidiary as at 31 December 2021.

21. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

Fabchem China Limited

Other Information Required by Listing Rule Appendix 7.2

Other information

1. Review

The condensed interim statements of financial position of Fabchem China Limited as at 31 December 2021 and the related condensed interim profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim statement of cash flows for the 6-month financial period ended 31 December 2021 and explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Company

Dividend income

Dividend income was derived from Yinguang Technology before the completion of the Disposal.

Interest income

During HY2022, interest income was derived mainly from fixed deposit placed with bank before the Cash Distribution pursuant to the Capital Reduction and bank deposit interest from an interest bearing deposit account opened during the current period reported on.

Administrative expenses

Administrative expenses increased by approximately S\$107,000 or 18.0% from S\$594,000 during HY2021 to S\$701,000 during HY2022. The increase was mainly due to increase in professional fees of approximately S\$119,000 for the Disposal and Capital Reduction during HY2022.

Depreciation of right-of-use assets remained the same at S\$21,000 during the financial period under review.

Finance costs

Finance costs relate to accretion of interest on lease liabilities recognised in accordance to SFRS(I) 16.

Other gains/(losses)

Other gains/(losses) relate to foreign exchange adjustment gains/(losses) during the respective periods. Foreign exchange adjustment gain/(losses) arose mainly from foreign exchange rate fluctuation among Renminbi (RMB) and Singapore Dollars (S\$).

Income tax expenses

Income tax expenses relate to withholding tax paid in China for dividend declared by Yinguang Technology and remitted to Singapore holding company before the completion of the Disposal.

Fabchem China Limited

Other Information Required by Listing Rule Appendix 7.2

Other information

2. Review of performance of the Company (Cont'd)

Statement of Financial Position

Right-of-use assets were recognised for lease commitments for Singapore's rented office space in accordance with SFRS(I) 16. The decreased in right-of-use assets were mainly due to depreciation of right-of-use assets during the current financial period of approximately S\$21,000.

Assets held-for-sale relates to the investment in subsidiaries that were held for sale as at 30 June 2021. Please refer to Note 14 to the condensed interim financial statements for more information. The Disposal was completed during HY2022 and there were no gain or loss arising from the Disposal as an impairment allowance of S\$4.5 million was made to write down the carrying value to fair value less costs of disposal based on the Disposal Consideration of S\$18.0 million during the 15-month period ended 30 June 2021.

Other receivables decreased by approximately S\$92,000 or 47.2% to S\$103,000 as at 31 December 2021. The decreased was mainly due to lower receivables from Lincotrade & Associates Pte Ltd for professional fees for the Proposed RTO (as defined below) as at 31 December 2021.

Other assets comprising the Company's deposits and prepayments, decreased marginally by approximately S\$1,000 or 4.0% to S\$24,000 as at 31 December 2021.

Trade and other payables decreased by approximately S\$345,000 or 67.3% to approximately S\$168,000 as at 31 December 2021 mainly due to payment of creditors and lower accruals subsequent to the completion of the Disposal.

As at 30 June 2021, other current financial liabilities of S\$0.3 million relates to the shareholder's loan for the Disposal. The shareholder's loan was offset against the Disposal Consideration during HY2022.

Lease liability was recognised in accordance to SFRS(I) 16, and was recognised together with the right-of-use assets in relation to the capitalisation of obligations under operating lease commitments for Singapore's rental office space.

Cash flow

For the 6-month period ended 31 December 2021, the Company recorded net cash used in operating activities of approximately S\$37,000, net cash from investing activities of approximately S\$17.7 million and net cash used in financing activities of approximately S\$17.2 million.

The net cash used in operating activities was mainly due to the decrease in trade and other payables of approximately S\$345,000 due to the payment of creditors subsequent to 30 June 2021, partially offset by the decrease in other receivables of approximately S\$92,000.

The net cash from investing activities of S\$17.7 million was mainly due to the net proceeds from disposal of assets held-for-sale of approximately S\$17.7 million during the current financial period under review. Please refer to the Company's Circular dated 22 September 2021 the Company's announcement on 5 November 2021.

The net cash used in financing activities of approximately S\$17.2 million was mainly due to cash distribution to shareholders during the current financial period under review. Please refer to the Company's announcement on 29 November 2021 for more information on Capital reduction and Cash Distribution.

Fabchem China Limited

Other Information Required by Listing Rule Appendix 7.2

3. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The current financial period results for the 6-months period ended 31 December 2021 are in line with the Company's commentaries as disclosed under paragraph 10 for the 15-month period ended 30 June 2021's results announcement on 27 August 2021.

4. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

Proposed Acquisition and Proposed Transfer to Catalist

On 22 April 2021, the Company announced that it had entered into a sale and purchase agreement ("**SPA**") 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.

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 ("**Proposed RTO**").

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 RTO, Proposed Transfer to Catalist and other related transactions in connection therewith, are subject to, *inter alia*, satisfaction of conditions precedent set out in the SPA and receipt of all relevant approvals, including that of the SGX-ST, the Securities Industry Council and Shareholders. The Company will convene an extraordinary general meeting ("**EGM**") in due course for the Proposed RTO, Proposed Transfer to Catalist and other related transactions in connection therewith, and issue a circular to Shareholders with the notice of EGM.

As announced by the Company on 5 January 2022, RHB Bank Berhad, the financial adviser in respect of the Proposed Acquisition and Proposed RTO, and sponsor of the Company upon the Proposed Transfer to Catalist, had on 5 January 2022, submitted a pre-consultation letter to SGX-ST on behalf of the Company in accordance with the milestones announced by the Company on 17 December 2021 for exiting the Watch-List.

Please refer to the Company's announcements on 22 April 2021, 26 November 2021, 17 December 2021 and 5 January 2022 for more information on the Proposed Acquisition and Proposed RTO.

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 Acquisition and Proposed Transfer to Catalist will proceed to completion. Completion of the Proposed Acquisition and Proposed Transfer to Catalist are subject to, *inter alia*, the fulfilment of all the conditions precedent in the SPA and receipt of the relevant approvals. 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.

Fabchem China Limited
Other Information Required by Listing Rule Appendix 7.2

5. Dividend information

- (a) *Current Financial Period Reported On*
Any dividend declared for the current financial period reported on?

No.

- (b) *Corresponding Period of the Immediately Preceding Financial Year*
Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

- (c) *Date payable*

Not Applicable.

- (d) *Books closure date*

Not Applicable.

- (e) *If no dividend has been declared/recommended, a statement to that effect.*

No dividend has been declared/recommended for the current financial year reported on as the Company does not have any operating business and is deemed by the SGX-ST as a cash company under Rule 1018 of the Listing Rules.

6. Interested Person Transaction

The Company has not obtained a general mandate from shareholders of the Company for Interested Person Transactions pursuant to Rule 920 of the Listing Manual.

During the EGM on 14 October 2021, the shareholders of the Company approved the Disposal. As announced on 5 November 2021, the Disposal was completed on 4 November 2021.

7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

8. Negative assurance confirmation pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 6-month period ended 31 December 2021 set out above to be false or misleading in any material aspect.

For and On behalf of the Board of Directors

Bao Hongwei
Director

Sun Bowen
Director

BY ORDER OF THE BOARD

BAO HONGWEI
DIRECTOR
10 FEBRUARY 2022

SUN BOWEN
DIRECTOR