

FABCHEM CHINA LIMITED
(Company Registration No.: 200413128G)
(Incorporated in the Republic of Singapore)

ENTRY INTO PLACEMENT AGREEMENT IN CONNECTION WITH THE PROPOSED PLACEMENT

Unless otherwise defined herein or the context otherwise lends itself, all capitalised terms and references shall bear the same meanings as defined in the circular to Shareholders dated 30 June 2022 (“Circular”) in relation to, inter alia, the Proposed Acquisition, and the Company’s announcement on SGXNET dated 30 June 2022 (“Announcement”).

1. ENTRY INTO PLACEMENT AGREEMENT

The board of directors (“**Board**” or “**Directors**”) of Fabchem China Limited (“**Company**”) refers to Section 6 of the Circular in relation to the Proposed Placement.

The Board wishes to announce that, following the due approval by ordinary resolution of the Proposed Placement at the EGM of the Company held on 22 July 2022, the Company has on 27 July 2022, entered into a placement agreement (“**Placement Agreement**”) with RHB Bank Berhad (“**RHB Bank**”) and Moomoo Financial Singapore Pte. Ltd. (“**Moomoo**”), pursuant to which RHB Bank and Moomoo have been appointed as the joint placement agents (“**Joint Placement Agents**”) in respect of the Proposed Placement.

The Placement Shares will upon allotment and issuance be credited as fully paid-up and free from all liens and encumbrances and shall rank *pari passu* in all respects with the existing issued Shares in the capital of the Company save for any rights, benefits, dividends and entitlements the record date of which is before completion of the Proposed Placement.

2. SALIENT TERMS OF THE PLACEMENT AGREEMENT

2.1. Placement Commission

In consideration of the agreement for the Joint Placement Agents to, on a best efforts basis, subscribe or procure subscribers for the Placement Shares, the Company shall pay to the Joint Placement Agents a placement commission equal to 2.0% of the Issue Price multiplied by the aggregate number of Placement Shares for which the Joint Placement Agents have agreed to subscribe or procured subscribers for.

The Joint Placement Agents have confirmed that the commission payable by the Company to the Joint Placement Agents in respect of the Placement Shares will not be shared with any of the end-placers of the Proposed Placement.

2.2. Conditions

Completion of the Proposed Placement is conditional upon, *inter alia*, the following conditions:

- (a) all the issued Shares, Placement Shares, Consideration Shares, FA Shares and Arranger Shares being admitted to the Catalist Board of the SGX-ST by no later than three (3) calendar months from the date of the listing and quotation notice (“**LQN**”) (or, if an extension of the validity of the LQN has been obtained, by no later than the latest date as permitted under the extended LQN) and the Joint Placement Agents being satisfied that trading in the Shares will take place immediately thereafter;

- (b) such approvals of governmental or regulatory authorities and corporate or shareholder approvals of the Company as may be required for the transactions described in the Placement Agreement and in the Circular being obtained, and not withdrawn or amended, on or before the date on which the Company is admitted to the Catalist Board of the SGX-ST (or such other date as the Company, the Sponsor and the Joint Placement Agents may agree), and the compliance in full to the satisfaction of all the relevant authorities granting such approvals of all conditions (if any) attaching or in relation thereto on or before the date on which the Company is admitted to the Catalist Board of the SGX-ST (or such other date as the Company, the Sponsor and the Joint Placement Agents may agree);
- (c) the LQN issued by the SGX-ST not being revoked or withdrawn on or prior to the commencement of trading of the Shares on the Catalist Board ("**Trading Date**");
- (d) the compliance by the Company to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST in granting the LQN, where such conditions are required to be complied with by the closing date of the application list of the Placement Shares or the Trading Date, as the case may be;
- (e) the compliance with all applicable laws and regulations concerning the Proposed Placement, the admission of the Company to the Catalist and the listing and quotation of up to 180,222,726 Shares on the Catalist, and the transactions contemplated in the Placement Agreement and the Circular; and
- (f) there having been, in the opinion of the Joint Placement Agents, no adverse change or any development likely to result in an adverse change in the business, trading, operational, financial or other condition of the Company between the date of the Placement Agreement and the Trading Date nor the occurrence of any event nor the discovery of any fact rendering untrue, incorrect or misleading in any respect, as at the Trading Date, any of the warranties, representations or undertakings, nor any breach by the Company of any of its respective obligations thereunder.

The Joint Placement Agents may, and upon such terms as they think fit, waive compliance with any of the conditions contained in the Placement Agreement (save for conditions in relation to the approval of, *inter alia*, governmental or regulatory authorities and compliance with the applicable laws and regulations) and any such condition waived shall be deemed to have been satisfied.

2.3. **Completion of Proposed Placement**

Subject to the terms and conditions of the Placement Agreement, completion of the Proposed Placement is expected to take place on 3 August 2022. The date of completion of the Proposed Acquisition is also expected to be on the same date. The Company will provide further details of the timeline in due course.

2.4. **Listing and Quotation of Placement Shares**

Following the completion of the Proposed Placement, the Placement Shares will be listed and quoted on the Catalist Board in reliance on the LQN obtained by the Company on 30 June 2022. Please refer to the Announcement for further details on the Company's receipt of the LQN.

Shareholders should note that the LQN is not an indication of the merits of the Enlarged Group, the Proposed Share Issuance Transactions and the Shares.

3. USE OF PROCEEDS FROM THE PROPOSED PLACEMENT

- 3.1. As stated in Section 6.3 of the Circular, the Proposed Placement will raise up to S\$3,003,000 in gross proceeds, which the Company intends to utilise in the following manner:

Use of Proceeds	S\$'000	Estimated amount allocated for each dollar of the gross proceeds from the Proposed Placement (cents)
General working capital	1,305	43.46
Net Proceeds	1,305	43.46
Listing and application fees	62	2.06
Professional fees and expenses ⁽¹⁾	1,503	50.05
Placement commission	90	3.00
Miscellaneous expenses	43	1.43
Gross Proceeds	3,003	100.0

Note:

- (1) This includes fees paid to professionals including financial advisers and sponsor, legal advisers, tax advisers, auditors, valuers and public relations consultants for the Proposed Transactions.

- 3.2. In accordance with Rule 810(1)(c) of the Catalist Rules, the Board and the Proposed New Board are of the opinion that:
- (a) taking into consideration the present bank facilities available to the Enlarged Group, the Enlarged Group's internal resources and operating cash flows, the working capital available to the Enlarged Group is sufficient to meet its present requirements, and the Proposed Placement is being undertaken for the aforesaid reasons and the intended use of the proceeds; and
 - (b) taking into consideration the present bank facilities available to the Enlarged Group and the net proceeds arising from the Proposed Placement, the working capital available to the Enlarged Group is sufficient to meet its present requirements.

4. EXEMPTION FROM PROSPECTUS REQUIREMENTS

The Proposed Placement will be made in reliance on section 272B or such other relevant "safe harbour" exemptions of the SFA, and in accordance with the applicable conditions of such exemptions. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The Placement Shares will not be subscribed by nor delivered to any person who is a director (including the Proposed New Board) or a substantial Shareholder or any person who falls within the categories set out in Rule 812(1) of the Catalist Rules, and none of the Directors (including the Proposed New Board) or substantial Shareholders, have any interest, direct or indirect, in the Proposed Placement, other than arising from their directorships and/or shareholdings, as the case may be.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement and the Company, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. PROPOSED NEW BOARD'S RESPONSIBILITY STATEMENT

The Proposed New Board collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement and Enlarged Group, and the Proposed New Board are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Proposed New Board has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

8. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) in relation to the Proposed Placement, including, *inter alia*, its completion, in due course.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement will be available for inspection during normal business hours at the registered office of the Company at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 for a period of three (3) months commencing from the date of this announcement.

10. CAUTIONARY STATEMENT

Shareholders and investors are advised that the Proposed Placement is subject to the satisfaction of, *inter alia*, the conditions set out above, and there is no certainty or assurance, as at the date of this announcement, as to whether it will be completed. Shareholders and investors should consult their stockbrokers, solicitors or other professional advisers if they have any doubts about the action they should take.

By Order of the Board
Fabchem China Limited

Wee Phui Gam
Acting Chairman and Lead Independent Director
27 July 2022