

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

SHAREHOLDER'S LOAN AGREEMENT WITH TRIPLE VISION PTE. LTD.

1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Fabchem China Limited ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Triple Vision Pte Ltd ("**Lender**"), a controlling shareholder of the company, has agreed to grant a loan of up to S\$1.0 million at any time by way of a shareholder's loan to the Company ("**Loan**") and that the Company has on 23 February 2021, entered into a loan agreement ("**Loan Agreement**") which sets out the terms and conditions of the Loan. While the Loan constitutes an interested person transaction under Chapter 9 of the Listing Rules, the value of the transaction i.e. the amount at risk to the Company (being the interest payable by the Company to the Lender on the Loan pursuant to Rule 909(3) of the Listing Rules) is less than 5% under Rule 906 and less than 3% under Rule 905 of the Group's latest audited net tangible assets, as the Loan is interest-free and no interest shall accrue on default by the Company.

2. SALIENT TERMS OF THE LOAN AGREEMENT

The salient terms of the Loan Agreement are set out below.

Total Amount	Up to an aggregate amount of S\$1.0 million at any time, which shall constitute the direct, unconditional and unsecured obligation of the Company, ranking <i>pari passu</i> with all the Company's other present and future unsecured and unsubordinated indebtedness (other than indebtedness preferred by operation of law).
Maturity Date	Up to four (4) months from first disbursement of the Loan or any other date as may be agreed upon in writing by the Lender and the Company.
Use of Proceeds	Payment of professional fees and expenses incurred for the Company's corporate actions.
No Interest	The Loan shall bear no interest and no interest shall accrue on default by the Company.
Repayment	<p>Outstanding amounts drawn down by the Company under the Loan ("Outstanding Amount") shall be fully repaid by the Company on the Maturity Date, subject to any fiscal, taxation or other laws and regulations applicable to the Company.</p> <p>In the event any Outstanding Amount remains outstanding, due and repayable to the Lender on Maturity Date and the Company is not in a position to repay the Lender in cash, the Company may, at the option of the Lender, repay the Outstanding Amount by the allotment and issuance to the Lender of such number of fully paid new shares in the capital of the Company ("Shares"), listed and quoted on the Mainboard of the SGX-ST ("Repayment Shares"), as is equivalent to the Outstanding Amount divided by an issue price per Share ("Issue Price") to be agreed among the Company and the Lender ("Repayment Share Issue"), subject to, <i>inter alia</i>:</p> <ul style="list-style-type: none">(a) the Company and the Lender agreeing on the Issue Price, number of Repayment Shares and entering into a definitive agreement for the Repayment Share Issue;(b) the Repayment Share Issue not causing the free float of the Shares held by the public to fall below the minimum 10% prescribed under Rule 723 of the Listing Rules;(c) the Repayment Share Issue being approved by the shareholders of the Company ("Shareholders") (with the Lender and his associates abstaining) pursuant to Rule 812(2) of the Listing Rules at an extraordinary general meeting of the Company, and

	(d) approval of the SGX-ST for the listing and quotation of the Repayment Shares on the Mainboard of the SGX-ST.
Listing Rules 704(31) and 704(32)	There are no terms which constitutes a “specified condition” pursuant to Rule 704(31) of the Listing Rules nor a term as described in Rule 704(32) of the Listing Rules.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in the Paragraph 1 of this announcement and save for their respective shareholding interests in the Company, (i.) none of the Directors or substantial shareholders or their respective associates have any interest, direct or indirect, in the Loan, and (ii.) the Lender has no other relationships or dealings with the Company.

4. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares in the Company. Shareholders are advised to read this announcement and any further announcement by the Company carefully. Shareholders 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
23 February 2021