

UPDATE ON PROPOSED DISPOSAL, PROPOSED CAPITAL REDUCTION AND PROPOSED ACQUISITION

The board of directors (“**Board**” or “**Directors**”) of Fabchem China Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcements of (a) 19 March 2021 and 12 August 2021 in relation to the Sale and Purchase Agreement entered into with Triple Vision for the Proposed Disposal (“**Agreement**”) and the Proposed Capital Reduction, (b) 22 April 2021 relating to the Proposed Acquisition, and (c) 4, 9 and 24 June 2021 in response to the Notice of Compliance issued by SGX RegCo to the Company on 3 June 2021 (collectively, “**Announcements**”). Unless otherwise defined herein, all capitalised terms and references shall bear the same meanings as defined in the respective Announcements.

The Company wishes to update Shareholders of the following:

- (a) AVA Associates Limited, the independent valuer appointed by the Company pursuant to the terms of the Agreement and Rule 1014(5) of the Listing Rules, has updated its valuation of Yinguang Technology as at 31 March 2021;
- (b) Duff & Phelps Singapore Pte. Ltd., the other independent valuer appointed by the Company on 24 June 2021 in compliance with the Notice of Compliance, has completed its valuation of Yinguang Technology as at 31 March 2021;
- (c) the Company has on 19 August 2021, re-submitted its Circular for the Proposed Disposal to SGX RegCo for its review and clearance; and
- (d) the Company has resumed its due diligence and preparatory activities for the Proposed Acquisition which were earlier suspended on 9 June 2021.

The Company will make further announcements in relation to the Agreement, Proposed Disposal, Proposed Capital Reduction and Proposed Acquisition at the relevant time, as and when there are material developments.

The Directors would like to advise Shareholders that (a) the Proposed Capital Reduction is conditional upon the Proposed Disposal being completed in accordance with the terms of the Agreement, and (b) the Proposed Acquisition announced by the Company on 22 April 2021 is subject to the satisfaction of the conditions precedent in the agreement for the Proposed Acquisition between the Company and the Vendors, including, *inter alia*, the Proposed Disposal and Proposed Capital Reduction having been completed.

Shareholders and investors are advised to exercise caution when dealing in their Shares and to read this announcement and any further announcement by the Company carefully, as there is no certainty or assurance, as at the date of this announcement, as to whether the terms and conditions of the Proposed Disposal, Proposed Capital Reduction and Proposed Acquisition may be varied by agreement of the Parties in writing from those set out in the respective agreements, or whether they may proceed to completion at all. 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
20 August 2021