



**Fabchem China Limited**

**Fabchem China Limited and its subsidiaries**

(Company Registration Number: 200413128G)

**Condensed Interim Financial  
Statements for the 3-month period and  
15-month period ended 30 June 2021**

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**Fabchem China Limited and its subsidiaries**  
**Condensed Interim Financial Statements for the 3-month period and 15-month period**  
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**Change of Financial Year-end**

On 28 January 2021, the Company announced a change of financial year end from 31 March to 30 June. The unaudited financial statements of the Company and its subsidiaries (the “Group”) presented in this announcement cover a 3-month period from 1 April 2021 to 30 June 2021 (“3M2021”) and a 15-month period from 1 April 2020 to 30 June 2021 (“15M2021”) for compliance and statutory purposes. For the purposes of providing a more meaningful comparison and better understanding of the financial results of the Group, the Company also included the unaudited financial statements for the 3-month period from 1 April 2020 to 30 June 2020 (“3M2020”) and the 15-month period from 1 April 2019 to 30 June 2020 (“15M2020”) 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.

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

		<b>Group</b>					
	<b>Note</b>	<b>Unaudited 3 months from 1 Apr 2021 to 30 Jun 2021 RMB'000</b>	<b>Unaudited 3 months from 1 Apr 2020 to 30 Jun 2020 RMB'000</b>	<b>Increase/ (Decrease) %</b>	<b>Unaudited 15 months from 1 Apr 2020 to 30 Jun 2021 RMB'000</b>	<b>Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000</b>	<b>Increase/ (Decrease) %</b>
<b>Revenue</b>	4	-	-	-	-	-	-
Cost of sales		-	-	-	-	-	-
<b>Gross profit</b>		-	-	-	-	-	-
Other gains	6	1	-	N.M.	-	-	-
Administrative expenses		(2,017)	(1,181)	70.8%	(7,290)	(9,302)	(21.6%)
Financial costs	7	(3)	(6)	(50.0%)	(21)	(35)	(40.0%)
Other losses	6	-	(26)	N.M.	(43)	(29)	(48.3%)
<b>Loss before tax from continuing operations</b>		(2,019)	(1,213)	66.4%	(7,354)	(9,366)	(21.5%)
Income tax expense	9	-	-	-	(300)	(250)	20.0%
<b>Loss from continuing operations, net of tax</b>		(2,019)	(1,213)	66.4%	(7,654)	(9,616)	(20.4%)
(Loss) / Gain from discontinued operations, net of tax	13	(52,159)	892	N.M.	(63,099)	(28,028)	N.M.
<b>Loss, net of tax</b>		(54,178)	(321)	N.M.	(70,753)	(37,644)	88.0%
<b><u>Other comprehensive income</u></b>							
Foreign currency translation reserve, net of tax		16	(71)	N.M.	118	(84)	N.M.
<b>Total comprehensive loss for the year</b>		(54,162)	(392)	N.M.	(70,635)	(37,728)	87.2%
<b>Loss per share</b>		<b>RMB</b>	<b>RMB</b>		<b>RMB</b>	<b>RMB</b>	
Basic and diluted	10						
- Continuing operations		(0.04)	(0.03)	33.3%	(0.16)	(0.20)	(20.0%)
- Discontinued operations		(1.12)	0.02	N.M.	(1.35)	(0.60)	N.M.
<b>Total</b>		(1.16)	(0.01)	N.M.	(1.51)	(0.80)	N.M.

*Interim consolidated statement of profit or loss and other comprehensive income for comparative period have been re-presented as a result of proposed disposal as disclosed in Note 13.*

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**B. Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		Unaudited 30 June 2021 RMB'000	Audited 31 March 2020 RMB'000	Unaudited 30 June 2021 RMB'000	Audited 31 March 2020 RMB'000
<b>ASSETS</b>					
<b>Non-current assets :</b>					
Property, plant and equipment	14	-	101,139	-	-
Right-of-use assets	15	181	60,281	181	444
Investment in subsidiaries	16	-	-	-	112,237
<b>Total non-current assets</b>		<b>181</b>	<b>161,420</b>	<b>181</b>	<b>112,681</b>
<b>Current assets :</b>					
Assets of disposal group classified as held-for-sale	13	262,337	-	86,441	-
Inventories		-	29,434	-	-
Trade and other receivable	17	939	24,273	939	1,662
Other assets		120	19,896	120	206
Cash and cash equivalents		681	76,486	681	615
<b>Total current assets</b>		<b>264,077</b>	<b>150,089</b>	<b>88,181</b>	<b>2,483</b>
<b>Total assets</b>		<b>264,258</b>	<b>311,509</b>	<b>88,362</b>	<b>115,164</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves :</b>					
Share capital	20	116,849	116,849	116,849	116,849
Accumulated losses		(121,677)	(50,924)	(28,671)	(5,205)
Other reserves		89,093	88,975	(3,914)	(48)
<b>Total equity</b>		<b>84,265</b>	<b>154,900</b>	<b>84,264</b>	<b>111,596</b>
<b>Non-Current liabilities :</b>					
Deferred tax liabilities		-	2,625	-	-
Lease liability		-	253	-	253
Other payables	18	-	11,560	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>14,438</b>	<b>-</b>	<b>253</b>
<b>Current liabilities :</b>					
Liabilities directly associated with disposal group classified as held-for-sale	13	175,895	-	-	-
Trade and other payables	18	2,464	72,528	2,464	2,906
Other financial liabilities	19	1,441	58,000	1,441	-
Lease liability		193	205	193	205
Other liabilities		-	11,438	-	204
<b>Total current liabilities</b>		<b>179,993</b>	<b>142,171</b>	<b>4,098</b>	<b>3,315</b>
<b>Total liabilities</b>		<b>179,993</b>	<b>156,609</b>	<b>4,098</b>	<b>3,568</b>
<b>Total liabilities and equity</b>		<b>264,258</b>	<b>311,509</b>	<b>88,362</b>	<b>115,164</b>

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**C. Condensed Interim Statements of Changes in Equity**

<b>Group (RMB'000)</b>	<b>Total equity</b>	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Capital reserve</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated losses</b>
Balance at 1 April 2020	154,900	116,849	44,117	44,000	858	(50,924)
Total comprehensive loss for the period	(70,635)	-	-	-	118	(70,753)
Balance at 30 June 2021	84,265	116,849	44,117	44,000	976	(121,677)
Balance at 1 April 2019	192,236	116,849	44,117	44,000	871	(13,601)
Total comprehensive loss for the period	(37,728)	-	-	-	(84)	(37,644)
Balance at 30 June 2020	154,508	116,849	44,117	44,000	787	(51,245)

<b>Company (RMB'000)</b>	<b>Total equity</b>	<b>Share capital</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated losses</b>
Balance at 1 April 2020	111,596	116,849	(48)	(5,205)
Total comprehensive loss for the period	(27,332)	-	(3,866)	(23,466)
Balance at 30 June 2021	84,264	116,849	(3,914)	(28,671)
Balance at 1 April 2019	114,383	116,849	(664)	(1,802)
Total comprehensive loss for the period	(2,045)	-	2,571	(4,616)
Balance at 30 June 2020	112,338	116,849	1,907	(6,418)

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**D. Condensed Interim Consolidated Statements of Cash flows**

	<b>Group</b>	
	<b>Unaudited 15 months from 1 Apr 2020 to 30 Jun 2021 RMB'000</b>	<b>Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax		
- Continuing operations	(7,354)	(9,366)
- Discontinued operations (Note 13)	(65,224)	(11,647)
	<u>(72,578)</u>	<u>(21,013)</u>
Adjustments for :		
Allowance for impairment on trade and other receivables	3,278	4,207
Reversal of allowance for impairment on trade and other receivables	(1,939)	(6,981)
Depreciation of property, plant & equipment	8,022	6,889
Depreciation of right-of-use assets	2,180	3,254
Gain on disposal of assets held for sales	-	(631)
Gain on disposal of property, plant and equipment	(331)	(33)
Provision for safety expenses	2,851	2,513
Impairment allowance on property, plant and equipment	51,942	1,644
Inventories written-down / (reversal)	688	(139)
Inventories written-off	429	102
Property, plant and equipment written-off	6	-
Write back of creditors	(101)	-
Net effect of exchange rate changes in translation of financial statements of parent	96	(84)
Interest expenses	5,956	6,781
Interest income	(298)	(335)
Operating cash flows before changes in working capital	<u>201</u>	<u>(3,826)</u>
Inventories	(8,415)	(5,729)
Trade and other receivables	7,753	(111)
Other assets	(709)	(7,374)
Trade and other payables	22,389	11,439
Other liabilities	(1,895)	9,123
Net cash flows from operations	<u>19,324</u>	<u>3,522</u>
Income taxes paid	(300)	(500)
Net cash flows from operating activities	<u>19,024</u>	<u>3,022</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of assets held for sales	-	3,684
Proceeds from disposal of property, plant and equipment	390	33
Purchase of property, plant and equipment	(8,442)	(7,107)
Interest received	298	335
Net cash flows used in investing activities	<u>(7,754)</u>	<u>(3,055)</u>

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**D. Condensed Interim Consolidated Statements of Cash flows (Cont'd)**

	<b>Group</b>	
	<b>Unaudited 15 months from 1 Apr 2020 to 30 Jun 2021 RMB'000</b>	<b>Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	77,500	78,000
Proceeds from loan from a shareholder	1,441	-
Repayment of borrowings	(78,000)	(78,000)
Repayment of lease liabilities	(255)	(269)
Interest paid	(4,346)	(5,103)
Net cash flows used in financing activities	<u>(3,660)</u>	<u>(5,372)</u>
Net increase / (decrease) in cash and cash equivalents	7,610	(5,405)
Cash and cash equivalents, statement of cash flows, beginning balance	76,486	83,207
<b>Cash and cash equivalents (Note A)</b>	<b><u>84,096</u></b>	<b><u>77,802</u></b>

**Note A**

For the purpose of the condensed interim consolidated statements of cash flows, cash and cash equivalents comprise the following:

	<b>Group</b>	
	<b>Unaudited 15 months from 1 Apr 2020 to 30 Jun 2021 RMB'000</b>	<b>Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000</b>
Cash and bank balances		
- Continuing operations	681	77,802
- Discontinued operations (Note 13)	83,415	-
Cash and cash equivalents	<u>84,096</u>	<u>77,802</u>

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**E. Notes to the Condensed Interim Consolidated Financial Statements**

**1. Corporate information**

Fabchem China Limited (the “Company”) is incorporated in Singapore with limited liability. The Company is an investment holding company. 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.

The registered office is at 8 Robinson Road #03-00, ASO Building Singapore 048544. The Company is situated in Singapore.

The Company changed its reporting year end from 31 March to 30 June in February 2021. Therefore, the current reporting year is a 3-month period from 1 April 2020 to 30 June 2021 (“15M2021”).

The principal activities of the Group are the manufacturing and sales of commercial explosives products.

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

**2. Basis of Preparation**

The condensed interim consolidated financial statements for the 3-month period from 1 April 2021 to 30 June 2021 (“3M2021”) and 15-month period from 1 April 2020 to 30 June 2021 (“15M2021”) have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated 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 Group’s financial position and performance of the Group since the last interim financial statements for the period ended 31 March 2021.

The condensed interim financial statements are presented in Chinese Renminbi (“RMB”) and comprise the Company and its subsidiaries (together referred to as the “Group”).

The accounting policies adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for the financial year ended 31 March 2020, 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 consolidated financial statements below.

**2.1. New and amended standards adopted by the Group**

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 Group and the Company.

**2.2. Use of judgements and estimates**

In preparing the condensed interim consolidated 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 Group’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 year ended 31 March 2020.

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.



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**E. Notes to the Condensed Interim Consolidated 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 Group based its assumptions and estimates on parameters available when the condensed interim consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

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

As a result of proposed disposal of subsidiaries as disclosed in Note 13 to the condensed interim consolidated financial statements, the Group 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 Group 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 proposed disposal and impairment loss of RMB51.9 million was made accordingly. The carrying amount of the disposal group is disclosed in Note 13 to the condensed interim consolidated financial statements.

(b) Impairment assessment of trade receivables

Trade receivables are subject to the expected credit loss (“ECL”) model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in Note 17 to the condensed interim consolidated financial statements.

**3. Seasonal operations**

The Group’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 Group has three major operating segments classified according to the usage of our products. The three segments are (a) explosive devices such as boosters; (b) industrial fuse and initiating explosive devices such as detonating cords and non-electric tubes and (c) industrial detonators such as non-electric detonators and piston non-electric detonators.

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

**4. Segment and revenue information (Cont'd)**

**Business segments (cont'd)**

**Profit or Loss from Discontinued Operations and Reconciliations**

RMB'000	Explosive devices	Industrial fuse and initiating devices	Industrial detonators	Unallocated	Unallocated	Total
Group	← Discontinued operations →				Continuing operations	
<b>15-month to 30 June 2021</b>						
Revenue by segment	78,145	25,193	41,951	221	-	145,510
Recurring EBITDA <sup>1</sup>	28,158	5,764	7,576	218	-	41,716
Depreciation	(5,418)	-	-	(4,784)	-	(10,202)
Impairment allowance on property, plant and equipment	(46,564)	(938)	(707)	(3,733)	-	(51,942)
ORBIT <sup>2</sup>	(23,824)	4,826	6,869	(8,299)	-	(20,428)
Interest income				298	-	298
Finance costs				(5,935)	(21)	(5,956)
Unallocated corporate expenses				(39,159)	(7,333)	(46,492)
Loss before tax						(72,578)
Income tax benefit				2,125	(300)	1,825
Loss, net of tax						(70,753)

<b>15-month to 30 June 2020</b>						
Revenue by segment	73,500	24,864	57,608	7	-	155,979
Recurring EBITDA <sup>1</sup>	25,656	6,320	10,898	3	-	42,877
Depreciation	(4,384)	-	-	(5,715)	-	(10,099)
Impairment allowance on property, plant and equipment	-	-	(1,644)	-	-	(1,644)
ORBIT <sup>2</sup>	21,272	6,320	9,254	(5,712)	-	31,134
Interest income				336	-	336
Finance costs				(6,746)	(35)	(6,781)
Unallocated corporate expenses				(36,371)	(9,331)	(45,702)
Loss before tax						(21,013)
Income tax expenses				(16,381)	(250)	(16,631)
Loss, net of tax						(37,644)

<sup>1</sup> EBITDA refers to earnings from operations before depreciation, amortization, impairment, interests and income taxes

<sup>2</sup> ORBIT refers to operating result before interests and income taxes and other unallocated items

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

**4. Segment and revenue information (Cont'd)**

**Assets and Reconciliations**

<b>RMB'000</b>	<b>Explosive devices</b>	<b>Industrial fuse and initiating devices</b>	<b>Industrial detonators</b>	<b>Unallocated</b>	<b>Total</b>
<b>Group</b>	← Discontinued Operations →				
<b>30 June 2021</b>					
Total assets for reporting segments				-	-
Unallocated:					
Right-of-use assets				181	181
Trade and other receivables				939	939
Other assets				120	120
Cash and cash equivalents				681	681
Assets of disposal group classified as held-for-sale	37,994	6,370	6,736	211,237	262,337
Total assets per statement of financial position	<u>37,994</u>	<u>6,370</u>	<u>6,736</u>	<u>213,158</u>	<u>264,258</u>

<b>31 March 2020</b>					
Total assets for reporting segments	76,736	3,282	7,305	-	87,323
Unallocated:					
Property, plant & equipment				31,088	31,088
Right-of-use assets				60,281	60,281
Inventories				12,162	12,162
Trade and other receivables				24,273	24,273
Other assets				19,896	19,896
Cash and cash equivalents				76,486	76,486
Total assets per statement of financial position	<u>76,736</u>	<u>3,282</u>	<u>7,305</u>	<u>224,186</u>	<u>311,509</u>

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

**4. Segment and revenue information (Cont'd)**

**Liabilities and Reconciliations**

RMB'000	Explosive devices	Industrial fuse and initiating devices	Industrial detonators	Unallocated	Total
Group	← Discontinued Operations →				
<b>30 June 2021</b>					
Total liabilities for reporting segments				-	-
Unallocated:					
Trade and other payables				2,464	2,464
Loan from a shareholder				1,441	1,441
Lease liabilities				193	193
Liabilities directly associated with disposal group classified as held-for-sale	2,965	2,515	5,616	164,799	175,895
Total liabilities per statement of financial position	2,965	2,515	5,616	168,897	179,993
<b>31 March 2020</b>					
Total liabilities for reporting segments	2,255	1,846	4,266	-	8,367
Unallocated:					
Deferred tax liabilities				2,625	2,625
Trade and other payables				75,721	75,721
Other liabilities				11,438	11,438
Other financial liabilities				58,000	58,000
Lease liabilities				458	458
Total liabilities per statement of financial position	2,255	1,846	4,266	148,242	156,609

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

**4. Segment and revenue information (Cont'd)**

**Other Material Items and Reconciliations**

RMB'000	Explosive devices	Industrial fuse and initiating devices	Industrial detonators	Unallocated	Total
Group	← Discontinued Operations →				
Other non-cash expenses other than depreciation/amortisation					
15 months to 30 June 2021	(46,564)	(938)	(707)	(5,865)	(54,074)
15 months to 30 June 2020	-	-	(1,644)	3,347	1,703
Expenditures for non-current assets:					
15 months to 30 June 2021	7,528	4	9	901	8,442
15 months to 30 June 2020	4,852	20	1,645	590	7,107

**Geographical information**

The following table provides an analysis of the group revenue by geographical market irrespective of the origin of the goods and services and non-current assets by geographical market:-

RMB'000	Revenue	
	15-month period from 1 April 2020 to 30 June 2021	15-month period from 1 April 2019 to 30 June 2020
<b>Discontinued operations</b>		
Within PRC	89,488	101,469
<u>Outside PRC</u>		
Sales through export distributors	11,349	14,748
Australia	39,193	38,027
Others *	5,480	1,735
Subtotal for all foreign countries	56,022	54,510
Total revenue for discontinued operations	<b>145,510</b>	<b>155,979</b>

\* Others include Mongolia, Indonesia

RMB'000	Non-current assets	
	30 June 2021	31 March 2020
Within PRC	-	160,976
Singapore	181	444
	<b>181</b>	<b>161,420</b>

Revenue are attributed to countries on the basis of the customers' location. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

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

**4. Segment and revenue information (Cont'd)**

A breakdown of sales:

	<b>Group</b>		<b>Increase / (Decrease)  %</b>
	<b>Unaudited 15 months ended 30 June 2021 RMB'000</b>	<b>Unaudited 15 months ended 30 June 2020 RMB'000</b>	
Revenue reported for the first 6 months from 1 April to 30 September			
- Discontinued operations	74,455	56,963	30.7%
Operating loss after tax reported for the first 6 months from 1 April to 30 September			
- Continuing operations	(2,819)	(4,734)	(40.5%)
- Discontinued operations	(247)	(2,246)	(89.0%)
	(3,066)	(6,980)	(56.1%)
Revenue reported for the second 6 months from 1 October to 31 March			
- Discontinued operations	58,523	57,963	1.0%
Operating loss after tax reported for the second 6 months from 1 October to 31 March			
- Continuing operations	(2,816)	(3,669)	(23.2%)
- Discontinued operations	(10,693)	(26,674)	(59.9%)
	(13,509)	(30,343)	(55.5%)
Revenue reported for the last 3 months from 1 April to 30 June			
- Discontinued operations	12,532	41,053	(69.5%)
Operating (loss)/profits after tax reported for the last 3 months from 1 April to 30 June			
- Continuing operations	(2,019)	(1,213)	66.4%
- Discontinued operations	(52,159)	892	N.M.
	(54,178)	(321)	N.M.

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

**5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 March 2020:

	Group		Company	
	Unaudited 30 Jun 2021 RMB'000	Audited 31 Mar 2020 RMB'000	Unaudited 30 Jun 2021 RMB'000	Audited 31 Mar 2020 RMB'000
<b>Financial assets</b>				
- Cash and cash equivalents	681	76,486	681	615
- Trade and other receivables	939	24,273	939	1,662
Financial assets at amortised cost	1,620	100,759	1,620	2,277
<b>Financial liabilities</b>				
- Trade and other payables	2,464	84,088	2,464	2,906
- Other financial liabilities	-	58,000	-	-
- Lease liabilities	193	458	193	458
Financial liabilities at amortised cost	2,657	142,546	2,657	3,364

**6. Other gains and (other losses)**

	Group			Group		
	Unaudited 3 months from 1 Apr 2021 to 30 Jun 2021 RMB'000	Unaudited 3 months from 1 Apr 2020 to 30 Jun 2020 RMB'000	Increase/ (Decrease) %	Unaudited 15 months from 1 Apr 2020 to 30 June 2021 RMB'000	Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000	Increase/ (Decrease) %
<b>Other Gains</b>						
<b>- Continuing operations</b>						
Foreign exchange adjustment gains	1	-	N.M.	-	-	-
	1	-	N.M.	-	-	-
<b>- Discontinued operations</b>						
Reversal of allowance for impairment on trade and other receivables	692	322	N.M.	1,939	6,982	(72.2%)
Foreign exchange adjustment gains	-	3	N.M.	-	346	N.M.
Gain on disposal of assets held for sales	-	-	-	-	631	N.M.
Gain on disposal of property, plant and equipment	128	-	N.M.	331	33	N.M.
Government grants	185	1	N.M.	1,108	212	N.M.
Inventories write down reversal	-	-	-	-	139	N.M.
Write back of payables	101	-	N.M.	101	-	N.M.
	1,106	326	N.M.	3,479	8,343	(58.3%)
	1,107	326	N.M.	3,479	8,343	(58.3%)

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

**6. Other gains and (other losses) (Cont'd)**

	Group			Group		
	Unaudited 3 months from 1 Apr 2021 to 30 Jun 2021 RMB'000	Unaudited 3 months from 1 Apr 2020 to 30 Jun 2020 RMB'000	Increase/ (Decrease) %	Unaudited 15 months from 1 Apr 2020 to 30 Jun 2021 RMB'000	Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000	Increase/ (Decrease) %
<b>Other Losses</b>						
<b>- Continuing operations</b>						
Foreign exchange adjustment losses	-	(26)	N.M.	(43)	(29)	(48.3%)
	-	(26)	N.M.	(43)	(29)	(48.3%)
<b>- Discontinued operations</b>						
Foreign exchange adjustment losses	(58)	-	N.M.	(1,057)	-	N.M.
Inventories written-off	(429)	-	N.M.	(429)	(102)	N.M.
Inventories written-down	(688)	-	N.M.	(688)	-	N.M.
Impairment on property, plant and equipment	(51,942)	-	N.M.	(51,942)	(1,644)	N.M.
Property, plant and equipment written-off	13	-	N.M.	(6)	-	N.M.
Allowance for impairment on trade receivables	(3,278)	-	N.M.	(3,278)	(3,829)	(14.4%)
Allowance for impairment on other receivables	-	-	-	-	(378)	N.M.
	(56,382)	-	N.M.	(57,400)	(5,953)	(8.3%)
	(56,382)	(26)	N.M.	(57,443)	(5,982)	(58.3%)

**7. Finance costs**

	Group			Group		
	Unaudited 3 months from 1 Apr 2021 to 30 Jun 2021 RMB'000	Unaudited 3 months from 1 Apr 2020 to 30 Jun 2020 RMB'000	Increase/ (Decrease) %	Unaudited 15 months from 1 Apr 2020 to 30 Jun 2021 RMB'000	Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000	Increase/ (Decrease) %
<b>Finance costs</b>						
<b>- Continuing operations</b>						
Interest on lease liabilities	(3)	(6)	(50.0%)	(21)	(35)	(40.0%)
	(3)	(6)	(50.0%)	(21)	(35)	(40.0%)
<b>- Discontinued operations</b>						
Interest expenses on bank borrowings	(468)	(1,025)	(54.3%)	(4,346)	(5,103)	(14.8%)
Interest expenses on financial liabilities measured at amortised cost	(205)	(346)	(40.8%)	(1,589)	(1,643)	(3.3%)
	(673)	(1,371)	(50.9%)	(5,935)	(6,746)	(12.0%)
Total finance costs	(676)	(1,377)	(50.9%)	(5,956)	(6,781)	(12.2%)



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

**8 Related party transactions**

	<b>Group</b>	
	<b>15 months from 1 Apr 2020 to 30 June 2021 RMB'000</b>	<b>15 months from 1 Apr 2019 to 30 June 2020 RMB'000</b>
<b>Continuing operations</b>		
Advisory fees paid to ultimate controlling party	(258)	(460)
<b>Discontinued operations</b>		
Sales of goods	7,469	-
Repair and maintenance	(30)	-
Security services paid/payable to related parties	(7,517)	(7,750)
Estate management fees paid/payable to related parties	(105)	(110)

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

**9. Income tax expenses**

The Group 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 consolidated statement of profit or loss are:

	<b>Group</b>		<b>Group</b>	
	<b>Unaudited 3 months from 1 Apr 2021 to 30 Jun 2021 RMB'000</b>	<b>Unaudited 3 months from 1 Apr 2020 to 30 Jun 2020 RMB'000</b>	<b>Unaudited 15 months from 1 Apr 2020 to 30 Jun 2021 RMB'000</b>	<b>Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000</b>
<b>Continuing operations</b>				
Current income tax expense	-	-	300	250
Total income tax expenses recognised to profit or loss	-	-	300	250
<b>Discontinued operations</b>				
Deferred income tax (benefit)/expenses	(2,525)	175	(2,125)	16,381
Total income tax (benefit)/expenses	(2,525)	175	(1,825)	16,631

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

**10. Loss per share**

	<b>Group</b>		<b>Group</b>	
	<b>Unaudited 3 months ended 30 Jun 2021</b>	<b>Unaudited 3 months ended 30 Jun 2020</b>	<b>Unaudited 15 months ended 30 Jun 2021</b>	<b>Unaudited 15 months ended 30 Jun 2020</b>
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>
Loss per ordinary share for the year based on net loss attributable to shareholders :				
Based on weighted average number of ordinary shares in issue				
- Continuing operations	(0.04)	(0.03)	(0.16)	(0.20)
- Discontinued operations	(1.12)	0.02	(1.35)	(0.60)
<b>Total</b>	<b>(1.16)</b>	<b>(0.01)</b>	<b>(1.51)</b>	<b>(0.80)</b>
Weighted average number of ordinary shares in issue for basic earnings per share	46,800,000	46,800,000	46,800,000	46,800,000

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

**11. Net Asset Value**

	<b>Group</b>		<b>Company</b>	
	<b>Unaudited 30 June 2021</b>	<b>Audited 31 March 2020</b>	<b>Unaudited 30 June 2021</b>	<b>Audited 31 March 2020</b>
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>
Net asset value per ordinary share based on the issued shares at the end of the financial year	1.80	3.31	1.80	2.38
Number of issued shares use in calculating net asset value	46,800,000	46,800,000	46,800,000	46,800,000

**12. 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

	<b>15 months ended 30 June 2021</b>	<b>12 months ended 31 March 2021 ("FY2020")</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Ordinary	-	-
Preference	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

**13. Discontinued operations and disposal group classified as held-for-sale**

On 19 March 2021, the Company entered into conditional Sales and Purchase Agreement (“SPA”) with Triple Vision Pte Ltd for the disposal of 100.0% equity interest in Shandong Yinguang Technology Co., Ltd and its subsidiaries (“Disposal Group”) for a consideration (“Disposal consideration”) of S\$18.0 million. The disposal is expected to complete within next 12 months and is subject to approval from shareholders during an Extraordinary General Meeting.

As at 30 June 2021, the assets and liabilities relating to disposal group are classified as disposal group held-for-sale and are presented in the condensed interim statements of financial position as “Assets of disposal group classified as held-for-sale” and “Liabilities of disposal group classified as held-for-sale”. The results of operations of disposal group are presented separately in the condensed interim consolidated statement of profit or loss and other comprehensive income as “Loss/(Gain) from discontinued operations, net of tax”.

The assets and liabilities of the disposal group classified as held-for-sale as at 30 June 2021 are as follows:

	<b>RMB'000</b>
<b>Assets of disposal group classified as held-for-sale</b>	
Property, plant and equipment	49,552
Right-of-use assets	57,911
Inventories	36,732
Trade receivables	12,901
Other receivables	1,341
Other assets	20,485
Cash and cash equivalents	83,415
	<u>262,337</u>
<b>Liabilities directly associated with disposal group classified as held-for-sale</b>	
Deferred tax liabilities	500
Trade payables and accruals	60,068
Other payables	23,039
Other payables – Related party’s loan	22,394
Other financial liabilities	57,500
Other liabilities	12,394
	<u>175,895</u>

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

**13. Discontinued operations and disposal group classified as held-for-sale (Cont'd)**

The results of disposal for the current and previous 15 months ended 30 June, which have been included in the condensed interim consolidated financial statements, were as follows:

	<b>Group</b>			
	<b>Unaudited 3 months from 1 Apr 2021 to 30 Jun 2021 RMB'000</b>	<b>Unaudited 3 months from 1 Apr 2020 to 30 Jun 2020 RMB'000</b>	<b>Unaudited 15 months from 1 Apr 2020 to 30 Jun 2021 RMB'000</b>	<b>Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000</b>
Revenue	12,532	41,053	145,510	155,979
Cost of sales	(7,665)	(28,153)	(100,361)	(110,017)
Gross profits	4,867	12,900	45,149	45,962
Interest income	12	60	298	335
Other gains	1,106	326	3,479	8,343
Distribution costs	(4,313)	(4,863)	(22,682)	(20,749)
Administrative expenses	699*	(5,985)	(28,133)	(32,839)
Finance costs	(673)	(1,371)	(5,935)	(6,746)
Other losses	(56,382)	-	(57,400)	(5,953)
Loss before tax	(54,684)	1,067	(65,224)	(11,647)
Income tax benefit / (expenses)	2,525	(175)	2,125	(16,381)
(Loss) / Profit for the year from discontinued operations	(52,159)	892	(63,099)	(28,028)

\* Due to reclassifications and adjustments made during the 3 months ended 30 June 2021.

The cash flows of the discontinued operations for the current and previous 15 months ended 30 June, which have been included in the condensed interim consolidated financial statements, were as follows:

	<b>Unaudited 15 months from 1 Apr 2020 to 30 Jun 2021 RMB'000</b>	<b>Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000</b>
Net cash flows from operating activities	26,165	8,295
Net cash flows used in investing activities	(7,754)	(2,883)
Net cash flows used in financing activities	(4,867)	(5,132)
Total cash flows	13,544	280

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

**14. Property, plant and equipment**

During the 15-month period from 1 April 2020 to 30 June 2021, the Disposal Group acquired property, plant and equipment of approximately RMB 8,442,000 (FY2020: RMB 12,893,000). During the 15-month period from 1 April 2020 to 30 June 2021, the Disposal Group also disposed of property, plant and equipment with net book value of approximately RMB 59,000 (FY2020: RMB 74,000) and written-off property, plant and equipment with net book value of approximately RMB 6,000 (FY2020: RMB 195,000).

Pursuant to the Sales and Purchase Agreement as stated in Note 13 to the condensed interim consolidated financial statements, property, plant and equipment attributable to the disposal group of approximately RMB 49,552,000 have been reclassified to assets of disposal group classified as held-for-sale.

**15. Right-of-use assets**

There are no acquisitions or disposal of right-of-use assets of the Group or Disposal Group during the 15-month period from 1 April 2020 to 30 June 2021.

Pursuant to the Sales and Purchase Agreement as stated in Note 13 to the condensed interim consolidated financial statements, right-of-use assets attributable to the disposal group of approximately RMB 57,911,000 have been reclassified to assets of disposal group classified as held-for-sale.

**16. Investment in subsidiaries**

	<b>Company</b>	
	<b>Unaudited 30 June 2021 RMB'000</b>	<b>Audited 31 March 2020 RMB'000</b>
Unquoted equity shares at cost	113,143	113,143
Impairment loss during the year	(21,812)	-
Foreign currency translation difference	(4,890)	(906)
Reclassified to disposal group held-for-sale	(86,441)	-
	-	112,237

During the 15-month period ended 30 June 2021, an impairment loss of RMB 21.8 million was recognised based on the Disposal Consideration of S\$18.0 million as disclosed under Note 13 to the condensed interim consolidated financial statements.

Pursuant to the Sales and Purchase Agreement as stated in Note 13 to the condensed interim consolidated financial statements, investment in subsidiaries attributable to the disposal group of approximately RMB 86,441,000 have been reclassified to assets of disposal group classified as held-for-sale.

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

**17. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>Unaudited 30 June 2021 RMB'000</b>	<b>Audited 31 March 2020 RMB'000</b>	<b>Unaudited 30 June 2021 RMB'000</b>	<b>Audited 31 March 2020 RMB'000</b>
Trade receivables	-	22,761	-	-
Amount receivable from subsidiary	-	-	-	1,453
Other receivables	939	1,512	939	209
<b>Trade and other receivables</b>	<b>939</b>	<b>24,273</b>	<b>939</b>	<b>1,662</b>

Pursuant to the Sales and Purchase Agreement as stated in Note 13, trade and other receivables attributable to the disposal group of approximately RMB 14,242,000 have been reclassified to assets of disposal group classified as held-for-sale.

**18. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>Unaudited 30 June 2021 RMB'000</b>	<b>Audited 31 March 2020 RMB'000</b>	<b>Unaudited 30 June 2021 RMB'000</b>	<b>Audited 31 March 2020 RMB'000</b>
Trade payables and accruals	1,642	60,270	1,642	2,111
Other payables	822	3,013	822	795
Related party's loan (Note 18A)	-	20,805	-	-
	<b>2,464</b>	<b>84,088</b>	<b>2,464</b>	<b>2,906</b>
Presented in condensed interim statements of financial position:				
Non-current	-	11,560	-	-
Current	2,464	72,528	2,464	2,906
	<b>2,464</b>	<b>84,088</b>	<b>2,464</b>	<b>2,906</b>

Pursuant to the Sales and Purchase Agreement as stated in Note 13 to the condensed interim consolidated financial statements, trade and other payables attributable to the disposal group of approximately RMB 83,107,000 have been reclassified to liabilities directly associated with disposal group classified as held-for-sale.

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

**18. Trade and other payables (Cont'd)**

**18A. Related party's loan**

	Group		Company	
	Unaudited 30 June 2021 RMB'000	Audited 31 March 2020 RMB'000	Unaudited 30 June 2021 RMB'000	Audited 31 March 2020 RMB'000
Movement during the year, at amortised cost				
At beginning of year	20,805	19,508	-	-
Unwinding of discounts	1,589	1,297	-	-
Reclassified to disposal group held-for-sale (Note 13)	(22,394)			
At end of year	-	20,805	-	-
Presented in statements of financial position:				
Non-current	-	11,560	-	-
Current	-	9,245	-	-
	-	20,805	-	-

Related party's loan was obtained in prior years to finance the acquisition of leasehold properties of the Disposal Group. The loan is unsecured, interest-free and repayable in 2021 and 2022. The amount is stated at amortised cost at 6.65% (FY2020: 6.65%) per annum based on estimated current lending rate (level 3). Significant increase or (decrease) in the interest rate in isolation would result in lower or (higher) fair value measurement.

Pursuant to the Sales and Purchase Agreement as stated in Note 13 to the condensed interim consolidated financial statements, related party's loan attributable to the disposal group of approximately RMB 22,394,000 have been reclassified to liabilities directly associated with disposal group classified as held-for-sale.

**19. Other financial liabilities**

	Group		Company	
	Unaudited 30 June 2021 RMB'000	Audited 31 March 2020 RMB'000	Unaudited 30 June 2021 RMB'000	Audited 31 March 2020 RMB'000
Bank borrowings (Note 19A)	-	58,000	-	-
Loan from a shareholder (Note 19B)	1,441	-	1,441	-
	1,441	58,000	1,441	-

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

**19. Other financial liabilities (Cont'd)**

**19A. Bank borrowings**

**Amount repayable in one year or less, or on demand**

**(RMB'000)**

<b>30 June 2021</b>		<b>31 March 2020</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
-	-	58,000	-

**Amount repayable after one year**

**(RMB'000)**

<b>30 June 2021</b>		<b>31 March 2020</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
-	-	-	-

Pursuant to the Sales and Purchase Agreement as stated in Note 13 to the condensed interim consolidated financial statements, other financial liabilities attributable to the disposal group of approximately RMB 57.5 million have been reclassified to liabilities directly associated with disposal group classified as held-for-sale.

The bank borrowings of the Disposal Group are secured on the leasehold properties and land use rights of the Disposal Group with net book value of approximately RMB 25.4 million (FY2020: RMB 68.1 million). The secured short-term loans as at 30 June 2021 bear an interest rate of 4.80% per annum.

**19B. Loan from a shareholder**

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 Proposed 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.



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

**20. Share capital**

	<b>Group and Company</b>		
	<b>Number of shares issued</b>	<b>Share capital S\$</b>	<b>Issued share capital RMB equivalent</b>

Ordinary shares of no par value:

Balance at beginning of the year and end of reporting year 2020 and 2021

46,800,000	23,458,985	116,848,607
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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

The Company has no shares that may be issued on conversion of outstanding convertibles as at the end of the current financial year reported on, i.e 30 June 2021 and as at the end of the previous period of the immediately preceding financial year, i.e. 31 March 2020.

The Company has neither treasury shares nor subsidiary holdings as at the end of the current financial year reported on, i.e. 30 June 2021 and as at the end of the previous period of the immediately preceding financial year, i.e. 31 March 2020.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 March 2020.

**21. Subsequent events**

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

# **Other Information Required by Listing Rule Appendix 7.2**

**Fabchem China Limited and its subsidiaries**  
**Other Information Required by Listing Rule Appendix 7.2**

**Other information**

**1. Review**

The condensed consolidated statements of financial position of Fabchem China Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the 3-month financial period ended 30 June 2021 and 15-month financial period ended 30 June 2021 and explanatory notes have not been audited or reviewed by the Company's auditors.

**2. Review of performance of the Group (including results of the discontinued group as disclosed under Note 13 to the condensed consolidated financial statements)**

**Revenue from discontinued operations**

Our products can be categorised mainly into (a) explosive devices such as boosters; (b) industrial fuse and initiating explosive devices such as detonating cords and non-electric tubes; (c) industrial detonators such as non-electric detonators and piston non-electric detonators. The breakdown of our revenue by the above-mentioned product types and geographical segments during the 3-month period from 1 April 2021 to 30 June 2021 ("3M2021") and 3-month period from 1 April 2020 to 30 June 2020 ("3M2020") and for the 15-month period from 1 April 2020 to 30 June 2021 ("15M2021") and 15-month period from 1 April 2019 to 30 June 2020 ("15M2020") are as follows:

<b><u>Discontinued operations</u></b>	<b>3M2021</b>		<b>3M2020</b>		<b>% change</b>
	<b>RMB'000</b>	<b>%</b>	<b>RMB'000</b>	<b>%</b>	
<b><u>Business Segments</u></b>					
Explosives devices	5,436	43.4%	21,827	53.2%	(75.1%)
Industrial fuse and initiating explosive devices	4,190	33.4%	6,042	14.7%	(30.7%)
Industrial detonators	2,703	21.6%	13,181	32.1%	(79.5%)
Others <sup>(1)</sup>	203	1.6%	3	-	N.M.
<b>Total revenue</b>	<b>12,532</b>	<b>100.0%</b>	<b>41,053</b>	<b>100.0%</b>	<b>(69.5%)</b>
<b><u>Geographic Segments</u></b>					
Within PRC	12,532	100.0%	22,329	54.4%	(43.9%)
<b><u>Outside PRC</u></b>					
Sales through export distributors <sup>(2)</sup>	-	-	11,349	27.6%	N.M.
Australia	-	-	7,375	18.0%	N.M.
Other countries	-	-	-	-	-
	-	-	18,724	45.6%	N.M.
<b>Total revenue</b>	<b>12,532</b>	<b>100.0%</b>	<b>41,053</b>	<b>100.0%</b>	<b>(69.5%)</b>
<b><u>Discontinued operations</u></b>					
<b><u>Business Segments</u></b>					
Explosives devices	78,145	53.7%	73,500	47.1%	6.3%
Industrial fuse and initiating explosive devices	25,193	17.3%	24,864	16.0%	1.3%
Industrial detonators	41,951	28.8%	57,608	36.9%	(27.2%)
Others <sup>(1)</sup>	221	0.2%	7	-	N.M.
<b>Total revenue</b>	<b>145,510</b>	<b>100.0%</b>	<b>155,979</b>	<b>100.0%</b>	<b>(6.7%)</b>
<b><u>Geographic Segments</u></b>					
Within PRC	89,488	61.5%	101,469	65.0%	(11.8%)
<b><u>Outside PRC</u></b>					
Sales through export distributors <sup>(2)</sup>	11,349	7.8%	14,748	9.5%	(23.0%)
Australia	39,193	26.9%	38,027	24.4%	3.1%
Others	5,480	3.8%	1,735	1.1%	N.M.
	56,022	38.5%	54,510	35.0%	2.8%
<b>Total revenue</b>	<b>145,510</b>	<b>100.0%</b>	<b>155,979</b>	<b>100.0%</b>	<b>(6.7%)</b>

Notes :

(1) Others include sales of raw materials and packaging materials.

(2) These were sales to export distributors in the PRC in which they export the products to their customers overseas.

## **Fabchem China Limited and its subsidiaries**

### **Other Information Required by Listing Rule Appendix 7.2**

#### **Other information**

#### **2. Review of performance of the Group (including results of the discontinued group as disclosed under Note 13 to the condensed consolidated financial statements) (cont'd)**

##### **Revenue from discontinued operations (cont'd)**

During 15M2021, revenue decreased slightly by approximately RMB 10.5 million or 6.7% to RMB 145.5 million from RMB 156.0 million registered during the 15M2020. The decrease in revenue for 15M2021 was mainly attributed to temporary additional safety directives issued by Chinese authorities due to an unrelated explosion incident at a gold mine located at Yantai, Shandong Province. As a result, the Group's production was affected and our sales to Yantai was halted as well during 3M2021.

As such, revenue during 3M2021 deteriorated by approximately RMB 28.5 million or 69.5% to RMB 12.5 million from RMB 41.1 million during 3M2020.

##### **a) Sales within PRC**

During 15M2021, sales within PRC decreased by approximately RMB 12.0 million or 11.8%. The decrease in PRC sales were mainly attributed to lower PRC sales of industrial detonators by approximately RMB 14.6 million or 26.8%, partially offset by the slight increase in PRC sales of explosives devices of approximately RMB 2.1 million or 9.4%.

Revenue from explosives devices increased mainly attributed to the higher production and sales of boosters as the supply of explosives raw materials gradually stabilised during the current financial period under review.

##### **b) Sales to Australia, Sales to other countries and Sales through export distributors**

During 15M2021, sales to Australia and other countries increased by approximately RMB 1.2 million or 3.1% and RMB 3.7 million or 215.9%, respectively. However, sales through export distributors decreased by approximately RMB 3.4 million or 23.0%.

Overall, export sales increased by approximately RMB 1.5 million or 2.8%. The increase in overall export sales was mainly attributed to the higher production and sales of boosters as the supply of explosives raw materials gradually stabilised during the current financial period under review.

During 3M2021, there was no export sales to Australia, other countries and sales through export distributors partially due to the production restrictions from the unrelated explosion incident at Yantai, and the shipment delivery schedule arranged with the overseas customers.

All domestic PRC sales contracts and export applications sought by export agents have been approved by the Ministry of Industry and Information Technology, Department of Work Safety ("MIIT").

##### **Gross profit margin from discontinued operations**

During 15M2021, the Group's gross profit margin from discontinued operations improved marginally by approximately 1.5 percentage points, from 29.5% during 15M2020 to 31.0% in 15M2021. The marginal increase in gross profit margin was mainly due to the improvement in production and sales of boosters.

##### **Interest income from discontinued operations**

During 15M2021, interest income from discontinued operations decreased by approximately RMB 37,000 or 11.0% mainly due to average lower bank deposits during the current 15-month period. Interest income from discontinued operations for 3M2021 was lower by approximately RMB 48,000 or 80.0% as compared to 3M2020 due to over-accrual during earlier periods.

##### **Finance costs**

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

## **Fabchem China Limited and its subsidiaries**

### **Other Information Required by Listing Rule Appendix 7.2**

#### **Other information**

#### **2. Review of performance of the Group (including results of the discontinued group as disclosed under Note 13 to the condensed consolidated financial statements) (cont'd)**

##### **Finance costs (cont'd)**

Finance costs from discontinued operations comprised loan interest from bank borrowings and interest expenses on financial liabilities measured at amortised cost. During 15M2021, finance costs from discontinued operations decreased by approximately RMB 0.8 million or 12.0% during 15M2021 mainly due to decreased in loan interest from bank borrowings by approximately RMB 0.8 million or 14.8% due to average lower bank borrowings during the current period under review. Finance costs from discontinued operations for 3M2021 decreased by approximately RMB 0.7 million or 50.9% mainly due to over-accrual of loan interest during earlier periods.

##### **Other gains / (Other losses) from continuing operations**

Other gains and other losses from continuing operations relate to foreign exchange adjustment gains or losses during the respective periods.

##### **Other gains from discontinued operations**

For 3M2021, other gains from discontinued operations relate to reversal of allowance for impairment on trade and other receivables of approximately RMB 0.7 million, gain on disposal of property, plant and equipment of approximately RMB 128,000, government grants of approximately RMB 158,000 and write back of payables of approximately RMB 101,000.

For 15M2021, other gains relate to reversal of allowance for impairment on trade and other receivables of approximately RMB 1.9 million, gain on disposal of property, plant and equipment of approximately RMB 331,000, government grants of approximately RMB 1.1 million and write back of payables of approximately RMB 101,000.

Foreign exchange adjustment gain/(losses) arose mainly from foreign exchange rate fluctuation among Renminbi (RMB), United States Dollar (US\$) and Singapore Dollars (S\$). Government grants relate to ad hoc government grants for various purposes including safety awareness.

##### **Other losses from discontinued operations**

For 3M2021, other losses relate to foreign exchange adjustment losses of RMB 58,000, inventories written-off of approximately RMB 429,000, inventories written-down of approximately RMB 688,000, impairment on property, plant and equipment of approximately RMB 51.9 million, adjustment to property, plant and equipment written-off of approximately RMB 13,000 and allowance for impairment on trade receivables of approximately RMB 3.3 million.

For 15M2021, other losses relate to foreign exchange adjustment losses of approximately RMB 1.1 million, inventories written-off of approximately RMB 429,000, inventories written-down of approximately RMB 688,000, impairment on property, plant and equipment of approximately RMB 51.9 million, property, plant and equipment written-off of approximately RMB 6,000 and allowance for impairment on trade receivables of approximately RMB 3.3 million.

Allowances for impairment on trade receivables were based on a forward-looking expected credit loss ("ECL") model in accordance to the new SFRS(I) 9 which come into effect from 1 April 2018 and also based on the management's assessment on the Group's individual trade receivables as at the end of the financial year under review, in accordance to Singapore Financial Reporting Standards (International).

A review on the property, plant and equipment was carried out as of 31 December and 30 June and items of obsolescence were written-off, disposed-off or impaired according to their respective conditions. Gain or loss on disposal of property, plant & equipment relates to the disposal of certain plant and equipment that were no longer in use. Gain on disposal of assets held for sales relate to assets held for sales as at 31 March 2019 being disposed of during 15M2020.

Given that SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* requires an entity to measure disposal group classified as held for sale at lower of carrying amount and fair value less costs to sell, the Company had based on the offer price of S\$18.0 million made an impairment allowance of RMB 51.9 million on the carrying value of the Disposal Group's property, plant and equipment.

**Fabchem China Limited and its subsidiaries**  
**Other Information Required by Listing Rule Appendix 7.2**

**Other information**

**2. Review of performance of the Group (including results of the discontinued group as disclosed under Note 13 to the condensed consolidated financial statements) (cont'd)**

**Administrative expenses from continuing operations**

Administrative expenses for continuing operations relate to expenses for the Company's corporate office in Singapore. The administrative expenses for 3M2021 increased by RMB 836,000 or 70.8% mainly due to higher professional expenses for corporate actions compared to 3M2020. The administrative expenses for 15M2021 decreased by approximately RMB 2.0 million or 21.6% mainly due to lower salaries costs, lower accrual for directors' fees and no traveling expenses during 15M2021, partially offset by higher professional expenses for corporate actions.

**Distribution and administrative expenses from discontinued operations**

	Unaudited 3 months from 1 Apr 2021 to 30 Jun 2021 RMB'000	Unaudited 3 months from 1 Apr 2020 to 30 Jun 2020 RMB'000	Increase/ (Decrease)  %	Unaudited 15 months from 1 Apr 2020 to 30 June 2021 RMB'000	Unaudited 15 months from 1 Apr 2019 to 30 Jun 2020 RMB'000	Increase/ (Decrease)  %
<b>Other significant items</b>						
Depreciation of property, plant & equipment	(1,766)	(1,113)	58.7%	(8,022)	(6,889)	16.4%
Depreciation of right-of-use asset	429	(601)	N.M.	(2,180)	(3,210)	(32.1%)

In line with decrease in revenue, distribution costs for 3M2021 decreased by approximately RMB 0.6 million or 11.3% from 3M2020's RMB 4.9 million to 3M2021's RMB 4.3 million. For 15M2021, distribution costs increased by RMB 1.9 million or 9.3% mainly due to higher port charges due to higher overseas sales and higher local PRC sales tax and allowances.

For 3M2021, credit to administrative expenses mainly due to adjustments and reclassifications of certain expenses during 3M2021. For 15M2021, administrative expenses decreased by approximately RMB 4.7 million or 14.3% as compared to 15M2020 due mainly to lower research and development expenses incurred during the current period under review.

For 3M2021 and 15M2021, depreciation of property, plant & equipment increased by approximately RMB 0.7 million or 58.7% and RMB 1.1 million or 16.4% mainly due to addition to property, plant and equipment.

For 3M2021, over-provision adjustment of approximately RMB 1.1 million was made to the depreciation of rights-of-use assets. Hence, depreciation of right-of use assets also decreased by approximately RMB 1.0 million or 32.1% for 15M2021.

**Income tax expenses from continuing operations**

Income tax expenses for continuing operations relate to withholding tax paid in China for dividend declared and remitted to Singapore holding company.

**Income tax expenses from discontinued operations**

During 15M2020, the income tax expenses of RMB 16.4 million relates mainly to the reversal of deferred tax assets during the last financial year. The income tax assets of RMB 2.1 million for 15M2021 relates to the reversal of deferred tax liabilities relating to the provision of withholding tax for undistributed profits of the subsidiary to the Group.

**Fabchem China Limited and its subsidiaries**  
**Other Information Required by Listing Rule Appendix 7.2**

**Other information**

**2. Review of performance of the Group (including results of the discontinued group as disclosed under Note 13 to the condensed consolidated financial statements) (cont'd)**

**Statement of Financial Position**

The assets and liabilities of Yinguang Technology and its subsidiaries have been classified as Assets and Liabilities of disposal group classified as held-for-sale (Note 13 to the condensed interim consolidated financial statements) on the condensed interim consolidated statements of financial position in accordance with FRS 105 *Non-Current Assets Held For Sale And Discontinued Operations*. **For this section's comparison and discussion purpose, we will reinstate the assets and liabilities as follows:**

	<b>Disposal group reported in Note 13</b>	<b>Per Statement of financial position</b>	<b>For discussion 30 June 2021</b>	<b>Audited 31 March 2020</b>
Property, plant and equipment	49,552	-	49,552	101,139
Right-of-use assets	57,911	181	58,092	60,281
Inventories	36,732	-	36,732	29,434
Trade receivables	12,901	-	12,901	22,761
Other receivables	1,341	939	2,280	1,512
Other assets, current	20,485	120	20,605	19,896
Cash and cash equivalents	83,415	681	84,096	76,486
Deferred tax liabilities	500	-	500	2,625
Trade payables and accruals	60,068	1,642	61,710	60,270
Other payables	23,039	822	23,861	3,013
Other payables – Related party's loan, current	22,394	-	22,394	9,245
Other payables – Related party's loan, non-current	-	-	-	11,560
Other financial liabilities, current	57,500	-	57,500	58,000
Other liabilities	12,394	-	12,394	11,438

Property, plant and equipment decreased by approximately RMB 51.6 million, mainly due to recognition of impairment loss during the 15 months financial period of approximately RMB 51.9 million, partially offset by the acquisition of property, plant and equipment during the current period under review.

Right-of-use assets was recognised for land use rights and 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 RMB 2.2 million.

Inventories increased by approximately RMB 7.3 million or 24.8% to RMB 36.7 million as at 30 June 2021, as compared to RMB 29.4 million as at 31 March 2020. The increase in inventories was mainly due to an increment in raw materials and finished goods. Higher raw materials and finished goods level are mainly due to anticipated higher production and shipment schedules subsequent to 30 June 2021.

During the current period under review, trade receivables decreased by approximately RMB 9.9 million or 43.3% to RMB 12.9 million as at 30 June 2021. The decreased was mainly due to recovery of trade receivables and the allowance for impairment of trade receivables during the current period under review.

During the current period under review, other receivables increased by approximately RMB 768,000 or 50.8% due mainly to recoverable of professional fees pertaining to the corporate exercises in accordance to the respective arrangement.

Other assets, current comprising the Group's prepayments, increased marginally by approximately RMB 0.7 million or 3.6% to RMB 20.6 million as at 30 June 2021.

## **Fabchem China Limited and its subsidiaries**

### **Other Information Required by Listing Rule Appendix 7.2**

#### **Other information**

##### **2. Review of performance of the Group (cont'd)**

###### **Statement of Financial Position (cont'd)**

Trade payables and accruals increased marginally by approximately RMB 1.4 million or 2.4%. Other payables increased by approximately RMB 20.8 million or 691.9% mainly due to a RMB 18.0 million to be returned back to shareholders of Shandong Laizhou Ping'an Commercial Explosives Co., Ltd. ("Laizhou Ping'an"). The consideration of RMB 18.0 million was received by Yinguang Technology from Laizhou Ping'an during 15M2021 and as the Company had announced the termination of the proposed acquisition of Laizhou Ping'an on 15 March 2021, hence Yinguang Technology will be liable to return any sums received from Laizhou Ping'an.

As at 30 June 2021, other current financial liabilities of RMB 57.5 million relates to the secured bank loans of Yinguang Technology.

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.

As at 30 June 2021, other liabilities of RMB 12.4 million relate to the Group's provision for safety expenses and advances from customers. Other liabilities increased marginally by RMB 1.0 million or 8.4%.

Deferred tax liabilities of RMB 0.5 million relate to the deferred tax liabilities for the withholding tax on the dividend payable by our subsidiary in China.

Related party's loan relates to the payable at amortised cost for the purchase of office building from a related party which was approved during the Extraordinary General Meeting on 31 July 2017. The increase in the aggregate related party's loan is due to the imputed interest expenses on financial liabilities measured at amortised cost. The full amount will be due within 12 months as at 30 June 2021 and was classified as current liabilities.

###### **Cash flow**

For the 15-month period ended 30 June 2021, the Group recorded net cash from operating activities of approximately RMB 19.0 million, net cash used in investing activities of approximately RMB 7.8 million and net cash used in financing activities of approximately RMB 3.7 million.

The net cash from operating activities is mainly due to the Group's improvement in trade receivables recoverability and increase in trade and other payables, partially offset by the cash utilised to store higher inventories as at 30 June 2021.

The net cash used in investing activities of RMB 7.8 million is mainly due to the purchase of property, plant and equipment of RMB 8.4 million, partially offset by the proceeds from disposal of assets held for sale and property, plant and equipment and interest received during the current financial period under review.

The net cash used in financing activities of approximately RMB 3.7 million was mainly due to the payment of interest expenses of approximately RMB 4.3 million, partially offset by the proceeds from a shareholder of approximately RMB 1.4 million.

##### **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 year results for the 15-months period ended 30 June 2021 are in line with the Company's commentaries as disclosed under paragraph 10 for the 12-month period ended 31 March 2021's results announcement on 14 May 2021.



## Fabchem China Limited and its subsidiaries

### Other Information Required by Listing Rule Appendix 7.2

#### Other information

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 Disposal, Proposed Capital Reduction, Proposed Acquisition and Proposed Transfer to Catalist

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, 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 (“**Proposed Disposal**”).

Subsequent to the Proposed 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.

Upon the completion of the Proposed Disposal, the Company will cease to have any operating business and will be deemed as a cash company under Rule 1018 of the Listing Manual of the SGX-ST (“**Listing Rules**”). The Company will comply with the requirements of Rule 1018 for a cash company.

The Proposed Disposal is an interested person transaction under Chapter 9 of the Listing Rules and the Proposed Disposal and Proposed Capital Reduction are subject to, *inter alia*, approval of Shareholders at an extraordinary general meeting of the Company (“**EGM**”). The Company will convene the EGM for the Proposed Disposal and Proposed Capital Reduction, and issue a circular to Shareholders with the notice of EGM in due course.

Please refer to the Company’s announcement on 19 March 2021 for more information on the Proposed Disposal and Proposed Capital Reduction.

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.

## Fabchem China Limited and its subsidiaries

### Other Information Required by Listing Rule Appendix 7.2

#### Other information

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. (cont'd)**

*Proposed Disposal, Proposed Capital Reduction, Proposed Acquisition and Proposed Transfer to Catalist (cont'd)*

Pursuant to the terms of the Disposal Agreement, the Company had appointed AVA Associates Limited as the independent valuer for the Proposed Disposal. On 3 June 2021, Singapore Exchange Regulation (“**SGX Regco**”) issued a Notice of Compliance (“**Notice**”) requesting the Company to appoint another valuer of international standing and repute to report on the valuation of the Proposed Disposal. On 24 June 2021, the Company, with the approval of SGX RegCo, announced the appointment of Duff & Phelps Singapore Pte Ltd (“**Duff & Phelps**”) to act as another valuer to report on the valuation of the Proposed Disposal. The Company and the Vendors had also mutually agreed to temporarily suspend all due diligence and preparatory activities for the Proposed Acquisition. Please refer to the respective Company’s announcements on 4 June 2021, 9 June 2021 and 24 June 2021 for more information.

On 12 August 2021, the Company announced that the Company and Triple Vision had mutually agreed in writing to extend (a) the Long-Stop Date for Completion of the Proposed Disposal from 31 August 2021 to 30 November 2021, and (b) the Maturity Date under the Loan Agreement between the Company and Triple Vision announced by the Company on 23 February 2021, to the earlier of 30 November 2021 or the Completion Date of the Proposed Disposal. Please refer to the Company’s announcement on 23 February 2021 for more information on the Loan Agreement.

On 20 August 2021, the Company announced that AVA Associates Limited and Duff & Phelps had completed their valuation of Yinguang Technology as at 31 March 2021 and the Company had re-submitted the draft circular for the Proposed Disposal to SGX RegCo for review and clearance. The Company had also resumed its due diligence and preparatory activities for 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 Disposal, Proposed Capital Reduction, Proposed Acquisition and Proposed Transfer to Catalist will proceed to completion, as the respective completion thereof are subject to, *inter alia*, the fulfilment of all the conditions precedent in the respective agreements and receipt of the relevant approvals. Shareholders and potential investors of the Company are advised to read the Company’s announcements on 19 March 2021 and 22 April 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.

#### 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 is making losses.

**Fabchem China Limited and its subsidiaries**  
**Other Information Required by Listing Rule Appendix 7.2**

**Other information**

**6. Interested Person Transaction**

		Aggregate value of all interested person transaction (excluding transactions less than \$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
		15M2021	12M2020	15M2021	12M2020
Name of interested person	Nature	RMB'000	RMB'000	RMB'000	RMB'000
Shandong Yinguang Security Services Co., Ltd <sup>(1)</sup>	Provision of security services	—	—	10,000	6,200
Shandong Laizhou Ping'an Commercial Explosives Co., Ltd <sup>(2)</sup>	Sales of commercial explosives	—	—	7,469	—

Footnotes:

<sup>(1)</sup> The relevant general mandate was approved at the Extraordinary General Meeting held on 31 July 2017 and was updated and approved at the Annual General Meeting held on 28 September 2020. RMB 10.0 million for 12M2021 consists of two contracts signed for an aggregate 20-month period from 1 May 2020 to 31 December 2021, whereas the 12M2020's RMB 6.2 million consists of one contract signed for the 12-month period from 1 May 2019 to 30 April 2020. This is to coincide the contract period with China fiscal year.

<sup>(2)</sup> The relevant general mandate was approved at the Extraordinary General Meeting on 31 July 2017 and was updated and approved at the Annual General Meeting held on 28 September 2020.

**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. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.**

**Business segments**

During 15M2021, revenue from our explosive devices increased by RMB 4.6 million or 6.3% mainly due to the higher production and sales of boosters as the supply of explosives raw materials gradually stabilised. Revenue from industrial fuse and initiating explosive devices increased marginally by RMB 0.3 million or 1.3%. Revenue from Industrial detonators decreased by approximately RMB 15.7 million or 27.2% as some of our customers started to switch to the use of digital electronic detonators as directed by the Chinese industry regulators as announced earlier.

**Fabchem China Limited and its subsidiaries**  
**Other Information Required by Listing Rule Appendix 7.2**

**Other information**

8. **In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments. (cont'd)**

**Geographical segments**

PRC sales deteriorated by approximately RMB 12.0 million or 11.8% while overseas sales increased by approximately RMB 1.5 million or 2.8% during 15M2021. PRC sales deteriorated mainly due to lower revenue from industrial detonators. Overseas sales improved mainly due to the improvement in sales of explosives devices, in particular boosters, which is the main product for export. PRC and export revenue represent approximately 61.5% (15M2020: 65.0%) and 38.5% (15M2020: 35.0%) of the total revenue for 15M2021.

Please refer to section 2 for more discussions on the geographical segments.

9. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Sun Qiang	49	Son of Sun Bowen, a Non-Executive Non-Independent Director	Current Position: Sales and Marketing Manager. Duties: Responsible for the sales and marketing function of the Group. Year position first held: 2003	No changes in duties and position during the year.

10. **Additional Information Required On Acquisitions and Realisations Pursuant to Rule 706A**

On 29 January 2021, the Company announced that our wholly-owned subsidiary, Shandong Yinguang Technology Co., Ltd had invested in a newly incorporated company, Shandong Longdao Baopo Qicai Gufen Co., Ltd (山东省龙道爆破器材股份有限公司). For more information, please refer to the Company's announcement on 29 January 2021.

Other than the above, the Company did not acquire or dispose of any shares during the 15 months ended 30 June 2021 which would result in any company becoming or ceasing to be a subsidiary or associated company of the Company, or increase or reduce the Company's shareholding percentage in any subsidiary or associated company.

**BY ORDER OF THE BOARD**

**BAO HONGWEI**  
**MANAGING DIRECTOR**

**SUN BOWEN**  
**NON-EXECUTIVE DIRECTOR**

**27 AUGUST 2021**