

FABCHEM CHINA LIMITED

Company Registration No. 200413128G
(Incorporated in the Republic of Singapore)

EXTENSION OF TIME TO SATISFY THE REQUIREMENTS UNDER RULE 1315 OF THE LISTING RULES FOR REMOVAL FROM WATCH-LIST

Background

1. The board of directors ("**Board**" or "**Directors**") of Fabchem China Limited ("**Company**") refers to its announcements of 5 December 2018, 22 April 2021, 9 June 2021, 20 August 2021 and 5 November 2021 ("**Announcements**") and the Company's circular to shareholders of 22 October 2021 ("**Circular**"). *Unless otherwise defined herein or the context otherwise lends itself, all capitalised terms and references shall bear the same meanings as defined in the Announcements and Circular.*
2. The Company is currently listed on the Mainboard and has been placed on the Watch-List since 5 December 2018. Pursuant to Rule 1315 of the Listing Rules, if an issuer fails to meet the requirements under Rule 1314 and submit an application pursuant to Rule 1314 within 36 months of the date on which it was placed on the Watch-List ("**Exit Criteria**"), the SGX-ST, may remove the issuer from the Official List, or suspend trading of the listed securities of the issuer (without the agreement of the issuer) with a view to removing the issuer from the Official List. Accordingly, the Company has until 4 December 2021 ("**Review Deadline**") to satisfy the requirements under Rule 1314.
3. As announced on 22 April 2021, the Company has entered into the Agreement with the Vendors for the Proposed Acquisition of the Target, ie. Lincotrade & Associates Pte. Ltd., which would amount to a reverse take-over of the Company ("**Proposed RTO**").
4. In connection with the Proposed RTO, the Company will also be seeking the approval of the Shareholders for the Proposed RTO and Proposed Transfer to Catalyst. Upon completion of the Proposed RTO and the Proposed Transfer to Catalyst, the Shares will be listed and quoted on Catalyst.
5. Accordingly, the Company had on 19 November 2021 submitted an application to the SGX-ST seeking an extension of time of up to 4 June 2022 (being an extension of six (6) months from the current deadline of 4 December 2021) for the Company to satisfy the Exit Criteria and comply with Rule 1314.

Extension of Time Granted by SGX-ST

6. The Company is pleased to announce that the SGX-ST has informed the Company on 24 November 2021 that it has no objections to granting an extension of time of five (5) months to 4 May 2022 ("**Waiver**"), subject to the following conditions:
 - (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver including the reasons noted by SGX-ST, the conditions as required under Rule 107 of the Listing Rules and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
 - (b) The submission of the pre-consultation with SGX-ST no later than 15 December 2021;
 - (c) The submission of the Proposed RTO application for approval from SGX-ST no later than 31 January 2022;
 - (d) The Company convening the EGM by 31 March 2022 to seek the approval of the Shareholders for the Proposed Acquisition and Proposed Transfer to Catalyst; and
 - (e) Completion of the Proposed RTO by 15 April 2022.

The Waiver will not be effective if any of the conditions have not been fulfilled.

7. With the disclosures in this announcement, the Company will have complied with the Waiver condition in paragraph 6(a) above on the date of this announcement. The Company will make update announcements when the other conditions have all been met.

Reasons applying for Extension of Time

8. The Company sought the extension of time to meet the Exit Criteria for the following reasons:
- (a) As announced by the Company on 5 November 2021, the Disposal has been completed on 4 November 2021 through the transfer of the Company's shares in Yinguang Technology to Triple Vision on 4 November 2021 and the Company's receipt of the Net Disposal Proceeds from Triple Vision on 18 October 2021. Completion of the Proposed Capital Reduction is subject to no application having been made for the cancellation of the Shareholders' resolution approving the Proposed Capital Reduction by any creditor of the Company during the period of 6 weeks beginning with the date of the resolution, and, if such application was made, the withdrawal of such application or dismissal thereof by the High Court of Singapore, as set out in Section 10.8(g) of the Circular in accordance with the requirements of section 78E(2)(b) of the Act. This 6-week period lapses on 25 November 2021, whereupon the Company will proceed to complete the cash distribution to the Shareholders under the Proposed Capital Reduction if there are no creditor objections filed in the High Court of Singapore. Under the terms of the Agreement, completion of the Proposed Acquisition and Proposed Transfer to Catalist are subject to, *inter alia*, completion of the Proposed Capital Reduction;
 - (b) The Company believes that the Proposed Acquisition is in the best interests of the Shareholders for the reason set out in the Company's announcement of 22 April 2022, which include the following:
 - (i.) Upon the completion of the Disposal, the Company has ceased to have any operating business and is a cash company under Rule 1018(1) of the Listing Rules. Under Rule 1018(2) of the Listing Rules, the SGX-ST will proceed to delist the Company if it is unable to meet the requirements for a new listing within 12 months (with a maximum extension of another 6 months with the approval of the SGX-ST) from the date it becomes a cash company;
 - (ii.) The Proposed Acquisition presents an opportunity for the Company to acquire a new operating business to meet the SGX-ST's requirements of a new listing on Catalist, allowing the Company to maintain its listing status on the SGX-ST;
 - (iii.) Successful completion of the Proposed Acquisition will allow the Company to exit the Watch-List; and
 - (iv.) The Proposed Acquisition has the potential to increase the market capitalisation and widen the investor base of the Company, thereby enabling the Company to attract more analyst coverage and increase investors' interest in the Shares.
 - (c) On 9 June 2021, the Company announced that it had decided to temporarily suspend the due diligence and preparatory activities in connection with the Proposed Acquisition until the Company has complied with the Notice of Compliance issued by the SGX-ST on 3 June 2021 for the Company to appoint another valuer to report on the valuation for the Disposal. This resulted in a more than two months delay of the timeline as due diligence and preparatory activities only resumed in late August as announced by the Company on 20 August 2021.
 - (d) Covid-19 restrictions in particular the reversion of safe management measures for both the Phase 2 (Heightened Alert) from 22 July 2021 to 18 August 2021 and the Stabilisation Phase from 27 September 2021 resulted in movement restrictions which had a significant negative impact on the on-site headcount at the Target's premises, the speed at which the Target's personnel was able to provide requested documents and professionals' ability to carry out the due diligence work, including onsite fieldwork for the Target's internal audit and financial audit.

Further Information

9. The Company will make further announcements in relation to the Proposed Acquisition, Proposed RTO and Proposed Transfer to Catalist at the relevant time, as and when there are material developments.

Trading Caution

10. 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 the Proposed Acquisition, Proposed RTO and Proposed Transfer to Catalist are subject to the satisfaction of the Conditions Precedent in the Agreement between the Company and the Vendors and there is no certainty or assurance, as at the date of this announcement, as whether they may proceed to completion. 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

Wee Phui Gam
Acting Chairman and Lead Independent Director
Fabchem China Limited
26 November 2021