

# FABCHEM CHINA LIMITED

## MISCELLANEOUS ANNOUNCEMENT

The Board of Directors ("the Board") of Fabchem China Limited ("the Company") refers to our announcements dated 20 June 2006 and 28 June 2006 that the Controlling Shareholders<sup>1</sup> of the Company were in preliminary discussions with two parties in connection with the potential acquisition of shares in the capital of the Company.

The Board has further on 5 July 2006 announced that the Controlling Shareholders had granted an exclusive and standstill period with one of the parties on 3 July 2006 with regards to the preliminary discussion on the potential acquisition of shares in the capital of the Company ("Preliminary Exclusive Discussion").

The Company wishes to clarify with the Shareholders that while the Preliminary Exclusive Discussion and standstill period are on going, the Controlling Shareholders have suspended preliminary talks with the other party on 3 July 2006 for the duration of the exclusive and standstill period. However, no agreement has been reached to-date from the Preliminary Exclusive Discussion and there is no certainty that any proposal, offer or transaction will result from the Preliminary Exclusive Discussion.

The Company will make an appropriate announcement at the relevant time should circumstances merit such an announcement. In the meantime, the Board of Directors wishes to make this announcement to avoid the establishment of a false market in the Company's shares. Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests.

As set out in our Prospectus dated 5 April 2006, among others, our Controlling Shareholders, together with our Managing Director, Sun Bowen, our non-executive Chairman, Dr Lim Seck Yeow and Tan Geok Bee (who respectively own the entire issued and share capital of our Controlling Shareholders) have undertaken not to dispose or transfer any part of their direct and indirect interests in our Company on or before 16 October 2006, that is, a period of six months commencing from 17 April 2006 (the date of listing of our Company on the Official List of the SGX-ST).

The directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

The initial public offering for the shares of Fabchem China Limited was sponsored by HL BANK (the "Manager"). The Manager assumes no responsibility for the contents of this announcement.

By Order of the Board

Dr Lim Seck Yeow  
Non Executive Chairman  
19 July 2006

Note:

- 1 As at the date of this announcement, our Controlling Shareholders are Fortsmith Investments Limited and Fivestar Limited.