

# **FABCHEM CHINA LIMITED**

## **INCREASE IN THE REGISTERED CAPITAL OF ITS WHOLLY-OWNED SUBSIDIARY**

The Board of Directors of Fabchem China Limited (“Company”) wishes to announce that the registered capital of its wholly-owned subsidiary, Shandong Yinguang Technology Co., Ltd has been increased from RMB35,000,000 to RMB100,000,000 on 26 April 2006. The investment was funded through the IPO proceeds of the Company, which was completed on 17 April 2006.

The investment is not expected to have any material impact on the net tangible assets per share or the earnings per share of the Group for the financial year ending 31 March 2007.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the investment.

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  
4 May 2006