



Fabchem China Limited

FOR IMMEDIATE RELEASE

Fabchem's Subsidiary Obtained Approvals for Export Licence A Significant Achievement by the Group

Singapore, 27th July 2007 – Fabchem China Limited (Bloomberg: FABC SP) today announced that on 25th July 2007, its wholly-owned subsidiary, Shandong Yinguang Technology Co., Ltd. (“Yinguang Technology”) obtained the Export Licence from the Commission of Science, Technology and Industry for National Defense (“Constind”) of The People’s Republic of China (“PRC”).

Yinguang Technology is one of the few commercial explosives manufacturers in PRC who managed to obtain the Export Licence under the new special approvals due to continuing exporting volume and increase in demand from international markets as well as the Company’s co-operation with Dyno Nobel Limited (“Dyno Nobel”).

The Export Licence will allow Yinguang Technology to carry out the export of commercial explosives devices to its overseas customers directly without the need for export agents appointed by the PRC Government, thus bringing commercial benefits to the Company and its subsidiaries (the “Group”). For example, the Group will no longer need to pay export agent fees for overseas sales. In addition, the Group will be able to strengthen the commercial relationship with its overseas customers.

“The Export Licence granted by Constind under the new special approvals is an attestation of the support provided by the Shandong Commission of Science and Technology and the Constind on our Group’s effort to becoming a major exporter of commercial explosive devices in PRC” said the Group’s Managing Director, Mr Sun Bowen.

Mr Sun further went on to elaborate: “The demand for commercial explosive devices has been increasing especially in developing countries where mining and infrastructure construction projects form the bulk of their economic activities. At the same time, we will continue to work closely with our customers from traditional international markets which we have been servicing over the past years. More importantly, we will attempt to penetrate into new international markets which have high demand for our products.”





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The management of the Group does not expect any material impact to the current year's profits.

>>>> The End

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Background

Fabchem China Limited

Fabchem (Bloomberg: FABC SP) is one of the leading manufacturers of commercial explosive devices in China. The Group's principal business activity is in the production and sale of commercial explosives products, comprising explosive devices, initiators and detonators, both under its own brand name ("Yinguang") and those of third parties. It also provides after-sales services to its customers such as technical assistance related to the detonating activities.

The Group's products are mainly used by the mining, hydroelectric and infrastructure construction industries, for activities such as coal mining, oil & gas exploration, construction of hydroelectric dams, roads and railways, and large construction projects. The Group sells its products to more than 10 countries, including China, Australia and South Africa.

