

FABCHEM CHINA LIMITED

MISCELLANEOUS ANNOUNCEMENT

The Board of Directors ("the Board") of Fabchem China Limited ("the Company") refers to our announcement dated 20 June 2006 and 28 June 2006 that the Controlling Shareholders¹ 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 and 19 July 2006 announced that the Controlling Shareholders had granted an exclusive and standstill period with one of the parties on 3 July 2006 ("the Said Party") with regards to the preliminary discussion on the potential acquisition of shares in the capital of the Company, and the Controlling Shareholders have suspended preliminary talks with the other party on 3 July 2006 for the duration of the exclusive and standstill period.

On 2 August 2006, the Company updated the Shareholders that the Preliminary Exclusive Discussions are still ongoing and that the Controlling Shareholders have on 1 August 2006 extended the exclusive and standstill period to 21 August 2006 for the purposes of the Preliminary Exclusive Discussions.

The Company wishes to announce that the Controlling Shareholders¹ have ceased the Preliminary Exclusive Discussions with the Said Party relating to the proposed acquisition of shares of the Company without having reached any agreement.

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 September 2006

Note:

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