

FABCHEM CHINA LIMITED

(Incorporated in Singapore)

(Company Registration Number 200413128G)

MISCELLANEOUS ANNOUNCEMENT

The Board of Directors (the "Board") of Fabchem China Limited (the "Company") wishes to update the Shareholders that an exclusivity agreement has been entered into between the Controlling Shareholders[#] of the Company with a third party in connection with a potential acquisition of shares in the share capital of the Company.

The Controlling Shareholders of the Company have entered into final stages of negotiations with this third party for the potential acquisition of shares amounting to not more than 29.9% of the shares in the Company. Parties have agreed to reach an agreement on the terms of the acquisition by 16 January 2007, failing which the exclusivity agreement with this third party shall lapse.

The Company will make the appropriate announcement at the relevant time should circumstances merit such an announcement. In the meantime, the Board wishes to make this announcement to avoid the establishment of a false market in the Company's shares.

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

12th January 2007

Note:

[#] As at the date of this announcement, our Controlling Shareholders are Fortsmith Investments Limited and Fivestar Limited.