

FABCHEM CHINA LIMITED

(Incorporated in Singapore)

(Company Registration Number 200413128G)

FABCHEM'S SUBSIDIARY OBTAINED APPROVALS FOR EXPORT LICENCE

The Board of Directors ("the Board") of Fabchem China Limited ("the Company") wishes to announce that on 25th July 2007, our wholly-owned subsidiary, Shandong Yinguang Technology Co., Ltd. ("Yinguang Technology") obtained the Export Licence approval dated 16th July 2007 from the Commission of Science, Technology and Industry for National Defense ("Constind") of the PRC. Previously, Yinguang Technology exports its products to overseas customers through export agents.

With the Export Licence, Yinguang Technology will be able to carry out its own export of commercial explosives to its overseas customers, without the need for export agents, thus bringing numerous benefits to the Company and its subsidiaries (the "Group"). For example, the Group will no longer need to pay export agent fees to export agents when we sell to our overseas customers and the Group will be able to strengthen our direct relationship with our overseas customers.

Yinguang Technology is one of the few commercial explosives manufacturers in the 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"). This also serves as an attestation to the support provided by the Shandong Commission of Science and Technology and the Constind.

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

By Order of the Board

Dr Lim Seck Yeow
Non-Executive Chairman

27th July 2007