



Fabchem China Limited

FABCHEM COMPLETES ACQUISITION OF LAND AND BUILDINGS

The Board of Directors (the "Board") of Fabchem China Limited (the "Company") refers to the Company's circular to shareholders dated 12 July 2011 in respect of the above captioned matter. The Company wishes to announce that its subsidiary, Shandong Yinguang Technology Co., Ltd ("Yinguang Technology") has completed the acquisition of the land and buildings ("Property") at Fei County, Linyi City, Shandong Province in China, where our manufacturing facilities are located.

Following our Extraordinary General Meeting ("EGM") held on 28 July 2011 and the subsequent quarterly announcements, the Company would like to inform our shareholders that our PRC legal advisors had confirmed that Yinguang Technology has obtained the land use right certificates and the building ownership certificates of the Property. The documents of titles in relation to the Property have been duly registered in the name of Yinguang Technology and Yinguang Technology owns the legal and valid title to the Property free from any encumbrances.

Following the legal advisers' confirmation, Yinguang Technology has proceeded to undertake the payment of RMB 19.3 million to the Vendor in accordance with the property transfer agreement (the "Agreement"). Yinguang Technology is in the process of securing bank loans of RMB 70.0 million ("Bank Loan"), which will be secured by the Property. The Company shall undertake the remaining payment of RMB 70.0 million to the Vendor as and when the Bank Loan is received.

The Company will continue to keep shareholders updated on the aforesaid transaction.

BY ORDER OF THE BOARD
SUN BOWEN
MANAGING DIRECTOR
8th October 2012

