



FABCHEM CHINA LIMITED

FOR IMMEDIATE RELEASE

Fabchem China's IPO 12.5x subscribed

- **Institutional and sophisticated investors, Invesco Hong Kong and Tommie Goh subscribed for placement shares**

Singapore, 13 April 2006 – Based in Shandong province in the People's Republic of China ("China"), Fabchem China Limited ("Fabchem") (中国杰化), one of the leading manufacturers of commercial explosive products in China, is pleased to announce that the invitation has been 12.5 times subscribed.

The 59,000,000 invitation shares, priced at S\$0.32 each, comprise 1,500,000 public offer shares and 57,500,000 placement shares. Placement shares comprise:

- (i) 57.3 million placement shares; and
- (ii) 0.2 million reserved shares, reserved for its Independent Directors and employees.

A total of 11,222 valid applications for an aggregate of 678,161,000 offer shares were received for the 1,500,000 offer shares available to the public for subscription. Application monies received from the public offer amounted to approximately S\$217.0 million.

The invitation shares represent approximately 25.2% of Fabchem's post-invitation issued share capital of 234,000,000 shares. Upon its listing on the Main Board of the SGX, Fabchem's shares will be traded in board lots of 1,000 shares. Trading is expected to commence on 9.00am, 17 April 2006.

Leading financial institution Invesco Hong Kong Ltd and prominent investor Tommie Goh of 2G Capital have been allocated 2.95 million and 6.2 million placement shares respectively.

Invesco Hong Kong Ltd is part of INVESCO. As one of the most experienced investment managers in Asia, INVESCO has a significant presence in the Asia Pacific region with offices in Hong Kong, Taiwan, Japan, Australia and Singapore. Mr Tommie Goh, on the

other hand, is the Chairman of 2G Capital Pte Ltd, a private investment company investing in listed stocks and private non-listed companies in the US and Asia Pacific.

Fabchem's Managing Director, Mr Sun Bowen (孙博文) remarked, "We would like to thank investors for their interest, confidence and support for Fabchem. In the recent weeks, we have feedback from London, Dubai, Singapore and Hong Kong investors commenting that Fabchem presents a good proxy for investments into China linked stocks particularly energy related ones. We believe that Fabchem will be on the radar screen of many institutional investors post listing."

Mr Khong Choun Mun, Head, Investment Banking, HL Bank, added, "We would like to congratulate Fabchem on its successful listing on the Mainboard of SGX. As the first commercial explosives manufacturer to be listed on the Mainboard of SGX, it has received overwhelming response from the invitation."

Fabchem's IPO was priced at an attractive pre-invitation PE of 7.86 times based on net profit for financial year ended 31 March 2005 and this compares favourably with listed comparables outside Singapore such as Melbourne-based Orica Ltd in Australia, which traded at a PE of 18.2 times forecasted net earnings for financial year ending September 2006 (source: extracted from Bloomberg on 13 April 2006).

HL Bank is the Manager, Underwriter and Placement Agent of Fabchem's IPO.

>>>> The End

More about Fabchem China Limited ("Fabchem")

Bloomberg: FABC SP

Based in the Shandong province in the People's Republic of China ("China"), Fabchem is one of the leading manufacturers of commercial explosive products in China. Its products include explosive devices (boosters (起爆具) and tube charges (爆裂管)), industrial fuse and initiating explosive devices (detonating cords (导爆索) and non-electric tubes(导爆管)), as well as industrial detonators (non-electric detonators (导爆管雷管) and piston non-electric detonators (活塞式导爆管雷管)). These products are widely used in mining, infrastructure, hydroelectric construction projects and oil exploration. Fabchem's products are sold to more than 10 countries, including the United States of America, China, Australia and South Africa.

Issued for and on behalf of Fabchem China Limited.
By Financial PR Pte Ltd

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