



Fabchem China Limited

INVESTMENT BY SUBSIDIARY IN A NEW COMPANY

The Board of Directors (the “**Board**”) of Fabchem China Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the wholly-owned subsidiary of the Company, Shandong Yinguang Technology Co., Ltd (“**Yinguang Technology**”) had invested in a newly incorporated company, Shandong Longdao Baopo Qicai Gufen Co., Ltd (山东省龙道爆破器材股份有限公司) (“**Longdao Baopo Qicai**”).

Longdao Baopo Qicai is incorporated in the People’s Republic of China with a registered capital of RMB 20 million. Yinguang Technology owns 11.65% equity interest, or equivalent of RMB 2.33 million, in Longdao Baopo Qicai. The principal activities of Longdao Baopo Qicai are to provide sales of chemical products which include, but not limited to, commercial explosives products.

The investment by Yinguang Technology in Longdao Baopo Qicai will be funded by internal resources and is not expected to have a material impact on the Company’s earnings per share and net tangible assets per share for the current financial period ending 30 June 2021.

None of the Directors, the controlling shareholders of the Company, and their respective associates has any interest, direct or indirect, in Longdao Baopo Qicai (other than through their respective shareholding interests in the Company, if any).

By Order of the Board

Bao Hongwei
Managing Director
29 January 2021