



Fabchem China Limited

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FABCHEM'S SALES TO DYNO NOBEL INCREASES SIGNIFICANTLY

- **Sales to Dyno Nobel increased 16-fold to RMB 13.3 million**
- **Represents strong global recognition of the Group's quality products in this supply-regulated industry**

Singapore, 05 August 2011 – Singapore Exchange Mainboard-listed **Fabchem China Limited** (“**Fabchem**” or “**the Group**” or “**中国杰化有限公司**”) announced today the Group's aggregate sales to two parties, Dyno Nobel Asia Pacific Pty Ltd (“**DNAP**”) and DNX Australia Pty Ltd (“**DNX Australia**”), increased significantly to RMB 13.3 million during the current financial year-to-date.

Based in China with a 30 year safety track record, Fabchem is a leading manufacturer of initiation systems and the largest boosters and detonating cords producer within a supply-regulated industry in China where foreign involvement are restricted.

Dyno Nobel, the world's second largest commercial explosives manufacturer, is a strategic partner of Fabchem. Through the acquisition of Dyno Nobel in 2008, Incitec Pivot Limited owns a 29.9% strategic stake in Fabchem. Incitec Pivot Limited is an Australia-listed leading global manufacturer of nitrogen-based chemicals.

Growing mining activities in Australia drives demand for commercial explosives products

In tandem with rising worldwide energy and commodity demand from developing economies such as China and India, mining activities in Australia have increased with steady growth.

Commenting on the increased sales to Dyno Nobel, Mr Sun Bowen (“**孙伯文**”), Managing Director of Fabchem China Limited, said, “The significance of the increased sales to Dyno Nobel is not so much because of its value, but for what it represents in terms of the Group's overseas growth and development.

Cooperating with top tier industry players, like Dyno Nobel, is part of our business strategy to enhance our value proposition to customers.

In 2010, we have worked together with Dyno Nobel to test various types of Fabchem's boosters under different working environment and weather conditions in Australia and we achieved satisfactory results that were comparable to global quality standards and reliability.”



Recognition of the Group's quality products in this supply-regulated industry

Successfully meeting the stringent criteria and obtaining the desired effect, the Group's boosters were well-received and accepted by Dyno Nobel.

Mr Sun added, "Australia, being a major-mining country, is a strategic market for Fabchem and this is a strong testimony to our product quality and reliability.

We see the potential for higher demand of commercial explosive products in Australia. Leveraging on Dyno Nobel's extensive channels and established customer base in their key operating market, we are able to gain access and capitalise on the growth opportunities in the Australian market."

With repeat customers accounting for more 80% of annual revenue, the Group has established a diversified clientele base of over 150 customers in the mining, infrastructure and energy exploration industries.

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This document is to be read in conjunction with Fabchem's exchange filings on 05 August 2011, which can be downloaded via www.sgx.com.

Issued on behalf of Fabchem China Limited by ShareInvestor Pte Ltd

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About Fabchem China Limited ("Fabchem" or "the Group")

Listed on the Singapore Exchange Mainboard, Fabchem is one of the leading manufacturers of initiation systems and the largest boosters and detonating cords producer within a supply-regulated industry in China. Fabchem's products are widely used in the mining, energy exploration, hydroelectric and infrastructure construction sectors. These include explosive devices (boosters, tube charges and seismic charges), industrial fuse and initiating explosive devices (detonating cords and non-electric tubes), industrial detonators (piston non-electric detonators), as well as explosive-grade ammonium nitrate.

With its products sold to more than 150 customers in the mining, energy exploration, hydroelectric and infrastructure construction industries across more than 10 countries, the Group has established "Yinguang" as a brand name synonymous with safety, reliability and high quality. Fabchem's reputation as an established initiation systems producer of international-standard quality has strengthened its competitive positioning within commodities-driven economies.
