



Fabchem China Limited

CHINESE AUTHORITIES TO TEMPORARILY SUSPEND ALL COMMERCIAL EXPLOSIVES PRODUCTION FOR SAFETY CHECKS IN SHANDONG PROVINCE

- Recent explosion accident at an unrelated commercial explosives manufacturing plant in Shandong Province prompted this temporary measure
- Adhering to stringent safety standards over the past 30 years, Fabchem will continue to review its safety and emergency procedures to further reduce these operating risks

Singapore, 23 May 2013 – Singapore Exchange Mainboard-listed Fabchem China Limited (“Fabchem”, “中国杰化有限公司” or “the Group”), has announced today that its commercial explosive manufacturing facilities in Shandong Province will temporarily suspend production following the Chinese authorities’ issuance of a “cease production” order to all commercial explosives production in Shandong province with effect from 20 May 2013, after a recent explosion accident at an unrelated commercial explosives manufacturing plant in Shandong Province. The “cease production” order will continue until further notice from the Chinese authorities.

This unfortunate accident occurred on 20 May 2013 at a seismic charge manufacturing plant at Caofan Township, Zhangqiu City, Jinan, Shandong Province, under the state-owned corporation, China Poly Group (中国保利集团).

Recognising the sensitivity of its products, the Group has continuously advocated safety consciousness and installed safe work places in all its production facilities. Enabling an accident-free workplace for more than 30 years, Fabchem places top emphasis on the prevention of workplace injuries and accidents.

As part of its operating process, Fabchem will continue to review of its safety and emergency procedures to further reduce these risks to the absolute minimum. During this period of ceased production, the staff will continue to undergo safety training and education programs to further enhance the safety awareness culture within the Group.

Separately, the “cease operation” order does not affect Hebei Yinguang Chemical Co., Ltd’s ammonium nitrate production facilities.

The management will continue to closely monitor the situation and update shareholders of any material impact to the Group accordingly.

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For any enquires on Fabchem's latest corporate announcements, pls email: ir@fabchemchina.com

About Fabchem China Limited (Bloomberg Code: FABC:SP / Reuters Code: FBCH.SI)

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 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.