



Fabchem China Limited

INTERESTED PERSON TRANSACTIONS

In compliance with Chapter 9 of the Listing Manual, Fabchem China Limited (the “Company”) and its subsidiaries (the “Group”) wishes to inform that the aggregate value of all transactions (above S\$100,000) entered into with the same interested person during the current financial year has exceeded 3% of the Group’s latest audited net tangible assets.

Interested person transactions were entered into between the Group’s subsidiary, Shandong Yinguang Technology Co., Ltd (“Yinguang Technology”) and two parties, Dyno Nobel Asia Pacific Pty Ltd (“DNAP”) and DNX Australia Pty Ltd (“DNX Australia”) during the current financial year-to-date. DNX Australia, which owns 29.9% of the Company, is a wholly-owned subsidiary of DNAP.

These interested person transactions were sales of our boosters, by Yinguang Technology to DNAP and DNX Australia in the ordinary course of business. All the terms of the sales of boosters including the selling price were arrived at based on normal commercial terms negotiated on an arms-length basis.

All interested person transactions are subjected to review by the Company’s Audit Committee on a periodic basis and the Audit Committee is of the view that these interested person transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

Name of interested person	Aggregate value of interested person transactions during the financial year-to-date RMB’000
Dyno Nobel Asia Pacific Pty Ltd	12,370
DNX Australia Pty Ltd	943
Total	13,313
Latest Audited Net Tangible Assets	380,293
% of Net Tangible Assets (“<u>NTA</u>”)	3.50%

All future transactions entered into with DNAP and DNX Australia during the current financial year would be similar to the nature of the above transactions.

Save as disclosed above, the directors and substantial shareholders of the Company do not have any interest, direct or indirect, in the aforesaid interested person transactions.

BY ORDER OF THE BOARD
SUN BOWEN
MANAGING DIRECTOR
5 AUGUST 2011