



FABCHEM CHINA LIMITED

# BLAZING THE WAY AHEAD

ANNUAL REPORT 2012





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Fabchem has achieved a record financial performance this year with the boost in market demand for our commercial explosives. Sales for our products, especially our explosive-grade ammonium nitrate and boosters, rose significantly during the year for our China market as well as overseas markets like Australia.

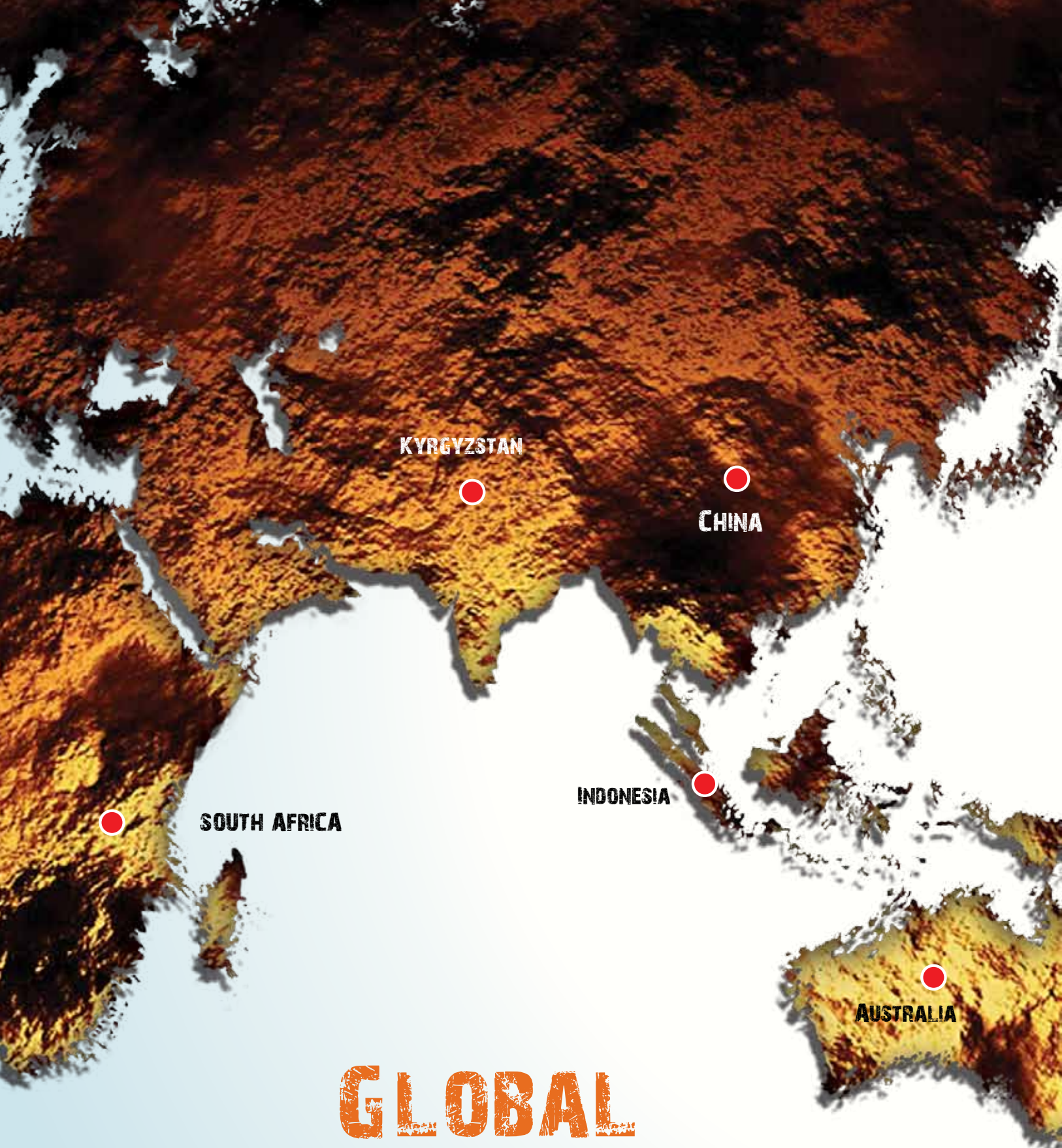
Looking forward, we will continue to blaze our way ahead, capitalising on the sustained business activities in the mining, energy exploration, hydroelectric and infrastructure construction sectors. Fabchem is confident that this would be a guiding light and will lead us to strengthen our global position as one of the leading manufacturers of commercial explosives with organic growth across our business segments.

## ABOUT US

Established in Shandong, China since 1979, and listed on the Mainboard of Singapore Exchange Securities Trading Limited in April 2006, Fabchem China Limited (“Fabchem”) is one of the leading manufacturers of initiation systems and the largest boosters and detonating cords producer within a highly regulated industry in the People’s Republic of China (“China”). Fabchem’s products are widely used in the mining, energy exploration, hydroelectric and infrastructure construction sectors. Our products include explosive devices (boosters and seismic charges), industrial fuse and initiating explosive devices (detonating cords and non-electric tubes), industrial detonators (non-electric detonators and piston non-electric detonators) as well as explosive-grade ammonium nitrate.

Fabchem’s subsidiary, Shandong Yinguang Technology Co., Ltd, is the pioneer and market leader in the production of boosters in China. Our boosters are tested and certified by Universal Tech Corporation R&D Laboratory, an authorised inspection institute for initiating explosive devices based in United States of America.

Fabchem’s initiation system products of international-standard quality are sold to more than 150 customers in the mining, energy exploration, hydroelectric and infrastructure construction industries across more than 10 countries, including China, Australia, Indonesia, Mongolia, India, Kazakhstan and Kyrgyzstan. Fabchem’s products are sold under the brand name “Yinguang” in China, and also marketed internationally to other major resource-rich countries. As an established commercial explosives producer, the Group also undertakes original equipment manufacturing for renowned global commercial explosives companies.



**KYRGYZSTAN**

**CHINA**

**SOUTH AFRICA**

**INDONESIA**

**AUSTRALIA**

# **GLOBAL MARKET PRESENCE**





Through our three-pronged approach of strengthening our strategic ties and working relationship with our strategic partner, Dyno Nobel; generating organic growth by capitalising on new growth strategies and tapping into new territories; as well as building on our business synergies, we are enhancing the value of our products to our customers and fortifying our growing position in this specialised market as a reputable, reliable and cost-effective business partner.

#### **AUSTRALIA**

Known for its vast land mass rich in mineral deposits, Australia's mining activities continue to supply the world with key raw materials and commodities.

#### **CHINA**

Since the start of 2006, Chinese geologists have discovered more than 1,200 mineral fields nationwide. Anticipating a long-term increase in demand for mineral products, the Chinese government aims to reduce reliance on mineral imports by raising domestic productivity for future economic development.

#### **INDONESIA**

Rich in various mining resources including gold, coal, copper, tin, bauxite and nickel. It is also the world's largest exporter of thermal coal currently.

#### **KYRGYZSTAN**

While gold mining remains Kyrgyzstan's primary mining activity, the country is also rich in mineral resources like coal, iron, mercury, copper and others.

#### **SOUTH AFRICA**

The mining industry is regarded as a cornerstone of the economy. The demand for the many commodities that South Africa possesses has played a major role in the economic growth of the country.

# PLATFORM FOR GROWTH





“With continued strong demand for our products in China, Australia and other overseas markets over the past years, Fabchem China Limited is optimistic on the dynamism and growth opportunities in these areas. Besides, we are also actively boosting our presence in the global market by leveraging on our reputed track record and capitalising on any business potential, aligning them to the direction of our plans for sustainable long-term growth.”





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