



**Fabchem China Limited**

## **CORPORATE UPDATE**

The Board of Directors (the “Board”) of Fabchem China Limited (the “Group”) wishes to update our shareholders that our subsidiary, Shandong Yinguang Technology Co., Ltd (“Yinguang Technology”) has successfully loaded its commercial explosives products onto the vessel arranged by Orica Australia through the Port of Weihai on 21 September 2015.

On 7<sup>th</sup> September 2015, the Group had issued a profit warning as the explosions at the unrelated warehouses situated at the Port of Tianjin has led to the temporary closure of other ports, namely Port of Qingdao and Port of Weihai, which our subsidiary, Yinguang Technology is using for the export of commercial explosives.

The closure of these ports and stoppage of port activities for commercial explosives have affected our customers’ vessels from docking at the ports and thus Yinguang Technology has been unable to load the commercial explosive products onto our customers’ vessels. Hence, as part of the above mentioned circumstances, the impact on the Group’s financial performance for 2Q2016 and for the financial year ending 31 March 2016 (“FY2016”) may be significant.

With the resumption of port activities for commercial explosives at the Port of Weihai, the potential impact of the temporary port closures on the financial performance of the Group appears to have decreased significantly.

Further details of the Group’s performance will be disclosed when it has finalised its unaudited financial results for 2Q2016. Details of the Group’s results in 2Q2016 are expected to be released on or before 13 November 2015. In the meantime, shareholders of the Group and potential investors are advised to exercise caution when dealing in the shares of the Group.

By Order of the Board

Sun Bowen  
Managing Director  
25 September 2015

