



Fabchem China Limited

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

UPDATE ON AMENDMENTS TO RULE 705(2) OF THE LISTING MANUAL OF SGX-ST

UPDATE ON 2019 NOVEL CORONAVIRUS (“COVID-19”) ON THE GROUP’S PRODUCTION ACTIVITIES

The Board of Directors (the “Board”) of Fabchem China Limited (the “Company” and together with its subsidiaries, the “Group”) refers to its announcements dated 5 June 2017 and 4 December 2018 in relation to the notification of inclusion on the Watch-list pursuant to the Minimum Trading Price (“MTP”) Entry Criteria pursuant to Listing Rule 1311(2) with effect from 5 June 2017 and notification of 3 consecutive years pre-tax losses (“Financial Entry Criteria”) pursuant to Listing Rule 1311(1) with effect from 5 December 2018, respectively.

Pursuant to Rule 1313(2) of the Listing Manual of the SGX-ST, the Company must, for the period in which it remains on the Watch-list, provide the market with a quarterly update on its efforts and the progress made in meeting the exit criterion of the Watch-list.

Please refer to the Company’s announcement on 14 November 2019 on the unaudited financial statements of the Group for the second quarter ended 30 September 2019 for an update on the Group’s financial position and the Company’s announcement on 31 January 2019 for the update on the proposed acquisition of Shandong Laizhou Ping’an Commercial Explosives Co., Ltd. (“Laizhou Ping’an”).

With the amendments to Rule 705(2) of SGX-ST Listing Manual, which took effect on 7 February 2020, the Company will no longer be required to release its financial statements on a quarterly basis. The Board has, after due deliberations, decided to cease to release the quarterly results announcements. Going forward, the Company will release the half year and full year results announcements for the financial period ending 30 September and 31 March respectively. The Company’s next results announcement will be for the financial year ending 31 March 2020 (“FY2020”) and it is expected to be released on or before 29 May 2020.

The Company also wishes to update Shareholders that the current outbreak of the 2019 Novel Coronavirus (“COVID-19”) has delayed the commencement of our production activities in China as directed by the relevant Chinese authorities. The Group’s production activities were temporarily halted during the Chinese New Year/Spring Festival holidays and due to the COVID-19, the Group is awaiting for the directives from the relevant Chinese authorities before operations can resume. The Group has also implemented precautionary measures for the administrative staff who are on duty. The delay in the commencement of our production activities will have an impact to our financial results for FY2020.



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There is no other material development that may have a significant impact on the movement of the Company's share price that would affect its position on the Watch-list. Other than the Company's announcements on 18 June 2018 and 31 January 2019 on the proposed acquisition of Laizhou Ping'an, the Company will continue to explore to seek growth through other strategic acquisitions, joint ventures and alliances in addition to organic growth.

The Company will continue to make efforts and consider various options to meet the requirements of the MTP Exit Criteria under Rule 1314(2) of the SGX-ST's Listing Manual and will update Shareholders should there be further developments in due course.

By Order of the Board

Bao Hongwei
Managing Director
14 February 2020

