

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 announcement dated 14 February 2020 on the 2019 Novel Coronavirus ("COVID-19")'s impact on the Group's production activities.

As mentioned in the announcement dated 14 February 2020, the Group had delayed the commencement of our production activities in China as directed by the relevant Chinese authorities and the Group has implemented safety precautionary measures for the administrative staff who are on duty.

The Board wishes to inform our Shareholders that we had received the approval, dated 15 February 2020, from the relevant Chinese authorities to commence our production activities. In view of the COVID-19 situation, the Group has implemented additional safety precautionary measures for our employees and had progressively restarted our production activities on 17 February 2020. The Group will continue to monitor the situation closely and implement additional short-term precautionary measures, if required.

The delay in the commencement of our production activities will have an impact to our financial results for the financial year ending 31 March 2020 ("FY2020"). The Board will keep our Shareholders updated on any further material impact of COVID-19 on the Group's production activities.

By Order of the Board

Bao Hongwei Managing Director 17 February 2020

