

FABCHEM CHINA LIMITED
(Company Registration No.: 200413128G)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX'S QUERY ON RESULTS ANNOUNCEMENT FOR THE 1st QUARTER ENDED 30 JUNE 2019

The Board of Directors (the "Board") of Fabchem China Limited (the "Company") refers to the following query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on its Results Announcement for the 1st Quarter ended 30 June 2019 ("1Q2020") released on 14 August 2019, and wishes to provide the following clarifications:

SGX Query:

On page 9 of the Company's 1Q2020 results, the Company disclosed that "There were no export sales through export distributor and other countries". Please provide the reason for the lack of export sales and the factors that caused the fall in orders through export distributor and other countries.

Company's response:

There were no export sales through export distributor and other countries during 1Q2020 as there was a temporarily shortage of explosives raw materials which affected our production schedule for the manufacturing of explosives devices, in particular boosters which were the main product that the Group exports to overseas customers. Hence, there was no scheduled shipment for this category of overseas customers.

By Order of the Board
Fabchem China Limited

Bao Hongwei
Managing Director

Date: 23 August 2019